

Rutland County Council

Catmose, Oakham, Rutland, LE15 6HP

Telephone 01572 722577

Email: governance@rutland.gov.uk

Members of Rutland County Council District Council are hereby summoned to attend the **TWO HUNDRED AND THIRTY SEVENTH MEETING OF THE COUNCIL** to be held in the Council Chamber at Catmose, Oakham on **28 February 2022 commencing at 7.00 pm**. The business to be transacted at the meeting is specified in the Agenda set out below.

Prior to the commencement of the meeting, the Chairman will offer the opportunity for those present to join him in prayers.

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/

Although social distancing requirements have been lifted there is still limited available seating for members of the public. If you would like to reserve a seat please contact the Governance Team at governance@rutland.gov.uk. The meeting will also be available for listening live on Zoom using the following link: <https://us06web.zoom.us/j/93419116656>

Mark Andrews
Chief Executive

A G E N D A

- 1) **APOLOGIES**
- 2) **CHAIRMAN'S ANNOUNCEMENTS**
- 3) **ANNOUNCEMENTS FROM THE LEADER, MEMBERS OF THE CABINET OR THE HEAD OF PAID SERVICE**
- 4) **DECLARATIONS OF INTEREST**

In accordance with the Regulations, Members are invited to declare any disclosable interests under the Code of Conduct and the nature of those interests in respect of items on this Agenda and/or indicate if Section 106 of the Local Government Finance Act 1992 applies to them.

5) PETITIONS, DEPUTATIONS AND QUESTIONS FROM MEMBERS OF THE PUBLIC

To receive any petitions, deputations or questions received from members of the public in accordance with the provisions of Procedure Rule 28. The total time allowed for this is 30 minutes. Petitions, deputations and questions will be dealt with in the order in which they are received and any which are not considered within the time limit shall receive a written response after the meeting.

6) QUESTIONS FROM MEMBERS OF THE COUNCIL

To receive any questions submitted from Members of the Council in accordance with the provisions of Procedure Rules 30 and 30A.

7) REPORT FROM THE CABINET (Pages 5 - 218)

To receive Report No. 46/2022 from the Cabinet on recommendations referred to the Council for determination.

To approve Cabinet Recommendations to Council on the following reports:

- Report No. 03/2022 – Fees and Charges 2022/23
- Report No. 02/2022 – Treasury Management Strategy and Capital Investment Strategy 2022/23.
- Report No. 09/2022 – Revenue and Capital Budget 2022/23

8) COUNCIL TAX 2022/23 (Pages 219 - 230)

To receive Report No. 40/2022 from the Portfolio Holder for Finance, Governance and Performance, Change and Transformation.

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TO: MEMBERS OF THE COUNCIL

Councillor J Dale – Chairman of the Council

Councillor N Begy – Vice-Chairman of the Council

Councillor P Ainsley

Councillor D Blanksby

Councillor A Brown

Councillor P Browne

Councillor W Cross

Councillor S Harvey

Councillor M Jones

Councillor M Oxley

Councillor R Powell

Councillor L Stephenson

Councillor A Walters

Councillor S Webb

Councillor E Baines

Councillor K Bool

Councillor G Brown

Councillor J Burrows

Councillor J Fox

Councillor O Hemsley

Councillor A MacCartney

Councillor K Payne

Councillor I Razzell

Councillor L Toseland

Councillor G Waller

Councillor D Wilby

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THE COUNCIL'S STRATEGIC AIMS

- Delivering sustainable development
- Vibrant Communities
- Protecting the vulnerable
- Customer-focussed services

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COUNCIL

28 February 2022

CABINET RECOMMENDATIONS TO COUNCIL

Report of the Cabinet

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	<p>Cllr O Hemsley, Leader of the Council and Portfolio Holder for Policy, Strategy, Partnerships, Economy and Infrastructure</p> <p>Cllr K Payne, Portfolio Holder for Portfolio Holder for Finance, Governance and Performance, Change and Transformation</p>	
Contact Officer(s):	Marie Rosenthal, Interim Deputy Director for Corporate Governance and Monitoring Officer	mrosenthal@rutland.gov.uk
	Tom Delaney, Governance Manager	01572 720993 tdelaney@rutland.gov.uk
Ward Councillors	All	

DECISION RECOMMENDATIONS

That Council approves the recommendations from the Portfolio Holder for Portfolio Holder for Finance, Governance and Performance, Change and Transformation on 18 January 2022 and 15 February 2022:

Report No. 03/2022 – Fees and Charges 2022/23

- 1) Approves the level of fees and charges for 2022/23 as set out in Appendices 1-4 except for taxi and private hire vehicle licenses.
- 2) Approves new fees for:
 - Learning Disability Day Centre Places (para 3.5)
 - Highways Vehicle Access Permits (para 4.5), and s278 agreement minimum fee (para 4.3),
 - Parking of solo motorcycles, Blue Badge over 3 hours, permits for residents in zone A and U3A permits for visitors of residents in zones C, E & V, and permits for carers (paras 4.17 and 4.20),

- Coach Parking at Kilburn Road (para 4.18),
 - New parking services delivery, collection and photocopying of permits/season tickets, (para 4.21)
 - Installation of Advisory Blue Badge bays on street (para 4.22),
 - S106 monitoring fees (para 4.23) and exceptional review of Community Infrastructure Levy (para 4.24),
 - Museum and Castle full day hire and exclusive hire of the Castle for ceremonies (paras 4.10 and 4.11)
 - Registrars diary amendments and bookings (para 4.13).
- 3) Notes that taxi and private hire vehicle licenses fees will be subject to change based on the outcome of forthcoming consultation through a public notice procedure and be brought back for approval following that consultation.

Report No. 02/2022 – Treasury Management Strategy and Capital Investment Strategy

- 1) Approves the Treasury Management Strategy in Appendix 1 of the report including the Investment Strategy, Borrowing strategy, Minimum Revenue Provision statement and Capital Expenditure Prudential indicators.
- 2) Approves the Capital Investment Strategy in Appendix 2 of the report.

Report No. 09/2022 – Revenue and Capital Budget 2022/23

- 1) Approves the General Fund Budget for 2022/23 of £42.345m (Section 11)
- 2) Approves an increase in Council Tax of 4.99% including 3% for the Adult Social Care precept resulting in a Band D charge of £1,917.36 (Section 10)
- 3) Approves use of the remaining Government hardship fund to provide further council tax discounts to the most vulnerable residents (10.2.2)
- 4) Delegates authority to the Strategic Director for Resources in consultation with the Portfolio Holder with responsibility for Finance to administer the Council Tax energy rebate scheme using new burdens funding as appropriate.
- 5) Delegates authority to the Strategic Director for Resources and Strategic Director for Adult Services and Health to use any new burdens funding for adult social care charging reforms as required to enable the Council to meet the October 2023 target dates.
- 6) Delegates authority for the Chief Executive or Strategic Director for Resources in consultation with the Portfolio Holder with responsibility for Finance to continue discussions with cost reduction consultants and spend up to £100k on a viable project (8.3.7)
- 7) Approves additions/deletions to the capital programme as per 12.1.2
- 8) Approves changes to earmarked reserves as per 9.2.3

- 9) Notes that additional revenue or capital expenditure may be incurred in 2022/23 funded through 2021/22 budget under spends to be carried forward via earmarked reserves. The use of reserves for budget carry forwards is not currently shown in the budget but will have no impact on the General Fund
- 10) Approves the estimated surplus of £186k on the Collection Fund as at 31 March 2022 (Section 10.3) of which £159k is the Rutland share
- 11) Notes the responses to consultation (Section 15)
- 12) Notes the position on the Dedicated Schools Grant budget (Section 14)
- 13) Delegates authority to the s151 Officer to make any necessary changes to the budget arising from the Council tax decision and/or any additional funding received.

1 PURPOSE OF THE REPORT

- 1.1 To present the recommendations of the Cabinet referred to Council relating to the budget, arising from the meetings on 18 January 2022 and 15 February 2022.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 As outlined in Reports 02/2022, 03/2022 and 09/2022.

3 CONSULTATION

- 3.1 As outlined in Reports 02/2022, 03/2022 and 09/2022.

4 ALTERNATIVE OPTIONS

- 5 To not receive the Cabinet's report to Council. However, Procedure Rule 246.3 of the Constitution requires submission of the report.

6 FINANCIAL IMPLICATIONS

- 6.1 The financial implications are set out in Reports 02/2022, 03/2022 and 09/2022.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

- 7.1 The legal and governance considerations are set out in Reports 02/2022, 03/2022 and 09/2022.

8 DATA PROTECTION IMPLICATIONS

- 8.1 Data protection implications are set out in Reports 02/2022, 03/2022 and 09/2022.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 As set out in Reports 02/2022, 03/2022 and 09/2022.

10 COMMUNITY SAFETY IMPLICATIONS

- 10.1 Any community safety implications are set out in Reports 02/2022, 03/2022 and

09/2022.

11 HEALTH AND WELLBEING IMPLICATIONS

11.1 Any health and wellbeing implications are set out in Reports 02/2022, 03/2022 and 09/2022.

12 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

12.1 Council is recommended to consider the budget proposals recommended by the Cabinet.

13 BACKGROUND PAPERS

13.1 Records of Decisions taken by Portfolio Holders following meetings of Cabinet on 18 January 2022 and 15 February 2022.

14 APPENDICES

14.1 Report No. 03/2022 – Fees and Charges 2022/23

Appendix 1: People Directorate proposed fees and charges 2022/23

Appendix 2: Places Directorate nationally set fees and charges 2022/23

Appendix 3: Places Directorate locally set fees and charges 2022/23

Appendix 4: Resources Directorate proposed fees and charges 2022/23

14.2 Report No.02/2022 – Treasury Management Strategy and Capital Investment Strategy

Appendix 1: Treasury Management Strategy

Appendix 2: Capital Investment Strategy

14.3 Report No. 09/2022 – Revenue and Capital Budget 2022/23

Appendix 1: Medium Term Financial Plan

Appendix 2: Pressure / Savings

Appendix 3: Earmarked Reserves

Appendix 4: People Directorate budget 22/23

Appendix 5: Places Directorate budget 22/23

Appendix 6: Resources Directorate budget 22/23

Appendix 7: Capital

Appendix 8: Consultation

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

CABINET

15 February 2022

FEES AND CHARGES 2022/23

Report of the Portfolio Holder for Finance, Governance and Performance, Change and Transformation

Strategic Aim:	All	
Key Decision: Yes	Forward Plan Reference: FP/100920	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr Karen Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
Contact Officer(s):	Saverio Della Rocca, Strategic Director for Resources (s.151 Officer)	01572 758159 sdrocca@rutland.gov.uk
Ward Councillors	Not Applicable	

DECISION RECOMMENDATIONS

That Cabinet recommends to Council:

1. To approve the level of fees and charges for 2022/23 as set out in Appendices 1-4 except for taxi and private hire vehicle licenses.
2. To approve new fees for:
 - Learning Disability Day Centre Places (para 3.5),
 - Highways Vehicle Access Permits (para 4.5), and s278 agreement minimum fee (para 4.3),
 - Parking of solo motorcycles, Blue Badge over 3 hours, permits for residents in zone A and U3A permits for visitors of residents in zones C, E & V, and permits for carers (paras 4.17 and 4.20),
 - Coach Parking at Kilburn Road (para 4.18),
 - New parking services delivery, collection and photocopying of permits/season tickets, (para 4.21)
 - Installation of Advisory Blue Badge bays on street (para 4.22),

- S106 monitoring fees (para 4.23) and exceptional review of Community Infrastructure Levy (para 4.24),
- Museum and Castle full day hire and exclusive hire of the Castle for ceremonies (paras 4.10 and 4.11)
- Registrars diary amendments and bookings (para 4.13).

3. To note that taxi and private hire vehicle licenses fees will be subject to change based on the outcome of forthcoming consultation through a public notice procedure and be brought back for approval following that consultation.

1 PURPOSE OF THE REPORT

1.1 This report sets out the proposals for fees and charges for services provided by the Council for the financial year 2022/23.

2 BACKGROUND

2.1 Fees and charges represent a significant source of finance for the Council. The Council receives approximately £4 million from fees and charges each year. It is important that fees and charges are set at an appropriate level to maximise income to the Council.

2.2 The Council provides a wide range of services for which fees and charges can be made. Some of these fees and charges are set at a statutory level such as planning application fees and environmental protection fees (nationally Set Fees). Other fees are discretionary, and the Council has the power to recover costs in such cases. Examples include bulky waste collection and room hire charges.

2.3 The majority of the Nationally Set Fees in Appendix 2 have not yet been confirmed by Government. The Council will charge fees for these services as dictated by legislation.

2.4 Fees and charges are reviewed annually as part of the budget and council tax setting process. Fees and charges need to be approved to be effective from April 2022. In reviewing the level of fees for 2022/23, various approaches have been adopted:

- Across all Fees and Charges inflation has been used at 5% for 2 main reasons:
 - a) For services where costs are primarily staff time based, the Council bases increase in charges on staff cost inflation. With a pay award pending for 2021/22 (1.75%) and potential pay award for 2022/23 plus the 1.25% Social Care Levy,
 - b) 12-month CPI rate to October 2021 is 4.2% and RPI 6%, the Council is using a midpoint figure of 5% unless there is business case to do something different.
- It has been recognised in some cases that charges needed refining as some services charging a single fee does not recognise that certain cases carry greater costs than others. For this reason, some fees have now been split.

- There are a small number of fees where no increase is proposed. Typically, this is either because there has been a recent increase or where increases may negatively impact income yield; and
- In some areas, fees have been increased in line with those charged by neighbouring Councils or to cover costs associated with related service delivery.

2.5 Sections 3 to 5 of this report highlight the key issues for each Directorate and the rationale for the proposals.

3 PEOPLE DIRECTORATE PROPOSALS

3.1 A detailed schedule of all fees and charges is provided at Appendix 1. The rationale for the proposals for each service area are set out below. There are currently no fees and charges within Children's Social Care.

Adult Social Care Charges

3.2 The way in which the Day Opportunities Service for adults with learning disabilities (including autism) is operated has changed. The overarching aim for those accessing this service is to promote independence, support health and well-being and prevent social isolation, loneliness, and deterioration. This will be achieved by delivering a personalised and flexible approach to providing meaningful day opportunities for each individual person and offered over 7 days a week as required through provision of a building base, and community-based activities. To achieve this the service will be provided in 3-hour blocks throughout 7 days a week, during the day and in evenings. Previously the service was only provided Monday - Friday and between 9am – 3pm.

3.3 As a result of this, and taking into account the users of the service, the existing charges have been reviewed. With effect from 2022/23 the charges will reflect service provision in 3-hour blocks and comprise 3 levels of service depending upon the requirements of each individual service user.

3.4 The other charges for service users in adult social care are for Deferred Payment Agreements (DPAs). DPAs are a form of loan for homeowners who move into residential care, enabling them to defer some of the costs of care which are then recovered from their estate or the sale of their property. The DPA fees relate to arrangement fees plus third-party charges and the charging of interest at the government rate on deferred payments. It is proposed that the DPA arrangement fee for 2022/23 be increased by pay inflation of 5% from £524 to £550, plus third-party charges.

3.5 Interest charged on Deferred Payments is set at the interest rate set by Government and is to be adjusted when interest rate changes are notified. This is now reviewed every 6 months on 1 January and July. The current interest rate is 0.75% as at the 1 July 2021.

Learning and Skills – School Improvement Service

3.6 Services available to schools and charges for school improvement depend upon two factors:

- the category of the school identified through risk assessment shared with the school
- the status of each individual school i.e., is the school maintained or Academy/ Free School. Independent schools have a further, higher charging scale.

3.7 The charging structures for schools have been reviewed and increased in line with pay inflation.

3.8 The Council has changed the way some High Needs services have been delivered as part of the Dedicated Schools Grant (DSG) Recovery Plan. This has resulted in 2 areas of fees becoming obsolete and have been removed. The Inclusion Officer fees are now covered by High Needs Funding and Educational Inclusion Partnership, and Learning and Skills no longer offer services for Specialist School Improvements.

4 PLACES DIRECTORATE PROPOSALS

4.1 Fees which are set nationally are set out in **Appendix 2**. Locally set fees are set out in **Appendix 3**.

4.2 Many of services in the Places Directorate are provided by Peterborough City Council (PCC) on behalf of Rutland. Where fees are charged to cover costs then the Council has received assurances from PCC that this is the case.

Highways

4.3 A minimum fee is to be imposed on Section 278 agreements of £3,500. A section 278 agreement (or s278) allows developers to enter into a legal agreement with the council (in our capacity as the Highway Authority) to make permanent alterations or improvements to a public highway, as part of a planning approval. There has previously been no minimum charge for an agreement fee, which can lead to small but complex and problematic S278's having exceptionally small fees, insufficient to cover the level of work required for technical vetting and inspections.

4.4 In addition, a change to the agreement fee band is proposed to charge 11% up to £500,000, (currently 11% up to £100k) then maintaining the 5% above this figure plus legal fees.

4.5 A new £500 fee is proposed for Section 184 vehicle crossing application and permit covering more than 2 properties and commercial properties. This permit is for a vehicle crossover, sometimes referred to as a dropped kerb. It is the way you access your property with a car or a commercial vehicle. The kerbs are dropped from their normal height and the footway or verge is strengthened. Each site must be assessed against current highway standards and existing conditions in the local area. Although the location of a vehicle crossover may seem safe factors will be considered such as road aesthetics, local amenities, parking and intended purpose. All vehicle crossing applications were previously covered by the one fee now classed as domestic for up to 2 properties.

Taxis

4.6 There is currently a standard fee in place for taxi operators licenses based on a 5-year licence but irrespective of the number of vehicles operated. This has been

increased by 5%, but the fee and fee structure will be subject to change based on the outcome of a forthcoming consultation exercise in the new year and be brought back for approval following that consultation.

- 4.7 The Taxi license fee was due to be consulted in in 2021/22, however due to the pandemic the Council was not able to undertake the consultation and therefore unable to implement a new fee structure for this area.

Waste Management

- 4.8 Appendix 3 includes the Green Waste charges for online applications increased by £5 to £45 for 2022/23 with a charge of £48 for all other applications e.g., phone applications as agreed by Council on 18 May (Report No: 64/2021).
- 4.9 Waste collection and disposal fees have been increased by 5% in line with inflation. A £3 surcharge will be added to Bulky Waste collections where they are not booked online.

Museum

- 4.10 A new charge of £330 is proposed for a full day hire of the Museum or Great Hall at the Castle which covers normal opening hours of 10am to 4pm. Outside of these hours out of hours rates would apply.
- 4.11 A new charge of £1,200 is proposed for full day exclusive hire of the Castle for ceremonies.
- 4.12 For bookings cancelled with less than one month's notice it is proposed that the full booking fee is charged rather than the non-refundable deposit of £75.
- 4.13 In addition to the above there are 3 new fees proposed for diary amendments to an approved premise or decommissioned room ceremony. These are amendment within 6 weeks of ceremony £100, Proof of Life Declaration £20 to cover staff time and costs, and postage package and handling costs £2.

Development Control and Land Charges

- 4.14 Development control fees are set nationally.
- 4.15 Land charges and planning preliminary advice fees have increased by 5% in line with inflation.

Parking

- 4.16 Parking fees have been increased by 10% as the parking tariffs were last changed in April 2019 including a free 30-minute tariff to support town centre shopping. Parking income had dropped significantly in 2020/21 due to Covid-19 restrictions but is gradually returning to pre-pandemic levels. The Q2 forecast income was £532k compared to £156k 2021/22 (£566k in 2018/19 and £576k in 2019/20). Any changes to tariffs will incur expenditure on changes to signage, reprogramming machines and pay by phone fees.
- 4.17 There is currently no charge for Blue Badge holders and motorcycles. It is proposed that motorcycles will be charged as per the car parking tariff and blue badge holders

free parking is for the first 3 hours then charged at per the car parking tariff.

- 4.18 A new fee is proposed for parking at Kilburn Road Coach Park, £5.10 per bay per day (currently no charge).
- 4.19 Parking season tickets removed from mobiles as generally not used. There is still the ability to purchase season tickets through the Season Ticket Application Process on the Councils website.
- 4.20 New charges of £20 are proposed in respect of Residents in zones not previously charged and £20 for Carers permits to cover costs of administration.
- 4.21 A new service is to be offered to residents to deliver and collect permits and season tickets by hand (£2.50) and photocopying/scanning required per (A4) side £0.50 in relation to the season tickets/permits.
- 4.22 An Advisory Blue Badge Bay charge of £255 is proposed to cover the costs of administering and installation.

S106 Monitoring Fees

- 4.23 S106 monitoring fees are proposed ranging from £150 for a single dwelling to £3,000 for 50 plus dwellings based on average hours to taken to complete the monitoring process.
- 4.24 An Exceptional Circumstances Review fee of £150 is also proposed for Community Infrastructure Levy. Charging authorities may offer relief from the levy in exceptional circumstances where a person responsible for a specific scheme cannot afford to pay the levy. This fee will cover any requested review.

5 RESOURCES DIRECTORATE PROPOSALS

- 5.1 A detailed schedule of all fees and charges is provided at Appendix 4. Inflation at 5% has been applied, other than the Blue Badge Scheme and DBS checks where there are no proposed changes to the 2022/23 fees and charges.

Reprographics Services

- 5.2 The Council is permitted to make a charge for ad-hoc copying of information subject to the Local Government (Access to Information) Act 1985 and for information requested under the Freedom of Information Act 2000. This legislation allows the Council to recover reasonable costs in respect of providing the documentation. This includes direct material costs plus overheads.
- 5.3 The price per copy has been increased from £0.10 to £0.15 per copy as the fee was last changed in 2018/19.

Legal services

- 5.4 Charges for the provision of certain legal services under a fee structure are common practice across all areas of Local Government. Developers are required to pay the legal costs associated with s106 agreements, s38 agreements and s278 agreements. This fee income is administered by Peterborough Legal under the Council's shared service agreement. Legal fees for planning and highways

agreements have been increased by inflation to £190 per hour, and there is no change to the minimum fee equating to 4 hours work which with inflation is now £760. Time recording accurately records the time spent on each individual matter to ensure the developer is charged appropriately.

- 5.5 The Council's hourly rate applied in relation to any matters that require legal advice and can be recharged to customers has increased by inflation to £90.

Elections & Referendums – Charges to Parishes

- 5.6 The representation of the People Act 1983, Section 36 (4) requires the Council to cover all expenditure incurred by the Returning Officer in the holding of an election (or the Counting Office in the holding of a referendum). The fees for conducting Parliamentary, and European Parliamentary and Police and Crime Commissioner elections are regulated by the Returning Officers' Fees and Charges Orders made by the Government.

- 5.7 The Act allows the Council to recharge the costs of elections and referendums to parish councils. The Council works collaboratively with other authorities across Leicestershire to agree consistent fees.

- 5.8 The Council recharge Parishes for Parish Elections based on the actual amount incurred and this process will continue.

Disclosure and Barring Service (DBS) Checks

- 5.9 The HR Service acts as the 'administrator' for processing DBS Applications for:

- Employees and volunteers engaged by the Council
- Organisations who have some 'affiliation' to the Council or its services and provide voluntary services
- Fostering/Adoption service

- 5.10 An administration fee for undertaking these checks is charged, as permitted under section 93 of the Local Government Act 2003. This is not a statutory service – RCC and other organisations are able to secure the service from another Registered Body. We process approximately 60 applications per year for voluntary organisations.

- 5.11 We have developed an on-line application process. Taking into account the time involved in processing the application, the fee was set at £10 and there is no reason to change this at this time.

Blue Badges

- 5.12 Charges levied for Blue Badges (disabled parking permits) will remain at £10 per badge in line with the national Blue Badge Scheme, which allows for Local Authorities to charge successful applicants a maximum of £10.

6 CONSULTATION

- 6.1 This report was presented to the Scrutiny Committees during their budget meetings. There were no significant comments or queries raised.

- 6.2 Except for drivers' licences, the Council is required to consult upon the fees it intends to levy for taxi licences through a public notice procedure and as such these fees will be subject to change based on the outcome of a forthcoming consultation exercise.

7 ALTERNATIVE OPTIONS

- 7.1 The alternative options are to retain the current level of fees and charges or propose alternatives. To do so could have a negative impact on the Council's financial position and in some instances mean the actual costs of services provided are not recovered. Costs increase year on year and as such need to be reflected in this Policy.

8 FINANCIAL IMPLICATIONS

- 8.1 Income budgets are in many instances driven by demand and can be volatile. It is not always the case that an increase in charges will lead to increases in income received. There are two reasons for this: a) demand for the service may reduce, and b) additional income received helps address the underachievement of income targets rather than generate new income above existing budgets. For this reason, even where fees and charges are increased, income budgets are not always amended, and this is the case this year.

9 LEGAL AND GOVERNANCE CONSIDERATIONS

- 9.1 The annual review of fees and charges is an integral part of the budget and Council Tax Setting process. The approved fees and charges will form part of the overall budget presented to full Council for approval in February.
- 9.2 The majority of the Council's statutory services, Building Control being a key exception, are funded directly from the Council's other main sources of revenue, i.e. government grants and local taxation. Income received by Rutland from fees and charges is generated by both statutory and discretionary services. Where fees and charges apply to statutory services these are often set nationally, for example, some planning and licensing fees.
- 9.3 Under the Localism Act 2011 there is a general power of competence which explicitly gives Councils the power to do anything that an individual can do which is not prohibited by other legislation. This activity can include charging (i.e. to recover the costs of providing a discretionary service which the person has agreed to) or can be undertaken for a commercial purpose (i.e. to generate efficiencies, surpluses and profits) through a special purpose trading company.
- 9.4 The 2003 Act empowers councils to charge for any discretionary services (i.e. services councils have the power to provide but do not have a duty to provide by law) on a cost recovery basis. Statutory guidance published in 2003 outlines how costs and charges should be established, and that guidance remains in force (see: 'General Power for Best Value Authorities to Charge for Discretionary Services', ODPM, 2003). The Council must have regard to the guidance when charging for discretionary services under the 2003 Act. The 2003 Act also enables Councils to trade in activities related to their functions on a commercial basis with a view to profit through a company. Rutland does not undertake such activity.

10 DATA PROTECTION IMPLICATIONS

10.1 A Data Protection Impact Assessment (DPIA) has not been completed because there are no service, policy or organisational changes being proposed.

11 EQUALITY IMPACT ASSESSMENT

11.1 Two Equality Impact Screening Assessments have been undertaken as follows:

11.1.1 An Equality Impact Assessment Screening (EIAS) Report has also been completed for the general increases as set out in para 2.4. Implementing the fees and charges proposed does not have any impact on how the authority complies with its duties it is deemed that there is no potential discriminatory impact, and no further assessment is required.

11.1.2 Due to the change in the way the service is charged for a second EIAS Report has been completed for the changes set out in para 3.4 - 3.5 relating to the Day Opportunities Service for adults with learning disabilities. No potential discriminatory impact has been identified and no further assessment is therefore required.

12 COMMUNITY SAFETY IMPLICATIONS

12.1 There are no community safety implications arising from this report.

13 HEALTH AND WELLBEING IMPLICATIONS

13.1 There are no health and wellbeing implications arising from this report.

14 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

14.1 The annual review of fees and charges is an integral part of the budget and council tax setting process and is also to ensure the Council is compliant with legislative guidance. It is therefore recommended that Cabinet approve the proposals set out in the document.

15 BACKGROUND PAPERS

15.1 There are no additional background papers to the report

16 APPENDICES

16.1 Appendix 1 – People Directorate proposed fees and charges 2022/23

16.2 Appendix 2 – Places Directorate nationally set fees and charges 2022/23

16.3 Appendix 3 – Places Directorate locally set fees and charges 2022/23

16.4 Appendix 4 – Resources Directorate proposed fees and charges 2022/23

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People Fees and Charges 2022/23

Item	2021/22	2022/23 Proposal	Additional information 2022/23
Adult Social Care			
Deferred Payment Agreements (DPAs)			
DPA setup and management fee	£ 524.00	£ 550.00	Increase inline with Inflation (5%)
Interest on deferred payments	1.05%	0.75%	The Government sets the maximum interest rate; which can change every 6 months. The rate for 1/7/2021 - 31/12/2021 is quoted for 2022/23). The actual rate charged will be aligned to the latest published rate.
Learning Disability Day Centre Places - charges to third parties			
Level 1	£ 50.50	N/A	The service is no longer provided on a daily rate. Changes to the service provision was approved by Cabinet Report 35/2021. See new charges below.
Level 2 (standard)	£ 70.70	N/A	
Level 3 (1:1 / complex support), daily rate	£ 90.60	N/A	
Level 1 (1:2 support)	N/A	£ 61.70	The service will be provided in 3-hour blocks throughout 7 days a week, during the day and in the evenings. The charges are for a single 3 hour block. Changes to the service were approved by Cabinet Report 35/2021 dated 16 February 2021 and went to Full Council on 9 March 2021.
Level 2 (standard 1:1 support)	N/A	£ 97.90	
Level 3 (2:1 / complex support)	N/A	£ 150.50	

People Fees and Charges 2022/23

Item	2021/22	2022/23 Proposal	Additional information 2022/23	
School Improvement, Inclusion and Support Charges				
All the school charges below run in academic years so increases commence 1 September 2022				
Moderation of year 2 and year 6 statutory assessments	£ 434	£ 455		
Admissions (Support, Ranking and Distance Measurements)				
Three Support Packages				
Level 1				
Ranking (per hour) - Based on number of applications received for the school	£ 38	£ 40	Fees for 2021-2022 admissions rounds have been set as agreed by Schools Forum, and schools invoiced. Potential for 5% MTFP inflationary increases and CPI increase for 2022 - 2023 to be agreed through Schools Forum June 2022.	
Advice and Support (fixed fee)	£ 51	£ 54		
Distance Measurement Primary Schools (fixed fee)	£ 62	£ 65		
Distance Measurement Secondary Schools (fixed fee)	£ 87	£ 91		
Level 2				
Advice and Support (fixed fee)	£ 51	£ 54		
Distance Measurement Primary Schools (fixed fee)	£ 62	£ 65		
Distance Measurement Secondary Schools (fixed fee)	£ 87	£ 91		
Level 3				
Advice and Support (fixed fee)	£ 77	£ 81		
Educational psychologist (non statutory element)				
Per hour	£ 128	£ 100	Revised structure where the amount charged currently depends on the amount of time bought by the school or commissioner e.g. the greater the amount purchased, the lower the price. 5% MTFP inflationary increases and CPI.	
Per half day	£ 373	£ 374		
Per day	£ 613	£ 748		
Bespoke training for SEN				
Per hour	£ 128	£ 134	5% MTFP inflationary increases and CPI	
Per half day	£ 373	£ 392		
Per day	£ 613	£ 644		

Fees and Charges 2022/23

Item	2021/22	2022/23	Additional information 2022/23
Development Control Planning Application Fees			
Planning Application Fees - Apply from 17 January 2018 onwards. Based upon The Town and Country Planning Regulations 2012 (as amended) - Please see link.			Apply for Planning Permission Rutland County Council
Environmental Services			
EPA - annual subsistence charge (low risk)	£ 749	£ 749	Nationally set. Add £35 if paid quarterly.
EPA - annual subsistence charge (medium risk)	£ 1,125	£ 1,125	Nationally set. Add £35 if paid quarterly.
EPA - reduce fee activities (dry cleaners, petrol vapour recovery, waste oil burners)	£ 77	£ 77	Nationally set
EPA - odourising of natural gas	£ 378	£ 378	Nationally set
Explosives - (licence to store) new application (separation greater than 0 metres) 1 year	£ 185	£ 185	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (separation greater than 0 metres) 2 year	£ 243	£ 243	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (separation greater than 0 metres) 3 year	£ 304	£ 304	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (separation greater than 0 metres) 4 year	£ 374	£ 374	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (separation greater than 0 metres) 5 year	£ 423	£ 423	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (no minimum separation distance) 1 year	£ 109	£ 109	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (no minimum separation distance) 2 year	£ 141	£ 141	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (no minimum separation distance) 3 year	£ 173	£ 173	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (no minimum separation distance) 4 year	£ 206	£ 206	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (no minimum separation distance) 5 year	£ 238	£ 238	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (separation greater than 0 metres) 1 year	£ 86	£ 86	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (separation greater than 0 metres) 2 year	£ 147	£ 147	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (separation greater than 0 metres) 3 year	£ 206	£ 206	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (separation greater than 0 metres) 4 year	£ 266	£ 266	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) new application (separation greater than 0 metres) 5 year	£ 326	£ 326	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) renewal of application (no minimum separation distance) 1 year	£ 54	£ 54	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) renewal of application (no minimum separation distance) 2 year	£ 86	£ 86	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) renewal of application (no minimum separation distance) 3 year	£ 120	£ 120	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) renewal of application (no minimum separation distance) 4 year	£ 152	£ 152	Nationally set - The Explosives Regulations 2014 - Regulation 13
Explosives - (licence to store) renewal of application (no minimum separation distance) 5 year	£ 185	£ 185	Nationally set - The Explosives Regulations 2014 - Regulation 13

Fees and Charges 2022/23

Item	2021/22	2022/23	Additional information 2022/23
Explosives - (licence to store) transfer/variation/replacement	£ 36	£ 36	Nationally set - The Explosives Regulations 2014 - Regulations 16 and 17
Gambling - Gambling Act Permits Family Entertainment Centres (Application fee)	£ 300	£ 300	Nationally set
Gambling - Gambling Act Permits Family Entertainment Centres (Renewal fee)	£ 300	£ 300	Nationally set
Gambling - Gambling Act Permits Family Entertainment Centres (Change of name)	£ 25	£ 25	Nationally set
Gambling - Gambling Act Permits Family Entertainment Centres (Copy of permit)	£ 15	£ 15	Nationally set
Gambling - Gambling Act Permits Prize Gaming (Application fee)	£ 300	£ 300	Nationally set
Gambling - Gambling Act Permits Prize Gaming (Renewal fee)	£ 300	£ 300	Nationally set
Gambling - Gambling Act Permits Prize Gaming (Change of name)	£ 25	£ 25	Nationally set
Gambling - Gambling Act Permits Prize Gaming (Copy of Permit)	£ 15	£ 15	Nationally set
Gambling - Gambling Act Permits Notification of two machines (Application fee)	£ 50	£ 50	Nationally set
Gambling - Gambling Act Permits ALGMP (Application fee)	£ 150	£ 150	Nationally set
Gambling - Gambling Act Permits ALGMP (Annual fee)	£ 50	£ 50	Nationally set
Gambling - Gambling Act Permits ALGMP (Change of name)	£ 25	£ 25	Nationally set
Gambling - Gambling Act Permits ALGMP (Copy of permit)	£ 15	£ 15	Nationally set
Gambling - Gambling Act Permits ALGMP (Variation fee)	£ 100	£ 100	Nationally set
Gambling - Gambling Act Permits ALGMP (Transfer)	£ 25	£ 25	Nationally set
Gambling - Gambling Act Permits Club Gaming and Machine (Application fee)	£ 200	£ 200	Nationally set
Gambling - Gambling Act Permits Club Gaming and Machine (Annual fee)	£ 50	£ 50	Nationally set
Gambling - Gambling Act Permits Club Gaming and Machine (Renewal fee)	£ 200	£ 200	Nationally set
Gambling - Gambling Act Permits Club Gaming and Machine (Variation fee)	£ 100	£ 100	Nationally set
Gambling - Gambling Act Permits Club Gaming and Machine (Copy of permit)	£ 15	£ 15	Nationally set
Gambling - lottery (new application)	£ 40	£ 40	Nationally set
Gambling - lottery (renewals)	£ 20	£ 20	Nationally set
Licensing - Licensing Act Annual Premises Licence Fee (based on rateable value of premises) - A	£ 70	£ 70	Nationally set
Licensing - Licensing Act Annual Premises Licence Fee (based on rateable value of premises) - B	£ 180	£ 180	Nationally set
Licensing - Licensing Act Annual Premises Licence Fee (based on rateable value of premises) - C	£ 295	£ 295	Nationally set
Licensing - Licensing Act Annual Premises Licence Fee (based on rateable value of premises) - D	£ 320	£ 320	Nationally set

Fees and Charges 2022/23

Item	2021/22	2022/23	Additional information 2022/23
Licensing - Licensing Act Annual Premises Licence Fee (based on rateable value of premises) - E	£ 350	£ 350	Nationally set
Licensing - Licensing Act Annual Club Premises Certificate (based on rateable value of premises) - A	£ 70	£ 70	Nationally set
Licensing - Licensing Act Annual Club Premises Certificate (based on rateable value of premises) - B	£ 180	£ 180	Nationally set
Licensing - Licensing Act Annual Club Premises Certificate (based on rateable value of premises) - C	£ 295	£ 295	Nationally set
Licensing - Licensing Act Annual Club Premises Certificate (based on rateable value of premises) - D	£ 320	£ 320	Nationally set
Licensing - Licensing Act Annual Club Premises Certificate (based on rateable value of premises) - E	£ 350	£ 350	Nationally set
Licensing - Licensing Act Temporary Event Notice	£ 21	£ 21	Nationally set
Licensing - Licensing Act Personal Licence	£ 37	£ 37	Nationally set
Licensing - Licensing Act Premises licence Transfer	£ 23	£ 23	Nationally set
Licensing - Licensing Act Premises Licence Variation of DPS	£ 23	£ 23	Nationally set
Licensing - Licensing Act Premises Licence Minor Variation	£ 89	£ 89	Nationally set
Licensing - Licensing Act Premises Licence Notification of Interest	£ 21	£ 21	Nationally set
Licensing - Licensing Act Premises Licence Interim Authority Notice	£ 23	£ 23	Nationally set
Licensing - Licensing Act Premises/Club Copy of Licence	£ 11	£ 11	Nationally set
Licensing - Licensing Act Premises/Club Notification of change	£ 11	£ 11	Nationally set
Taxis - vehicle plate deposit	£ 20	£ 20	Nationally set
Petroleum - Licence to keep petroleum spirit (of a quantity not exceeding 2,500 litres)	£ 43	£ 43	Nationally set
Petroleum - Licence to keep petroleum spirit (of a quantity exceeding 2,500 litres but not exceeding 50,000 litres)	£ 59	£ 59	Nationally set
Petroleum - Licence to keep petroleum spirit (of a quantity exceeding 50,000 litres)	£ 123	£ 123	Nationally set
Petroleum - transfer of petroleum fee	£ 8	£ 8	Nationally set
Petroleum - Driver controlled licence (initial fee)	£ 205	£ 205	Nationally set
Petroleum - Driver controlled licence (transfer of petroleum fee)	£ 31	£ 31	Nationally set
Petroleum - Driver controlled licence (notices fee)	£ 5	£ 5	Nationally set
Dogs - dog recovery fee	£ 25	£ 25	Nationally set
Abandoned Vehicles - removal of vehicles equal to or less than 3.5 tonnes (vehicle on road, upright and not substantially damaged, or removal of any two-wheeled vehicle)	£ 150	£ 150	Nationally set
Abandoned Vehicles - removal of vehicles equal to or less than 3.5 tonnes, other than two-wheeled vehicles (vehicle on road but either not upright, substantially damaged or both)	£ 250	£ 250	Nationally set
Abandoned Vehicles - removal of vehicles equal to or less than 3.5 tonnes, other than two-wheeled vehicles (vehicle off road, upright and not substantially damaged)	£ 200	£ 200	Nationally set

Fees and Charges 2022/23

Item	2021/22	2022/23	Additional information 2022/23
Abandoned Vehicles - removal of vehicles equal to or less than 3.5 tonnes, other than two-wheeled vehicles (vehicle off road but either not upright, substantially damaged or both)	£ 300	£ 300	Nationally set
Abandoned Vehicles - storage of two-wheeled vehicles (per day)	£ 10	£ 10	Nationally set
Abandoned vehicles - storage of vehicles equal to or less than 3.5 tonnes, other than two-wheeled vehicles (per day)	£ 20	£ 20	Nationally set
Abandoned Vehicles - disposal of two-wheeled vehicles	£ 50	£ 50	Nationally set
Abandoned Vehicles - disposal of vehicles equal to or less than 3.5 tonnes, other than two-wheeled vehicles	£ 75	£ 75	Nationally set
Highways			
Inspection of works and reinstatement following:			
Charges in relation to works occupying the carriageway during period of overrun (Prescribed by legislation - New Roads and Street Works Act 1991)			
Traffic-sensitive street or protected street not in road category 2, 3 or 4. - First 3 days	£ 5,000	£ 5,000	Fixed National Rate (subject to National Change)
Amount (£) each subsequent day	£ 10,000	£ 10,000	Fixed National Rate (subject to National Change)
Other street not in road category 2, 3 or 4.	£ 2,500	£ 2,500	Fixed National Rate (subject to National Change)
Amount (£) each subsequent day	£ 2,500	£ 2,500	Fixed National Rate (subject to National Change)
Traffic-sensitive street or protected street in road category 2.	£ 3,000	£ 3,000	Fixed National Rate (subject to National Change)
Amount (£) each subsequent day	£ 8,000	£ 8,000	Fixed National Rate (subject to National Change)
Other street in road category 2.	£ 2,000	£ 2,000	Fixed National Rate (subject to National Change)
Amount (£) each subsequent day	£ 2,000	£ 2,000	Fixed National Rate (subject to National Change)
Traffic-sensitive street or protected street in road category 3 or 4.	£ 750	£ 750	Fixed National Rate (subject to National Change)
Amount (£) each subsequent day	£ 750	£ 750	Fixed National Rate (subject to National Change)
Other street in road category 3 or 4.	£ 250	£ 250	Fixed National Rate (subject to National Change)
Amount (£) each subsequent day	£ 750	£ 750	Fixed National Rate (subject to National Change)
NRSWA sample inspections	£ 50	£ 50	Fixed National Rate (subject to National Change)
Defect Inspection	£ 47.50	£ 47.50	Fixed National Rate (subject to National Change)
Third Party Defect	£ 68	£ 68	Fixed National Rate (subject to National Change)
Traffic Management Act 2004 (Section 41)			
Fixed Penalty Notice as prescribed in Traffic Management Act - Incorrect ETON Notices	£ 120	£ 120	Fixed National Rate
	£ 80	£ 80	If paid within 28 days
Section 74 Traffic Management Act 2004			
Fixed Penalty Notices	£ 120	£ 120	Fixed Fee. As per code of practice (set by central government/as revised by The Traffic Management Act)
Discounted rate	£ 80	£ 80	Fixed Fee. As per code of practice (set by central government/as revised by The Traffic Management Act)

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Land Charges			
Inspection of documents filed in respect of each parcel of land	£ 3.50	£ 3.70	5% inflation applied
Official search (including issue of official certificate of search)			
(a) in any one part of the register	£ 13	£ 14	5% inflation applied
(b) in the whole of the register			
(i) where the requisition is made by electronic means	£ 24	£ 25	
(ii) in any other case	£ 24	£ 25	
(c) in addition, in respect of each parcel of land above one, where more than one parcel is included in the same requisition (whether the requisition is for a search in the whole or any part of the register)	£ 10	£ 11	
Office copy of any entry in the register (not including a copy or extract of any plan or document filed)			
Standard enquiries (CON29R).	£ 96	£ 101	5% inflation applied
Additional parcel of land	£ 21	£ 22	
Optional enquiry (CON 290)	£ 15	£ 16	
Additional typed enquiry	£ 38	£ 40	
Charges for landowner statements made under s15A of the			
	£ 228	£ 239	5% inflation applied
Deposit of a Statement and Map . Fee includes provision for a single site notice erected on an existing structure.	£ 257	£ 270	5% inflation applied
	£ 284	£ 298	5% inflation applied
	£ 311	£ 327	5% inflation applied
	£ 339	£ 356	5% inflation applied
Additional deposit notice (price per notice). Each application (fee) includes provision of a single notice. Deposits with multiple parcels of land will require additional notices	£ 28	£ 29	5% inflation applied
	£ 33	£ 35	5% inflation applied
	£ 45	£ 47	5% inflation applied
	£ 55	£ 58	5% inflation applied
	£ 72	£ 76	5% inflation applied
Additional fee for joint applications made under s31 Highways Act			
Charge added to fees described above	£ 27	£ 28	5% inflation applied
Declarations under s31 of the Highways Act made in respect of			
Charge in addition to fee for deposit	£ 100	£ 105	5% inflation applied
Village Greens corrective applications			
To remove buildings/land wrongly registered	£ 1,000	£ 1,050	5% inflation applied
Correction of a mistake made by the Commons Registration authority	No fee	No fee	Cannot charge for this

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Development Control			
Copies of planning documents	As reprographics	As reprographics charges	
Copy Decision Notices (No charge for Parish Councils)	As reprographics	As reprographics charges	
Preliminary Planning Advice			
Commercial, minerals and waste, wind or solar installations			
0m ² to 99m ²	£ 153	£ 161	5% inflation applied
100m ² to 499m ²	£ 255	£ 268	
500m ² to 999m ²	£ 510	£ 536	
1000m ² plus	10% of planning application fee		
Householder and other applications	£ 69	£ 73	5% inflation applied
Residential			
1 to 4 dwellings	£ 204	£ 214	5% inflation applied
5 to 9 dwellings (first 5)	£ 255	£ 268	
5 to 9 dwellings (each additional dwelling over 5)	£ 51	£ 54	
10 to 24	£ 1,020	£ 1,071	
25 plus	10% of planning application fee		
Additional time (in excess of 3hrs) & communications requested by applicant (per hour)	£ 74	£ 78	5% inflation applied
High Hedge Complaint	£ 428	£ 450	5% inflation applied
Building Control			
Completion Certificate (Re-issue)	£ 31	£ 32	5% inflation applied
Completion Certificate (Re-issue)	£ 51	£ 54	5% inflation applied

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Environmental Services			
Housing - House of Multiple Occupation (HMO) licence fee	£ 800	£ 840	5% inflation applied
Housing - immigration inspection fee	£ 108	£ 114	5% inflation applied
Housing - improvement notice charge	£ 184	£ 193	5% inflation applied
Housing - prohibition notice charge	£ 70	£ 74	5% inflation applied
Housing - works in default per hour (maximum rate, depending on officer grade)	£ 34	£ 35	5% inflation applied
H&S - (registrations) Food Premises	Free	Free	
H&S - (registrations) Person Registrations (acupuncture, ear piercing, electrolysis, hairdressing, skin piercing, tattooist)	£ 97	£ 102	5% inflation applied
H&S - (registrations) Premises Registrations (acupuncture, ear piercing, electrolysis, hairdressing, skin piercing, tattooist)	£ 216	£ 227	5% inflation applied
Animal welfare - Selling animals as pets first application fee Part A	£ 294	£ 308	5% inflation applied
Animal welfare - Selling animals as pets renewal application fee Part A	£ 209	£ 220	5% inflation applied
Animal welfare - Selling animals as pets grant fee 1 year licence Part B	£ 256	£ 269	5% inflation applied
Animal welfare - Selling animals as pets grant fee 2 year licence Part B	£ 333	£ 349	5% inflation applied
Animal welfare - Selling animals as pets grant fee 3 year licence Part B	£ 409	£ 429	5% inflation applied
Animal welfare - Selling animals as pets full re-inspection / variation fee	£ 169	£ 178	5% inflation applied
Animal welfare - Providing or arranging for the provision of boarding (franchise premises) - first application fee Part A	£ 391	£ 410	5% inflation applied
Animal welfare - Providing or arranging for the provision of boarding (franchise premises) - renewal application fee Part A	£ 260	£ 273	5% inflation applied
Animal welfare - Providing or arranging for the provision of boarding (franchise premises) - grant fee 1 year licence Part B	£ 295	£ 310	5% inflation applied
Animal welfare - Providing or arranging for the provision of boarding (franchise premises) - grant fee 2 year licence Part B	£ 371	£ 390	5% inflation applied
Animal welfare - Providing or arranging for the provision of boarding (franchise premises) - grant fee 3 year licence Part B	£ 448	£ 470	5% inflation applied

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Animal welfare - Providing or arranging for the provision of boarding (franchise premises) - full re-inspection / variation fee	£ 227	£ 239	5% inflation applied
Animal welfare - Commercial operation - one animal type: kennels or catteries, including commercial dog day-care - first application fee Part A	£ 277	£ 291	5% inflation applied
Animal welfare - Commercial operation - one animal type: kennels or catteries, including commercial dog day-care - renewal application fee Part A	£ 194	£ 203	5% inflation applied
Animal welfare - Commercial operation - one animal type: kennels or catteries, including commercial dog day-care - grant fee 1 year licence Part B	£ 256	£ 269	5% inflation applied
Animal welfare - Commercial operation - one animal type: kennels or catteries, including commercial dog day-care - grant fee 2 year licence Part B	£ 333	£ 349	5% inflation applied
Animal welfare - Commercial operation - one animal type: kennels or catteries, including commercial dog day-care - grant fee 3 year licence Part B	£ 409	£ 429	5% inflation applied
Animal welfare - Commercial operation - one animal type: kennels or catteries, including commercial dog day-care - full re-inspection / variation fee	£ 169	£ 178	5% inflation applied
Animal welfare - Commercial operation - two animal types: kennels with catteries and kennels with dog day-care - first application fee Part A	£ 391	£ 410	5% inflation applied
Animal welfare - Commercial operation - two animal types: kennels with catteries and kennels with dog day-care - renewal application fee Part A	£ 260	£ 273	5% inflation applied
Animal welfare - Commercial operation - two animal types: kennels with catteries and kennels with dog day-care - grant fee 1 year licence Part B	£ 295	£ 310	5% inflation applied
Animal welfare - Commercial operation - two animal types: kennels with catteries and kennels with dog day-care - grant fee 2 year licence Part B	£ 371	£ 390	5% inflation applied
Animal welfare - Commercial operation - two animal types: kennels with catteries and kennels with dog day-care - grant	£ 448	£ 470	5% inflation applied
Animal welfare - Commercial operation - two animal types: kennels with catteries and kennels with dog day-care - full re-inspection / variation fee	£ 227	£ 239	5% inflation applied

Places Fees and Charges 2022/23				
Item	2021/22	2022/23		Additional information 2022/23
		Proposal		
Animal welfare - Home activities boarding / day-care - first application fee Part A	£ 164	£ 172	5% inflation applied	
Animal welfare - Home activities boarding / day-care - renewal application fee Part A	£ 128	£ 134	5% inflation applied	
Animal welfare - Home activities boarding / day-care - grant fee 1 year licence Part B	£ 168	£ 177	5% inflation applied	
Animal welfare - Home activities boarding / day-care - grant fee 2 year	£ 235	£ 246	5% inflation applied	
Animal welfare - Home activities boarding / day-care - grant fee 3 year licence Part B	£ 301	£ 316	5% inflation applied	
Animal welfare - Home activities boarding / day-care - full re-inspection / variation fee	£ 111	£ 117	5% inflation applied	
Animal welfare - Hiring out horses - first application fee Part A	£ 283	£ 297	5% inflation applied	
Animal welfare - Hiring out horses - renewal application fee Part A	£ 199	£ 209	5% inflation applied	
Animal welfare - Hiring out horses - grant fee 1 year licence Part B	£ 261	£ 274	5% inflation applied	
Animal welfare - Hiring out horses - grant fee 2 year licence Part B	£ 344	£ 361	5% inflation applied	
Animal welfare - Hiring out horses - grant fee 3 year licence Part B	£ 425	£ 447	5% inflation applied	
Animal welfare - Hiring out horses - full re-inspection / variation fee	£ 169	£ 178	5% inflation applied	
Animal welfare - Breeding dogs - first application fee Part A	£ 283	£ 297	5% inflation applied	
Animal welfare - Breeding dogs - renewal application fee Part A	£ 194	£ 203	5% inflation applied	
Animal welfare - Breeding dogs - grant fee 1 year licence Part B	£ 256	£ 269	5% inflation applied	
Animal welfare - Breeding dogs - grant fee 2 year licence Part B	£ 333	£ 349	5% inflation applied	
Animal welfare - Breeding dogs - grant fee 3 year licence Part B	£ 409	£ 429	5% inflation applied	
Animal welfare - Breeding dogs - full re-inspection / variation fee	£ 169	£ 178	5% inflation applied	
Animal welfare - Keeping or training animals for exhibition - first application fee Part A	£ 164	£ 172	5% inflation applied	
Animal welfare - Keeping or training animals for exhibition - renewal application fee Part A	£ 128	£ 134	5% inflation applied	
Animal welfare - Keeping or training animals for exhibition - grant fee 3 year licence Part B	£ 301	£ 316	5% inflation applied	

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Animal welfare - Keeping or training animals for exhibition - full re-inspection / variation fee	£ 111	£ 117	5% inflation applied
Gambling - Gambling Act premises licence - new application - Bingo	£ 2,988	£ 3,137	5% inflation applied
Gambling - Gambling Act premises licence - new application - Betting premises	£ 2,114	£ 2,220	5% inflation applied
Gambling - Gambling Act premises licence - new application - Tracks	£ 2,114	£ 2,220	5% inflation applied
Gambling - Gambling Act premises licence - new application - Family entertainment centres	£ 1,692	£ 1,777	5% inflation applied
Gambling - Gambling Act premises licence - new application - Adult gaming centre	£ 1,692	£ 1,777	5% inflation applied
Gambling - Gambling Act premises licence - annual fee - Bingo	£ 889	£ 934	5% inflation applied
Gambling - Gambling Act premises licence - annual fee - Betting premises	£ 536	£ 562	5% inflation applied
Gambling - Gambling Act premises licence - annual fee - Tracks	£ 889	£ 934	5% inflation applied
Gambling - Gambling Act premises licence - annual fee - Family entertainment centres	£ 670	£ 704	5% inflation applied
Gambling - Gambling Act premises licence - annual fee - Adult gaming centre	£ 889	£ 934	5% inflation applied
Gambling - Gambling Act premises licence - variation application - Bingo	£ 1,482	£ 1,556	5% inflation applied
Gambling - Gambling Act premises licence - variation application - Betting premises	£ 1,271	£ 1,334	5% inflation applied
Gambling - Gambling Act premises licence - variation application - Tracks	£ 1,059	£ 1,112	5% inflation applied
Gambling - Gambling Act premises licence - variation application - Family entertainment centres	£ 848	£ 890	5% inflation applied
Gambling - Gambling Act premises licence - variation application - Adult gaming centre	£ 848	£ 890	5% inflation applied
Gambling - Gambling Act premises licence - transfer fee - Bingo	£ 1,018	£ 1,069	5% inflation applied
Gambling - Gambling Act premises licence - transfer fee - Betting premises	£ 1,018	£ 1,069	5% inflation applied
Gambling - Gambling Act premises licence - transfer fee - Tracks	£ 805	£ 845	5% inflation applied
Gambling - Gambling Act premises licence - transfer fee - Family entertainment centres	£ 804	£ 844	5% inflation applied

Places Fees and Charges 2022/23				
Item	2021/22	2022/23		Additional information 2022/23
			Proposal	
Gambling - Gambling Act premises licence - transfer fee - Adult gaming centre	£ 1,018	£ 1,069	5% inflation applied	
Gambling - Gambling Act premises licence - application for re-instatement - Bingo	£ 1,018	£ 1,069	5% inflation applied	
Gambling - Gambling Act premises licence - application for re-instatement - Betting premises	£ 1,018	£ 1,069	5% inflation applied	
Gambling - Gambling Act premises licence - application for re-instatement - Tracks	£ 805	£ 845	5% inflation applied	
Gambling - Gambling Act premises licence - application for re-instatement - Family entertainment centres	£ 804	£ 844	5% inflation applied	
Gambling - Gambling Act premises licence - application for re-instatement - Adult gaming centre	£ 1,018	£ 1,069	5% inflation applied	
Gambling - Gambling Act premises licence - application for provisional statement - Bingo	£ 2,988	£ 3,137	5% inflation applied	
Gambling - Gambling Act premises licence - application for provisional statement - Betting premises	£ 2,440	£ 2,562	5% inflation applied	
Gambling - Gambling Act premises licence - application for provisional statement - Tracks	£ 2,114	£ 2,220	5% inflation applied	
Gambling - Gambling Act premises licence - application for provisional statement - Family entertainment centres	£ 1,693	£ 1,778	5% inflation applied	
Gambling - Gambling Act premises licence - application for provisional statement - Adult gaming centre	£ 1,693	£ 1,778	5% inflation applied	
Gambling - Gambling Act premises licence - application for provisional statement holders - Bingo	£ 1,018	£ 1,069	5% inflation applied	
Gambling - Gambling Act premises licence - application for provisional statement holders - Betting premises	£ 1,018	£ 1,069	5% inflation applied	
Gambling - Gambling Act premises licence - application for provisional statement holders - Tracks	£ 805	£ 845	5% inflation applied	
Gambling - Gambling Act premises licence - application for provisional statement holders - Family entertainment centres	£ 804	£ 844	5% inflation applied	
Gambling - Gambling Act premises licence - application for provisional statement holders - Adult gaming centre	£ 977	£ 1,026	5% inflation applied	
Gambling - Gambling Act premises licence - copy licence	£ 12	£ 13	5% inflation applied	

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Gambling - Gambling Act premises licence - notification of change	£ 28	£ 29	5% inflation applied
Private water supplies - Risk assessment	£ 43	£ 45	5% inflation applied
Private water supplies - Sampling visit	£ 43	£ 45	5% inflation applied
Private water supplies - Investigation	£ 43	£ 45	5% inflation applied
Private water supplies - Authorisation	£ 43	£ 45	5% inflation applied
Private water supplies - Analysis - under reg. 10 (domestic supplies)	£ 28	£ 29	5% inflation applied
Private water supplies - Analysis - check monitoring (commercial supplies)	£ 38	£ 40	5% inflation applied

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Private water supplies - Analysis - audit monitoring (commercial supplies)	£ 86	£ 90	5% inflation applied
Scrap Metal - Site licence fee	£ 339	£ 356	5% inflation applied
Scrap Metal - Metal Collectors licence fee	£ 237	£ 248	5% inflation applied
Scrap Metal - Licence variation fee	£ 43	£ 45	5% inflation applied
Scrap Metal - Replacement licence fee	£ 28	£ 29	5% inflation applied
Street Trading - A1 laybys	£ 731	£ 768	5% inflation applied
Street Trading - non-A1 laybys	£ 250	£ 262	5% inflation applied
Street Trading - service charge	£ 2,126	£ 2,232	5% inflation applied
Taxis - Hackney carriage driver's licence - 3 year (new)	£ 152	£ 160	5% inflation applied
Taxis - Private hire driver's licence - 3 year (new)*	£ 124	£ 130	5% inflation applied.
Taxis - Hackney carriage driver's licence - 3 year (renewal)*	£ 96	£ 101	
Taxis - Private hire driver's licence - 3 year (renewal)*	£ 96	£ 101	
Taxis - Driver's licence change between hackney carriage and private hire	£ 39	£ 40	5% inflation applied
Taxis - Hackney carriage vehicle licence fee (new / renewal) (yearly)*	£ 157	£ 165	5% inflation applied. Subject to change based on outcome of forthcoming consultation exercise expected to take place end of January 2022
Taxis - Private hire vehicle licence fee (new / renewal) (yearly)*	£ 157	£ 165	

Places Fees and Charges 2022/23				
Item	2021/22	2022/23		Additional information 2022/23
		Proposal		
Taxis - Private hire operators licence - 5 years - 1 to 5 vehicles*	£ 334	£	350	5% inflation applied. Subject to change based on outcome of forthcoming consultation exercise expected to take place end of January 2022
Taxis - Private hire operators licence - 5 years - 6 to 10 vehicles*	£ 334	£	350	
Taxis - Private hire operators licence - 5 years - 11 to 30 vehicles*	£ 334	£	350	
Taxis - Private hire operators licence - 5 years - 31 to 50 vehicles*	£ 334	£	350	
Taxis - Private hire operators licence - 5 years - 51+ vehicles*	£ 334	£	350	
Taxis - Replacement plate and / or replacement bracket	£ 20	£	21	5% inflation applied
Taxis - Replacement vehicle and reinstatement of place (accident)	£ 157	£	165	5% inflation applied
Taxis - Replacement driver's badge	£ 20	£	21	5% inflation applied
Taxis - Private hire plate exemption (new)	£ 56	£	59	5% inflation applied
Taxis - Private hire plate exemption (renewal)	£ 37	£	39	5% inflation applied
Taxis - Change of address	£ 15	£	16	5% inflation applied
Taxis - Replacement exemption certificate or replacement driver's licence	£ 15	£	16	5% inflation applied
* Taxis licences which require consultation upon the fees to be levied				
Bulky Waste - collection of up to four items of bulky waste (exemptions apply)	£ 35	£	36	5% inflation applied. A £3 surcharge will be added where not booked on line.
Bulky Waste - collection of up to four heavy duty bags full of soils and rubble (bags provided by the Council)	£ 50	£	52	5% inflation applied. A £3 surcharge will be added where not booked on line.
Waste Disposal - chargeable household waste (per tonne)	£ 123	£	130	5% inflation applied
Waste Disposal - Trade Waste (per tonne)	£ 123	£	130	5% inflation applied
Waste Collection - 1100 litre size Recycling (per collection, excluding disposal costs)	£ 9	£	9	5% inflation applied
Waste Collection - 660 litre size Recycling (per collection, excluding disposal costs)	£ 9	£	9	5% inflation applied
Waste Collection - 240 litre size Recycling (per collection, excluding disposal costs)	£ 9	£	9	5% inflation applied
Waste Collection - 1100 litre size Residual Waste (per collection, excluding disposal costs)	£ 10	£	11	5% inflation applied

Places Fees and Charges 2022/23				
Item	2021/22	2022/23		Additional information 2022/23
			Proposal	
Waste Collection - 660 litre size Residual Waste (per collection, excluding disposal costs)	£ 10	£ 11		5% inflation applied
Waste Collection - 240 litre size Residual Waste (per collection, excluding disposal costs)	£ 10	£ 11		5% inflation applied
Waste Collection/Disposal - 1100 Litre size Recycling (per collection)	£ 9	£ 9		5% inflation applied
Waste Collection/Disposal - 660 Litre size Recycling (per collection)	£ 9	£ 9		5% inflation applied
Waste Collection/Disposal - 240 Litre size Recycling (per collection)	£ 9	£ 9		5% inflation applied
Waste Collection/Disposal - 1100 Litre size Refuse (per collection)	£ 22	£ 24		5% inflation applied
Waste Collection/Disposal - 660 Litre size Refuse (per collection)	£ 17	£ 18		5% inflation applied

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	
		Proposal	
			Additional information 2022/23
Waste Collection/Disposal - 240 Litre size Refuse (per collection)	£ 12	£ 13	5% inflation applied
Green Waste collection charge (annual, per bin) online applications	£ 40	£ 45	Cabinet Report- cost recovery
Green Waste collection charge (annual, per bin) other applications	N/A	£ 48	Cabinet Report 89/2021
Burials - reservation for the next available plot	£ 87	£ 91	5% inflation applied
Burials - reservation for a chosen plot	£ 107	£ 112	5% inflation applied
Burials - reservation for non-Rutland residents	£ 128	£ 134	5% inflation applied
Burials - interment of the body of a stillborn child or child whose age at death did not exceed one year *	£ -	£ -	N/A
Burials - interment of the body of a child under the age of 18	£ -	£ -	N/A
Burials - interment of the body of a person whose age at death was over the age of seventeen *	£ 962	£ 1,010	5% inflation applied
Burials - interment of cremated remains *	£ 336	£ 352	5% inflation applied
Burials - additional charge for interment at a depth exceeding five feet *	£ 138	£ 145	5% inflation applied
Burials - exclusive right of burial in earthen graves (child's grave) *	£ 142	£ 149	5% inflation applied
Burials - exclusive right of burial in earthen graves (single grave up to five feet in depth) *	£ 2,223	£ 2,334	5% inflation applied
Burials - a flat stone on a single grave space *	£ 287	£ 301	5% inflation applied
Burials - a flat stone on a double grave space *	£ 397	£ 417	5% inflation applied
Burials - a headstone on a single grave space *	£ 287	£ 301	5% inflation applied
Burials - a headstone on a double grave space *	£ 397	£ 417	5% inflation applied
Burials - a footstone on a single grave space *	£ 287	£ 301	5% inflation applied
Burials - a footstone on a double grave space *	£ 397	£ 417	5% inflation applied
Burials - kerbstones or border stones on a single grave space *	£ 287	£ 301	5% inflation applied
Burials - kerbstones or border stones on a double grave space *	£ 397	£ 417	5% inflation applied
Burials - vase (not exceeding twelve inches in height) *	£ 79	£ 82	5% inflation applied
Burials - vase (exceeding twelve inches in height) *	£ 86	£ 90	5% inflation applied
Burials - tablet on any grave, gardens of remembrance or in the Chapel (to include Vase in the gardens of remembrance) *	£ 79	£ 82	5% inflation applied

Places Fees and Charges 2022/23				
Item	2021/22	2022/23		Additional information 2022/23
		Proposal		
Burials - any other monument not exceeding two feet in height on a single grave space *	£ 108	£ 114		5% inflation applied
Burials - any other monument exceeding two feet in height on a grave space *	£ 192	£ 201		5% inflation applied
Burials - charge for additional inscriptions *	£ 68	£ 72		5% inflation applied
Burials - charge for placing a vase not exceeding twelve inches on a grave without exclusive right of burial *	£ 68	£ 72		5% inflation applied
* Burial fees doubled for non-Rutland				
Forestry				
Forestry Advice & Inspections/hour	£ 55	£ 58		5% inflation applied
Highways				
Section 50 licence				
Opening of street/road for new service	£ 544	£ 571		5% Inflation added
Additional charge per 200m for works in excess of 200m	£ 150	£ 156		5% Inflation added
Opening of street/road for existing service repairs	£ 384	£ 403		5% Inflation added
Section 171 trial hole	£ 330	£ 347		5% Inflation added
Inspection of works and reinstatement following:				
Brown Signs				
Initial assessment fee (non refundable)	£ 240	£ 252		5% Inflation added
Design fee per sign	£ 122	£ 128		5% Inflation added
Sign washing fee per sign	£ 53	£ 56		5% Inflation added
Manufacture and installation	Sign(s) and post(s) at Term Maintenance Contract actual costs, plus 10% staff time			
Removal fee (at end of agreement period, if agreement not re-applied for and approved)	Sign(s) and post(s) at Term Maintenance Contract actual costs, plus 10% staff time			
Temporary Direction signs (e.g. to new housing developments)				
Application fee	As per Brown Signs (all additional costs calculable in the same way)			
Manufacture and installation fee	Sign(s) and post(s) at Term Maintenance Contract actual costs, plus 10% staff time			
Sign cleaning fee	£ 53	£ 56		5% Inflation added
Removal fee (at end of agreement period, if agreement not re-applied for and approved)	Sign(s) and post(s) at Term Maintenance Contract actual costs, plus 10% staff time			

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	
		Proposal	
Additional information 2022/23			
Other licences			
Skips - 1 week period – or part thereof	£ 30	£ 40	Increase cost of skip permit to £40 inline with Leicestershire and raise inline with inflation.
Skips - Extension for 1 weeks or part thereof	£ 30	£ 40	Increase cost of skip permit to £40 inline with Leicestershire and raise inline with inflation.
Skips - in addition to skip permit where suspension of parking bay per 6m2 per day	£ 25	£ 26	5% Inflation added.
Weekly charge for skips illegally placed on the highway or found to have exceeded its permit	£ 135	£ 142	5% Inflation added.
Scaffolds/Hoardings - 4 week period – or part thereof	£ 107	£ 112	5% Inflation added.
Scaffold/Hoarding - Extension for 4 weeks or part thereof	£ 80	£ 84	5% Inflation added.
Weekly charge for any scaffolding illegally placed on the highway or found to have exceeded its permit	£ 135	£ 142	5% Inflation added.
Mobile scaffold tower - per day	£ 107	£ 112	5% Inflation added.
Mobile tower extension - per day	£ 80	£ 84	5% Inflation added.
Cherry picker - per day	£ 107	£ 112	5% Inflation added.
Cherry picker extension - per day	£ 80	£ 84	5% Inflation added.
Building Material on the Highway - per week	£ 38	£ 40	5% Inflation added.
Building Material on the Highway - per additional week	£ 16	£ 17	5% Inflation added.
To place benches or obstruction i.e. notice board in Highway (initial fee to make or amend license)	£ 271	£ 285	5% inflation applied
To amend bench or obstruction license	£ 200	£ 210	5% inflation applied
Annual			
License to Cultivate	£ 72	£ 76	5% inflation applied
Street Café License - initial fee	£ 271	£ 285	5% inflation applied
Street Café License - renewal	£ 136	£ 143	5% inflation applied
Pavement License	£ 100	£ 100	Maximum fee permissible by Business & Planning Act 2020
To place A-board in highway - initial license	£ 53	£ 56	5% inflation applied
To place A-board in highway - annual renewal	£ 27	£ 28	5% inflation applied
Vehicle Access Permit			
Vehicle crossing application and permit Fee for Section 184 up to 2 properties (Domestic).	£ 160	£ 170	5% inflation applied to fee. Access construction costs at Term Maintenance rates + 10% admin fee will be charged if work done by Council contractors.

Places Fees and Charges 2022/23				
Item	2021/22	2022/23		Additional information 2022/23
		Proposal		
Vehicle crossing application and permit fee for Section 184 over 2 properties and commercial	N/A	£	500	New category of fee as vehicle crossing applications for commercial properties were previously covered by the one fee now classed as domestic. Access construction costs at Term Maintenance rates + 10% admin fee will be charged if work done by Council contractors.
H-Bar Marking	£ 165	£	173	
Other Charges				
Request for accident data – enquiry with no accidents (N.B. to commercial organisations – cost to litigants)	£ 48	£	50	5% inflation applied
Request for accident date (raw data – any enquiry up to 50 accidents) (N.B. to commercial organisations – cost to litigants)	£ 91	£	96	5% inflation applied
Request for accident date (major enquiry – over 50 accidents) (N.B. to commercial organisations – cost to litigants)	Cost plus F.O.I. duplicating & postage charges			
Speed Surveys	£ 426	£	447	5% inflation applied
Post for speed survey	Post at Term Maintenance Contract actual costs, plus staff time			
Land charges enquiry	£50 inc. VAT		£53 inc VAT	
Section 38, 278 and 106 Agreements				
Agreement Fees	11% to £100,000 then 5% plus legal fees.	11% to £500,000 then 5% plus legal fees		The agreement fee is to be charged upfront. Legal fees as quoted in Appendix - Resources
Section 278 agreement fee (Minimum fee)	N/A	£	3,500	There has been no minimum charge for an agreement fee, which can lead to small but complex and problematic S278's having exceptionally small fees, insufficient to cover the level of work required for technical vetting and inspections.
Road Closures and Traffic Management [TM]				
Temporary Road Closure Application	£ 819	£	860	5% inflation applied
(including advertising for works longer than 5 days)	£ 1,200	£	1,260	5% inflation applied
Temporary Traffic Regulation Order Application	£ 819	£	860	5% inflation applied
Deferring start date of an order already processed	£ 410	£	431	5% inflation applied
Emergency Road Closure (by Notice)	£ 546	£	573	5% inflation applied
Advertising Fees for Temporary Traffic Regulation Order	At cost plus 10% administration fee			

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Turning off of traffic signals for required works	£ 330	£ 347	5% inflation applied
Temporary Traffic Signals	£ 58	£ 61	5% inflation applied
Review of TM proposal:			
Major	£ 218	£ 229	5% inflation applied
Minor	£ 58	£ 61	5% inflation applied
re-submit	£ 58	£ 61	5% inflation applied
design of TM	£ 273	£ 287	5% inflation applied
installation of TM	Sign(s) and post(s) at Term Maintenance Contract actual costs, plus 10% staff time		
Traffic Regulation Orders on / for new development	Highway's staff time, advertising, works at cost, legal fees plus		
Materials & works ordered on behalf of third parties (e.g. Parish Councils)	Term Maintenance Contract actual costs, plus 10% staff time		
Filling of Parish Grit Bins	£ 62	£ 65	5% inflation applied
The Removal, Storage and Disposal of Structure with Highway i.e. Caravan, Highways Act 1980			
Removal of vehicles equal to or less than 3.5 tonnes:			
Vehicle on road, upright and not substantially damaged or any two	£ 218	£ 229	5% inflation applied
Land Drainage			
Land drainage consent application	£ 51	£ 54	5% inflation applied
Road Traffic Accidents			
If fatal and no-one convicted of an offence	£ -	£ -	No charge
Otherwise:	Term Maintenance Contract actual costs, plus 10% staff time		
Minimum charge	£ 213	£ 224	5% inflation applied

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Parking			
Penalty Charge Notices			
Car Parking Contravention - Higher Level Penalty	£ 70	£ 70	Set regionally by third party
Car Parking Contravention - Lower Level Penalty	£ 50	£ 50	Set regionally by third party
Littering from Vehicles - Higher Level Penalty	£ 300	£ 300	Not used but reserved
Littering from Vehicles - Lower Level Penalty	£ 150	£ 150	Not used but reserved
Car park tariffs (by machine / physical ticket)			Refer below
Up to 30mins	£ -	£ -	Free, no increase
1 hour	£ 1.00	£ 1.10	10% increases as not increased since 2019, 1 month season ticket can be offered due contactless threshold increase. Longer season ticket options still not being offered from machine.
3 hours	£ 2.50	£ 2.75	
Up to six hours	£ 4.30	£ 4.75	
Day	£ 4.80	£ 5.30	
Weekly (Monday - Saturday = MS)	£ 17.30	£ 19.00	
1 month (MS)	Not offered	£ 50.70	
3 months (MS)	Not offered	Not offered	
6 months (MS)	Not offered	Not offered	
Season (MS)	Not offered	Not offered	
Solo Motorcycles	£ -	As above	New charge for capacity / optimisation reasons
Blue Badge concession	£ -	As above but free for first 3 hours	New charge for capacity / optimisation reasons
Car park tariffs (by mobile)			
up to 30mins	£ -	£ -	Free, no increase
1 hour	£ 1.00	£ 0.90	10% increases as not increased since 2019. Convenience fees (20p) not to be absorbed by Council but set at lower amount to create parity with machine / physical ticket tariffs as far as customer experience is concerned.
3 hours	£ 2.50	£ 2.55	
Up to six hours	£ 4.30	£ 4.55	
Day	£ 4.80	£ 5.10	
Weekly (Monday - Saturday = MS)	£ 17.30	£ 18.80	
1 month (MS)	£ 46.10	£ 50.50	Season tickets removed as generally not used by mobile and need to be taken out of service in preparation for omissions based charging consideration.
3 months (MS)	£ 138.20	not offered	
6 months (MS)	£ 276.50	not offered	
Season (MS)	£ 553.00	not offered	
Solo Motorcycles	£ -	as above	New charge for capacity / optimisation reasons
Blue Badge concession	£ -	as above but free for first 3 hours	New charge for capacity / optimisation reasons
Kilburn Road Coach Park per bay per day	N/A	£ 5.10	New charge for capacity / optimisation reasons
Season Tickets for car parks			
3 months (MS)	£ 138.20	£ 152.00	10% increase as not increased since 2019, must be vehicle specific, up to 4 vehicles
6 months (MS)	£ 276.50	£ 304.15	
Season (MS)	£ 553.00	£ 608.30	
"VARIOUS" season tickets over 3 tariffs as above	as above	Not offered	
Permits for resident bays			
Resident permit (standard)	£ 40.00	£ 50.00	increase as not increased since 2019, must be vehicle specific, up to 4 vehicles

Places Fees and Charges 2022/23				
Item	2021/22	2022/23		Additional information 2022/23
		Proposal		
(Uppingham / Oakham D,N,L & S	£ 40.00	Not offered		
"VARIOUS resident(/for visitor) permits (Oakham C,E&V Zones)	£ 40.00	£	50.00	
Residents permit A zone	£ -	£	20.00	
U3A permits(for visitors) for residents each (only in C,E&V)	£ -	£	20.00	
Professional Carers permit (non-RCC)	£ -	£	20.00	
Professional Carers permit (RCC)	£ -	£	-	

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Residential Carers permit	£ -	£ 20.00	Increases as most not increased since 2017 or new charges to reflect administration costs or for capacity / optimisation reasons.
Barleythorpe Road resident permit	£ 262.00	£ 288.20	
Miscellaneous parking			
Dispensation per week	£ 25.00	£ 37.50	
Suspension for domestic removals per 6m per day (bay, yellows if safe)	£ 25.00	£ 37.50	
Resident Permit / season ticket / form hand-delivery within Oakham or Uppingham within 2 working days	not offered / £0	£ 2.50	
Resident Permit / season ticket / form hand-collection within Oakham or Uppingham within 2 working days	not offered / £0	£ 2.50	
Photocopy / scan per (A4) side in conjunction to both above	not offered / £0	£ 0.50	
Advisory Blue Badge bay (6.6m x 2.4m 16m of lining and 8 x 350mm letters)	n/a	£ 255.00	New charge to cover cost of administering and installing bays on street.
Business Space	£ 1,000.00	£ 1,100.00	Not used but reserved
Transport			
Home to School Transport			
Concessionary fare -Students living in Rutland and attending their qualifying school but lives under the 2 mile primary or 3 mile secondary distance criteria	£150 per year	£ 158	5% inflation applied
Concessionary fare -Students living in Rutland but not attending their qualifying school	£300 per year	£ 315	5% inflation applied
Concessionary fare -Students living outside Rutland	£575 per year	£ 604	5% inflation applied
Replacement bus pass	£ 10	£ 10	
Post 16 Transport			
Student charge – for receiving assisted transport.	£ 550	£ 578	5% inflation applied
Concessionary Travel			
English National Concessionary Travel pass – Access & Freedom travel schemes. Initial and replacing life expired passes	Free	Free	
English National Concessionary Travel pass – Access & Freedom travel schemes. Issue of replacement passes for lost or stolen passes	£ 10	£ 10	
Delivery charges			

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Delivery of post/meals to schools/colleges and voluntary organisations within Rutland	£14 standard hourly charge plus 0.35p per mile of full journey	£14 standard hourly charge plus 0.35p per mile of full journey	
Electric Bike loan scheme	£40 per month charge (£20 per month for low income households), £80 deposit held	£40 per month charge (£20 per month for low income households), £80 deposit held	New trial scheme – need decision on continuation before considering increase

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
One to one cycle training (on or off road/all ages). 1 instructor	£ 30.00	£31.50/ hour including VAT	2022/23 charge has a 5% inflationary increase added as provision is labour intensive.
Playground/ off the road group cycle training sessions (all ages). Minimum group size of 6. 2 instructors	£9.60 per hour/ rider including VAT.	£10.50 per hour/ rider - including VAT.	2022/23 charge has a 5% inflationary increase added as provision is labour intensive. Number of hours determined by course offered and riders ability.
On and off road, beginners group cycle training sessions for children and young adults (minimum group size of 6) - 2 instructors	£9.60 per hour/ rider including VAT.	£10.50 per hour/ rider - including VAT.	2022/23 charge has a 5% inflationary increase added as provision is labour intensive. Number of hours determined by course offered and riders ability.
On road, advanced group cycle training sessions for children and young adults (groups of 4) - 2 instructors	£15 per hour/ rider including VAT	£16.54 per hour/ rider - including VAT	2022/23 charge has a 5% inflationary increase added as provision is labour intensive. Number of hours determined by course offered and riders ability.
On and off road, group cycle training sessions for adults (groups of 2) - 1 instructor	£15 per hour/ rider including VAT	£16.54 per hour/ rider - including VAT	2022/23 charge has a 5% inflationary increase added as provision is labour intensive. Number of hours determined by course offered and riders ability.
Playground/ off the road family cycle training sessions for children and parents/ guardians (groups of 6) - 1 instructor	£30 per hour for family groups up to 6 including VAT	£31.50 per hour for family groups up to 6 including VAT	2022/23 charge has a 5% inflationary increase added as provision is labour intensive. Number of hours determined by course offered and riders ability.
On and off road, family cycle training sessions for children and parents/ guardians (groups of 6) - 2 instructors	£60 per hour for family groups up to 6 including VAT	£63 per hour for family groups up to 6 including VAT	2022/23 charge has a 5% inflationary increase added as provision is labour intensive. Number of hours determined by course offered and riders ability.
£6.30 (including VAT) additional charge per individual or £12 additional charge per family booking for non Rutland residents. Subject to staff capacity, free training will be available for low income Rutland families/ individuals.			
Road Closures and Traffic Management			
Public Path Orders	Officer time, advertising, works at cost, legal fees plus duplication and postage as required.		
Charges for Definitive Map Extracts (rights of way searches)			
A4, first copy	£ 49	£ 51	5% inflation applied
A3, first copy	£ 69	£ 72	5% inflation applied
A2, first copy	£ 85	£ 89	5% inflation applied
A1, first copy	£ 91	£ 96	5% inflation applied
Charges for highways statements made under section 31(6) of the			
Deposit of a Statement and Map	£ 193	£ 203	5% inflation applied
	£ 214	£ 225	5% inflation applied

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	
		Proposal	
			Additional information 2022/23
under section 31(6) of the Highways Act.	£ 230	£ 241	5% inflation applied
	£ 245	£ 257	5% inflation applied
	£ 256	£ 269	5% inflation applied
Additional fee for joint applications made under s31 Highways Act 1980 AND s15A of the Commons Act 2006			
Charge added to fees described above	£ 25	£ 28	Increase to account for inflation was missed in previous years so has been backdated
Declarations under s31 of the Highways Act made in respect of documents previously deposited			
Charge in addition to fee for deposit	£ 100	£ 105	5% inflation applied
Rights of Way enforcement action	Total of various costs including (not limited to) officer time, tools and machinery, contractor time, legal fees and charges		
Planning Policy			
Local Plan			
Rutland Core Strategy - Adopted July 2011	£ 32	£ 34	5% inflation increase
Minerals Core Strategy & Development Control Policies DPD - Adopted October 2010	£ 32	£ 34	5% inflation increase
Site Allocations & Policies Document - Adopted October 2014	£ 41	£ 43	5% inflation increase
Neighbourhood Plans	£ 14	£ 15	Fees have been increased biennially to catch up with inflation. 5% increase this year.
Supplementary Planning Documents	£ 14	£ 15	
Local Development Scheme (April 2018)	£ 14	£ 15	
Statement of Community Involvement (January 2014)	£ 14	£ 15	
Annual Monitoring Report 1 April 2016-31 March 2017 (November 2017)	£ 14	£ 15	
Conservation Area Appraisals	£ 14	£ 15	
Housing Strategy			
Homelessness Review	£ 14	£ 15	Fees have been increased biennially to catch up with inflation. 5% increase this year.
Housing Strategy	£ 14	£ 15	
Tenancy Strategy - Adopted January 2013	£ 4	£ 5	
Self-build and Custom Housebuilding			
New entry to the register	£ 82	£ 86	5% inflation increase
S106 Monitoring Fees			
Single dwelling/annexe	N/A	£ 150	Based on an average hourly rate of £30 and an estimated 5 hours taken from start to finish and rounded to the nearest hour
2-9 dwellings	N/A	£ 300	Based on an average hourly rate of £30 and an estimated 10 hours taken from start to finish and rounded to the nearest hour

**Report No 03/2022 - Appendix 3
Places Directorate Locally Set**

Places Fees and Charges 2022/23				
Item	2021/22	2022/23		Additional information 2022/23
			Proposal	
10-20 dwellings	N/A	£	750	Based on an average hourly rate of £30 and an estimated 25 hours taken from start to finish and rounded to the nearest hour
21-50 dwellings	N/A	£	1,500	Based on an average hourly rate of £30 and an estimated 50 hours taken from start to finish and rounded to the nearest hour
50+ dwellings	N/A	£	3,000	Based on an average hourly rate of £30 and an estimated 100 hours taken from start to finish and rounded to the nearest hour
Commercial	N/A	£	450	Based on an average hourly rate of £30 and an estimated 15 hours taken from start to finish and rounded to the nearest hour
Other non-residential	N/A	£	450	Based on an average hourly rate of £30 and an estimated 15 hours taken from start to finish and rounded to the nearest hour

Places Fees and Charges 2022/23				
Item	2021/22	2022/23		
		Proposal		
Additional information 2022/23				
Community Infrastructure Levy				
Exceptional Circumstances Review	N/A	£	150	Based on an hourly rate of £50 for the Planning and Housing Policy Manager for 3 hours
Museum				
Research Fees				
First 30 minutes free				
Subsequent time, per hour	£ 36	£	38	Increase by 5% rounded up
Postage, Packing and Handling				
All sales	£ 3.50	£	3.70	Increase by 5% rounded up
Storage of archaeological items (per standard box) 2017- current				
	£ 70	£	75	Increase by 5% rounded up
Storage of archaeological items (per standard box) pre-2017				
	£ 45	£	50	Increase by 5% rounded up
Storage of paper archive (per standard box)				
	£ 45	£	50	Increase by 5% rounded up
Archive administration fee (charged when archives do not meet standard guidelines) per hour plus VAT				
	£ 45	£	50	Increase by 5% rounded up
Room Hire Charges (Community Users)				
Use during opening hours, per hour	£ 16	£	17	Increase by 5% rounded up
Use outside of opening hours, per hour (plus 1 hour for set up and tidy up)	£ 32	£	34	Increase by 5% rounded up
Room Hire Charges (Commercial Users)				
Use during opening hours, per hour	£ 32	£	34	Increase by 5% rounded up
Use outside of opening hours, per hour (plus 1 hour for set up and tidy up)	£ 64	£	70	Increase by 5% rounded up
Exhibition Space Charges (Commercial Users)				
Use during opening hours, per day	£ 60	£	65	Increase by 5% rounded up
Museum & Library Hire Charges (Whole Site)				
Use outside of opening hours, per hour (plus 1 hour for set up and tidy up)				
Events serving alcohol or undertaking licensable or commercial activities	£ 125	£	130	Increase by 5% rounded up
Weekdays	£ 50	£	55	Increase by 5% rounded up
Saturdays	£ 60	£	65	Increase by 5% rounded up
Sundays	£ 80	£	85	Increase by 5% rounded up
Museum daytime hire	N/A	£	330	New charge

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Castle Great Hall Hire Charges (Except Weddings)			
Use outside of opening hours, per hour (plus 1 hour for set up and tidy up)			
Events serving alcohol or undertaking licensable or commercial activities	£ 125	£ 132	Increase by 5% rounded up
Weekdays	£ 85	£ 90	Increase by 5% rounded up
Saturdays	£ 105	£ 110	Increase by 5% rounded up
Sundays	£ 125	£ 130	Increase by 5% rounded up
Great Hall daytime hire	N/A	£ 330	New charge
Use of castle grounds daytime hire	£ 320	£ 336	Increase by 5% rounded up
Room Hire Deposit - All users except weddings (50% non-refundable)	£ 105	£ 110	Increase by 5% rounded up
Civil Ceremonies at Oakham Castle: including Marriages, Civil Use of Great Hall, including photography permit			
Monday-Thursday	£ 630	£ 662	Increase by 5% rounded up
Friday & Saturday	£ 785	£ 824	Increase by 5% rounded up
Sunday	£ 630	£ 662	Increase by 5% rounded up
Full Day Exclusive Hire for Ceremonies	N/A	£ 1,200	New charge
Use of grounds only, for photography	£ 95	£ 100	Increase by 5% rounded up
Cancellation charges:			
More than 12 weeks in advance (Non-Refundable Deposit)	£ 200	£ 210	Increase by 5% rounded up
Less than 12 weeks in advance	50% of full charge	50% of full charge	No change
Less than 72 hours notice	Full charge	Full charge	No change
Registrars			
The majority of Registrars Fees are set nationally, however there are			
Wedding and Civil Partnership Ceremonies at			
Monday - Thursday	£ 375	£ 394	Increase by 5% rounded up

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Friday	£ 395	£ 515	Align with Saturday fee due to volume of bookings
Saturday	£ 490	£ 515	Increase by 5% rounded up
Sundays & Bank Holidays	£ 600	£ 515	Align with Saturday fee due to volume of bookings
Licence Fee for Approval of Premises	£ 1,850	£ 1,900	Increase by 5% rounded up
Licence Amendment Fee	£ 260	£ 273	Increase by 5% rounded up
Use of the decommissioned Register Office room as an Approved Premises			
Monday - Thursday	£ 210	£ 220	Increase by 5% rounded up
Friday	£ 270	£ 284	
Saturday	£ 320	£ 336	
Sundays & Bank Holidays	£ 370	£ 389	Increase by 5% rounded up
Cancellation Charges:			
Non-Refundable Deposit	£ 70	£ 75	Increase by 5% rounded up
Less than 1 month notice	N/A	Full Charge	New charge
Fee for diary amendment to an Approved Premise or Decommissioned Room ceremony			
Standard Amendment	£ 35	£ 40	Increase by 5% rounded up
Amendment within 6 weeks of ceremony	N/A	£ 100	New charge
Proof of Life Declaration	N/A	£ 20	New charge
Postage, Packing and Handling	N/A	£ 2	New charge

Places Fees and Charges 2022/23			
Item	2021/22	2022/23	Additional information 2022/23
		Proposal	
Library			
Service Charges			
Requests for Rutland residents	£ 1.90	£ 2.00	Increase by 5% rounded up
Requests for non-Rutland residents	£ 6.80	£ 7.00	Increase by 5% rounded up
Requests for items that are in stock or on order are free			
DVDs & Blu-ray (7 day loan)	£ 2.00	£ 1.00	Usage minimal following lockdown. Reduce price to maximise use of collection
Childs "U" Cert. DVDs & Blu-ray (7 day loan)	Free	Free	Maintain free rate
Self-service Printer/Photocopier			
B&W A4 per side	£ 0.10	£ 0.10	Coin operated
Colour A4 per side	£ 1.00	£ 1.00	Coin operated
B&W A3 per side	£ 0.20	£ 0.20	Coin operated
Colour A3 per side	£ 1.50	£ 1.50	Coin operated
Postage, Packing and Handling			
All sales	£ 3.50	£ 3.70	Increase by 5% rounded up
Admin Buildings			
Room Hire Charges (External Users)			
Monday - Friday 08:00 to 21:00			
Council Chamber			
Hourly rate	£ 65	£ 68	All increased by 5%. However due to Covid protocols for ventilation and cleaning there is a minimum 2 hour booking and charge.
Full day rate (08:00-18:00)*	£ 390	£ 410	
Alstoe/Wytchley/Martinsley			
Hourly rate	£ 25	£ 26	
Full day rate (08:00-18:00)*	£ 150	£ 158	
*Note that the full day rates applies to 08:00 – 18:00. Additional hours to be charged at the hourly rate.			

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Resources Fees and Charges 2022/23			
Item	2021/22	2022/23 Proposal	Additional Information 2022/23
Reprographics Service: Fees and charges for ad-hoc copying of information subject to the Local Government (Access to Information) Act 1985 and for information requested under the Freedom of Information Act:			
Price per copy	£ 0.10	£ 0.15	Increased by inflation and rounded up to the nearest 5p as no change since 2018/19
Disclosure and Barring Service Checks (DBS)			
Administration fee for voluntary organisations, per check	£ 10	£ 10	
Data Protection			
Subject Access Request Fee	£ 10	£ -	To be deleted from fees and charges schedule; no longer able to charge due to GDPR removing the need for these requests
Blue Badge Scheme			
Fee per application	£ 10	£ 10	No increase, fee is discretionary but cannot exceed £10
Legal services			
Highways			
Section 38 Agreement	£ 720	£ 760	Minimum charge (4 hours). Thereafter charged at £190 per hour. Increased by inflation for internal legal services.
Section 278 Agreement	£ 720	£ 760	Minimum charge (4 hours). Thereafter charged at £190 per hour. Increased by inflation for internal legal services.
Planning Unilateral Undertaking	£ 720	£ 760	Minimum charge (4 hours). Thereafter charged at £190 per hour. Increased by inflation for internal legal services.
Planning Section 106 Agreement	£ 720	£ 760	Minimum charge (4 hours). Thereafter charged at £190 per hour. Increased by inflation for internal legal services.
Planning Section 106 Agreement - Affordable Housing	£ 720	£ 760	Minimum charge (4 hours). Thereafter charged at £190 per hour. Increased by inflation for internal legal services.
Legal Advice	£ 85	£ 90	Charge to be applied to any matters that require legal advice and can be recharged to customers. Increased by inflation for internal legal services

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Councils' fees and charges for services are governed by law in one of four separate ways

- 1 Those services where there is an express provision in the governing statute requiring the Council to charge a set fee
- 2 Those services where there is an express provision in the governing statute either permitting or requiring the Council to charge a fee but where that fee is subject to a formula, such as where the fees equate to the cost of provision or where the proceeds can only be put to a certain given purpose
- 3 Those services where there is an express provision in the governing statutes permitting the Council to charge a fee if it wishes and at whatever levels it wishes, so effectively the only limit is what the market can bear.
- 4 Other services where a charge is permitted under a catch-all provision under s93 of the Local Government Act 2003, where the Council may charge for a service at whatever level it wishes, including for different classes of user, on the condition that:
 - it is a discretionary service, so only where there is no duty to provide the service;
 - there is no other provision allowing for or preventing a charge for the service;
 - the service user has agreed to the charge;
 - the Council has secured that, taking one financial year with another, the income from the charges do not exceed the costs of provision in relation to each kind of service; and
 - the Council has had regard to the guidance issued by the Secretary of State.

CABINET

18 January 2022

TREASURY MANAGEMENT STRATEGY AND CAPITAL INVESTMENT STRATEGY

Report of the Portfolio Holder for Finance, Governance and Performance, Change and Transformation

Strategic Aim:	Customer-focussed services	
Key Decision: Yes	Forward Plan Reference: FP/151021	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
Contact Officer(s):	Saverio Della Rocca, Strategic Director for Resources (s.151 Officer)	01572 758159 sdrocca@rutland.gov.uk
	Andrew Merry, Finance Manager	01572 758152 amerry@rutland.gov.uk
Ward Councillors	Not Applicable	

DECISION RECOMMENDATIONS

That Cabinet Recommends to Council to approve:

- a) the Treasury Management Strategy in Appendix 1 including the Investment Strategy, Borrowing strategy, Minimum Revenue Provision statement and Capital Expenditure Prudential indicators.
- b) the Capital Investment Strategy in Appendix 2

1 PURPOSE OF THE REPORT

- 1.1 This report sets out the statutory reports expected in relation to treasury and capital investment operations for 2022/23, linked to the Council's Budget, Medium Term Financial Strategy and Capital Programme.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Statutory guidance

- 2.1.1 Both the Treasury Management Strategy and the Capital Investment Strategy (CIS)

have been prepared in line with relevant legislation and guidance (details are covered in section 6). The Prudential Code and Treasury Management Code produced by CIPFA are the two key documents that Councils follow. Both are under development and have been subject to consultation. Whilst final versions are awaited, any new provisions will not need to be implemented until April 2023.

2.1.2 The Government has raised serious concerns about Councils borrowing to invest in commercial properties for some time. As guardians of the Prudential Code, CIPFA are keen to see it strengthened. Following the significant risk taken to protect this system by a few local authorities with public funds, CIPFA is consulting on not allowing borrowing to invest for yield only. CIPFA believes that without these strengthened provisions, local authorities risk further government intervention in the Prudential Framework.

2.1.3 The updated Prudential Code clearly defines three distinct areas of treasury management that includes all the investments of the organisation:

- **Investments for treasury management purposes** - investments arising from the organisations cash flow and ultimately represent balances which need to be invested until the cash is required for use in the course of the business. The Council's Strategy regarding these investments are covered by Appendix 1 Treasury Management Strategy Statement.
- **Investments for commercial purposes** - are long term investments taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services. The Council's strategy is to not invest for commercial purposes.
- **Investments for service purposes** - are taken or held primarily for the provision of delivering public services, including housing, regeneration and infrastructure. Service investments may involve commercial returns but these returns will not be the primary purpose of the investment. The Council's Strategy regarding these investments are covered by Appendix 2 CIS.

2.1.4 The Treasury Management Code was last updated in 2017. Since then the landscape for public services has changed. The increasing profile of the role of treasury management as a result of the pandemic and the increasing complexity of transactions in the sector all underline the importance of the Treasury Management Code and its guidance. In addition, the rise in commercial non-treasury investments (as indicated in 2.1.2) is a contributing factor behind the need to strengthen its provisions to ensure that they are fit for today.

2.1.5 The essence of the changes are therefore around:

- Not allowing borrowing to invest for yield only;
- Increasing the transparency and reporting around decision-making;
- Increasing greater risk awareness of the impact of decisions through performance indicators.

2.1.6 None of the above changes will have a significant impact on the Council's current activity which is fairly conservative.

2.2 Coverage

2.2.1 The two strategies cover a range of issues as set out below:

Treasury Management Strategy (TMS)	Capital Investment Strategy (CIS)
Treasury Management Requirements	Capital Investment Strategy objectives
Capital Prudential Indicators	Capitalisation policy
Borrowing	Objectives and priorities
Annual Investment Strategy	Resourcing strategy
MRP Statement	Indicative plans and available funding
Investment Selection Criteria	Appraisal process for Capital Investment
Economic Outlook	Invest to Save Policy (objectives, rules, assessment process, governance and reporting)
	Reporting Requirements
	Performance Indicators

2.3 Treasury Management Strategy (TMS)

2.3.1 The TMS outlines that the Council's approach to treasury investment. The key aspect to the TMS:

2.3.2 **Prudential Indicators** – CIPFA requires publication of a range of prudential indicators which are designed to show Members that treasury and capital matters are being managed appropriately. The table below shows some of the indicators to RCC that could show where the Council is exposed to a higher level of risk and may lead to additional costs.

Indicator	Description	What it shows	Where is it
Operational Boundary	The level of external debt the Council can afford.	This indicator can be exceeded, but only for short term borrowing e.g. borrowing in advance of receiving a capital receipt. If this is continually exceeded then it may indicate the Council is borrowing longer term and it is not affordable.	Appendix 1 3.3.1

Indicator	Description	What it shows	Where is it
Authorised Limit	Level beyond which external debt is prohibited.	Reflects the level of external debt which the Council could be afforded in the short term but is not sustainable in the long term. If the Council is being asked to increase this limit, it could be the sign of difficulties and Council would want to understand why.	Appendix 1 3.3.4
Financing Costs to Net Revenue Stream Actuals and Estimates	An indicator of affordability and shows the revenue implications of existing and proposed capital expenditure	Identifies the proportion of the revenue budget required to meet borrowing costs. Members should seek to understand the reason for change. Positive factors could include commissioning of Invest of Save projects.	Appendix 1 5.3.2
Incremental Impact of Capital Investment Decisions on Band D Council Tax	An indicator of affordability showing the impact of investment decisions on Council Tax	This shows how much Council Tax would need to increase to cover the cost of borrowing. The higher the percentage the greater the risk.	Appendix 1 5.3.3
Debt to net service expenditure	An indicator of affordability showing gross debt as a percentage of net service expenditure.	This shows the level of debt relative to the financial size and strength of the Council.	Appendix 1 5.3.6

2.3.3 Key aspects of the TM Strategy:

- The Council will not borrow to invest solely for commercial gain (Appendix 1, Para 3.6.4);
- The Council will look to repay borrowing if there is a financial business case. It will also only borrow where that borrowing is likely to deliver a positive revenue impact (Appendix 1, Para 3.5.4);
- The Councils focus continues to be on deposits for up to a 12-month period given the uncertainty in the markets, however with base rate rises predicted the Council will review the best investment approach at the time of investment.
- The Council has added a priority around ethical investments. For now, this will be achieved by use of credit ratings which are influenced by

Environmental, Social and Governance (ESG) factors. ESG credit factors can be positive, neutral or negative to creditworthiness, depending on the entity being rated. For example, the written opinion for rating changes will include the various factors we believe are affecting our forward-looking view of creditworthiness (Appendix 1, Para 4.4.5).

- The Council currently uses the 6-month LIBOR rate to assess investment performance. This will cease to exist at the end of 2021. A new benchmark SONIA (Sterling Overnight Index Average) will be used instead. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.

2.3.4 There has been Investment guidance issued from CIPFA and Department for Housing, Levelling Up and Communities (DHLUC). These do not affect the Council's policy. The changes and reasons the Council is not affected are:

- Requirement for publication of range of indicators (the Council already produced these, but these are now required to be published rather than best practice);
- Requirement for new indicators around commercial investments. As the Council's policy is now not to invest in this type of investment they are not required.

2.3.5 There is currently an open consultation on the Minimum Revenue Provision (MRP). The key issues being addressed are:

- local authorities using sales from assets in place of a charge to revenue; and
- local authorities not charging MRP on debt related to certain assets i.e. commercial investments.

2.3.6 The Council's practice is prudent and the proposed changes will not affect its MRP policy.

2.3.7 There has been a change to how the Council must account for leases from 1st April 2022. This requires all arrangements that convey the right for the Council to use an asset – whether or not there is a formal lease agreement in place, and regardless of whether any payment is made – must potentially be considered as a finance lease.

2.3.8 The introduction of this IFRS is fundamentally a technical accounting adjustment and **does not** the financial position of the Council. It may impact some of Prudential Indicators. If this is the case the Council will provide an update in the Annual Treasury Report (published in June/July)

2.4 **Capital Investment Strategy (CIS)**

2.4.1 The Capital Investment Strategy is intended to bring together the different plans and strategies of the whole organisation and set out the long-term planning and investment required to deliver the outputs and outcomes that lead to healthy, vibrant, green and resilient communities, businesses, organisations and geographic areas.

2.4.2 At the same time, the CIS should outline the Council's approach to management of capital expenditure and its approach to non-financial investment. In doing so, the CIS has been updated to reflect CIPFA's proposed changes to the Prudential Code.

2.4.3 The key points to note on the Capital Investment Strategy are:

- The Council incurs capital expenditure/makes capital investment to deliver on its aims and priorities including statutory objectives;
- The Council does have various approved strategies and plans which set out ambitions. It is also developing a new Corporate Plan which should allow it to bring together the various plans and describe, in one place, what the long term ambition is for the County.
- The Council has indicative investment plans which are approved as part of the budget and updated throughout the year. The Council's current investment plans tend to be short range (span 2-3 years only). Once the Corporate Plan is complete, the Council will be in a position to develop a longer term investment programme covering say the next 10 years.
- The Council holds funds which are available to meet spending plans and can supplement these funds with borrowing if required. The development of the 10 year investment programme will give clarity as to how funds will be used.
- The development of a long term capital investment plan will require a capital prioritisation process as the potential investment projects are likely to exceed available resources. A prioritisation process will be developed alongside the 10 year plan.
- Capital investment/expenditure has traditionally focused on what are called "service investments" – investment in assets held primarily for the delivery of operational services. This is unlikely to change.
- The Council had a Commercial Investment Policy (Appendix 2 – Annexe A1 of Report 05/2020). The Council has never made any investments in line with this Policy. The Policy has now been updated and renamed an "Invest to Save Policy". The Council's commercial investment plans required borrowing which will no longer be allowed under draft CIPFA guidance. The Invest to Save Policy allows the Council to consider investments (with borrowing) which contribute to the achievement of priorities but where financial return is not the key driver e.g. investment in care home to meet local need.

3 CONSULTATION

3.1 No formal consultation is required. However, CIPFA guidance encourages Councils to use Scrutiny to review proposals prior to approval by Council. This report will therefore be presented at the Budget Scrutiny panel in January which will then allow Council to consider any comments before it is presented for approval in February.

4 ALTERNATIVE OPTIONS

4.1 Option 1. To approve the Capital Investment Strategy and Treasury Management Strategy as presented. This is the recommended option.

4.2 Option 2. Not to accept the 2022/23 Treasury Management Strategy and Capital Strategy. This is not recommended as it means that the Council will be in breach of its statutory obligations.

4.3 Option 3. To approve the Strategies with any revisions.

5 FINANCIAL IMPLICATIONS

5.1 The Medium Term Financial Plan includes three amounts for interest payable on loans (this is fixed), interest receivable on investments (changes in the Treasury Management Strategy may result in increased returns) and MRP (which is based on the current capital plans). PWLB loans will be monitored and if it is advantageous for the Council, repayment or restructuring will be considered.

5.2 The implementation of the Invest to Save Policy could in time result in investments which generate a net return for the Revenue Account but the MTFP does not assume any impact.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

6.1 The report meets the requirements of both the CIPFA Code of Practice on Treasury Management, the CIPFA Prudential Code for Capital Finance in Local Authorities and the Council's Financial Procedure Rules. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

6.2 The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken;
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act DHULC has issued Investment Guidance to structure and regulate the Council's investment activities; and
- Under Section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices.

6.3 The Council's Treasury Management Strategy explains how it complies with this legal framework.

6.4 As per Article 4 of the Council's Constitution the Treasury Management Strategy and Capital Investment Strategy form part of the Council's Policy Framework. It therefore requires the approval of Full Council.

7 DATA PROTECTION IMPLICATIONS

7.1 A Data Protection Impact Assessment (DPIA) has not been completed because there are no service, policy or organisational changes being proposed.

8 EQUALITY IMPACT ASSESSMENT

8.1 An Equality Impact Assessment (EqIA) has not been completed because the report does not represent the introduction of a new policy or service or a change / to an existing policy or service that has an impact on any particular group.

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 The Council is required to approve a Treasury Management Strategy and Capital Strategy.

12 BACKGROUND PAPERS

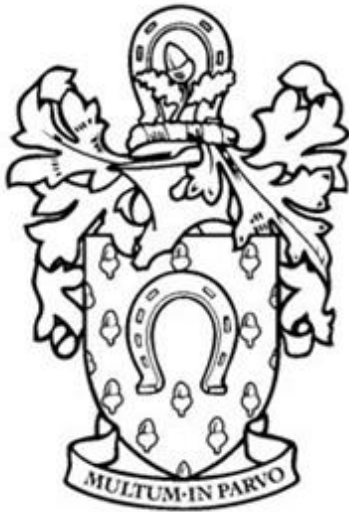
12.1 None

13 APPENDICES

13.1 Appendix 1 Treasury Management Strategy

13.2 Appendix 2 Capital Investment Strategy

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



Rutland County Council

Treasury Management Strategy

2022 - 23

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1 INTRODUCTION

1.1 Background to Treasury Management

- 1.1.1 The Council is required to operate a balanced budget, which means that cash raised during the year should meet cash expenditure. Part of the treasury management operation is to ensure that cash flow is adequately planned, with cash being available when it is needed to meet day-to-day running costs and planned capital expenditure. Any surplus monies are invested in counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.
- 1.1.2 The second main function of the treasury management service is the funding of the Council's capital plans as set out in the Budget and Capital Investment Strategy (CIS). These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.1.3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 1.1.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, arising usually from capital expenditure and are separate from the day to day treasury management activities.
- 1.1.5 CIPFA defines treasury management as "...The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.2 Reporting Requirements

Treasury Management Reporting

- 1.2.1 The Council is required to receive and approve, as a minimum, three main reports each year which incorporate a variety of policies, estimates and actuals.
- 1.2.2 **Prudential and treasury indicators and treasury strategy** (this report) - The

first and most important report covers:

- the capital plans (including prudential indicators) as derived through the budget and CIS;
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy for treasury investments (the parameters on how investments are to be managed).

1.2.3 **A mid-year treasury management report** – This will update members with the progress of the capital position, amending prudential indicators as necessary and whether any policies require revision. In addition, this Council will receive an update on investment returns. In addition, all forward looking prudential indicators will be presented to Cabinet as part of quarterly revenue and capital monitoring.

1.2.4 **An annual treasury report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.2.5 **Scrutiny** – The above reports are required to be adequately scrutinised before being recommended to Council. This role is undertaken by Cabinet and reports are also made available to Scrutiny Panels.

Capital Investment Strategy

1.2.6 The Treasury Management Strategy should be read in conjunction with the Council's Capital Investment Strategy as the Council's debt and MRP policy are directly impacted by capital plans.

1.2.7 The overall aim of the Council, with respect to capital expenditure and investment, is to achieve council objectives and priorities whilst ensuring that capital plans are affordable, prudent and sustainable.

1.2.8 The CIS (Appendix 2) provides a framework that allows that objective to be achieved. It sets out:

- what is capital expenditure/investment and why we incur it (section 2);
- the Council's overall capital objectives, priorities and plans (section 3);
- how the Council's capital expenditure/investment will be funded/resourced (section 4);
- how the Council's capital expenditure/investment plans will be appraised (section 5) including the Council's Invest to Save policy (Annexe A1);
- how capital plans will be approved (section 6), monitored and reported upon (Section 7); and

- the skills and knowledge required to deliver the capital plans (section 8).

1.3 **Treasury Management Strategy for 2022/23**

1.3.1 The strategy for 2022/23 covers two main areas.

Capital Issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury Management Issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy and policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy (for treasury investments);
- creditworthiness policy; and
- the policy on use of external service providers.

1.3.2 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

1.4 **Training**

1.4.1 The CIPFA Code requires the Section 151 Officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. The training needs of treasury management officers and members are periodically reviewed.

1.5 **Treasury Management Consultants**

1.5.1 The Council uses Link Group, Treasury solutions as its external treasury management advisors.

1.5.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

1.5.3 It also recognises that there is value in employing external providers of

treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

2 THE CAPITAL PRUDENTIAL INDICATORS 2022/23 – 2024/25

2.1 Capital Expenditure

2.1.1 The Council’s capital expenditure plans as set out in the budget are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members’ overview and confirm capital expenditure plans.

2.1.2 The capital expenditure prudential indicator is a summary of the Council’s capital expenditure plans, both those agreed previously and those forming part of this budget cycle. As at 1 April 2022 the Council estimates that it will have capital projects approved of £18.298m. The details of this are shown in Budget Report (Report No: 1/2022).

2.1.3 The table below shows the indicative spend profile of approved capital projects included in the 2022/23 budget. Whilst the Council may have approved a project in 2022/23 spending may not occur until 2023/24.

Estimates of capital expenditure (Prudential Indicator (PI) 3) and Actual capital expenditure (PI4)

Estimated Capital expenditure	Actuals	Projects	Projects	Projects	Projects
	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
Total Service Investments	6,508	12,284	249	249	249
Total Commercial Activities/non-financial investments*	0	0	0	0	0
Total	6,508	12,284	249	249	249
Non ring fenced grants-unallocated	0	0	1,689	1,689	1,689
Total **	6,508	12,284	1,939	1,939	1,939

* Commercial activities / non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc with the key driver being financial gain, this strategy does not allow capital investment for financial gain.

**The existing capital programme in the budget for 21/22 is £18.298m. The table above is not replicating the Capital Programme as there are projects that would have been started prior to 2020/21 and some of the future year’s projects will not yet be in the approved capital budget. However the 2020/21 outturn and 2021/22 budget do agree with the Statement of Accounts and latest budget report.

2.1.4 These figures do not yet include proposals for new projects being developed. In these areas Cabinet reports are expected in 2022/23. Funding for any future projects will be funded in full or in part from unallocated funding.

2.1.5 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need. The table also shows the

percentage of the borrowing need relating solely to commercial investments.

Estimated Capital Programme	Actuals 2020/21	Projects 2021/22	Projects 2022/23	Projects 2023/24	Projects 2024/25
	£000	£000	£000	£000	£000
Grant	6,093	10,837	1,939	1,939	1,939
Capital Receipts	179	61	0	0	0
RCCO	0	77	0	0	0
Oakham North	0	45	0	0	0
S106/CIL	214	913	0	0	0
Total Funding	6,486	11,933	1,939	1,939	1,939
Borrowing Need	22	351	0	0	0
Borrowing relating to Commercial Investments	0	0	0	0	0
Percentage of total net financing need %	0%	0%	0%	0%	0%

2.2 The Council's Borrowing Need (the Capital Financing Requirement)

2.2.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

2.2.2 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life and so charges the economic consumption of capital assets as they are used.

2.2.3 The Council is asked to approve the CFR projections below. It should note that the financing need from 22/23 is zero as no borrowing is planned:

Estimates of CFR (PI5) and Actual CFR (PI6)

	2020/21 Actual £000	2021/22 Est £000	2022/23 Est £000	2023/24 Est £000	2024/25 Est £000
Capital Financing Requirement					
CFR – Services 1 Apr	20,630	20,038	19,775	19,146	18,517
Movement in Year	(592)	(263)	(629)	(629)	(629)
Total CFR	20,038	19,775	19,146	18,517	17,888
Movement in CFR represented by					
Net financing need for the year (above)	22	351	0	0	0

Less MRP/VRP and other financing movements	(614)	(614)	(629)	(629)	(629)
Movement in CFR	(592)	(263)	(629)	(629)	(629)

2.2.4 A key aspect of the regulatory and professional guidance is that members should be aware of the size and scope of any commercial activity in relation to the authority's overall financial position. As the Council's has made no commercial investments the table above shows the Council's CFR relating to service investments only.

2.3 Core Funds and Expected Investment Balances

2.3.1 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated cash flow balances.

Year End Resources	2020/21 Actual £000	2021/22 Est £000	2022/23 Est £000	2023/24 Est £000	2024/25 Est £000
Fund balances / reserves	38,277	26,267	24,202	21,564	21,326
Capital receipts	1,442	1,381	1,431	1,481	1,531
Provisions	1,406	1,406	1,406	1,406	1,406
Total core funds	41,125	29,054	27,039	24,451	24,263
Working capital*	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
New borrowing	-	-	-	-	-
Expected investments	39,125	27,054	25,039	22,451	22,263

* Working capital balances shown are estimated year-end; these may be higher mid-year

3 BORROWING

3.1 Borrowing objectives

3.1.1 Councils borrow to fund capital expenditure or refinance/reschedule existing borrowing e.g. replace one loan with one at a lower rate. There are 7 types of borrowing that may be considered under this strategy.

- a) Borrowing to fund a scheme that will reduce the Council's ongoing revenue costs in future years or avoid increased costs in future years (this is commensurate with the Council's Invest to Save policy).
- b) Borrowing to fund the purchase of essential vehicles, plant and equipment in order to maintain Council functions.
- c) Borrowing in advance of anticipated receipts to enable the Council to invest in capital expenditure before it has the income to fund the investment.

- d) Borrowing to enable the Council to fund a larger capital programme than it is able to do using Government grant and self-financed borrowing.
- e) Borrowing to fund an overspend on a large-scale capital scheme that would otherwise have to be funded from a revenue contribution to capital outlay with major impact on the Council's revenue budget.
- f) Borrowing to fund a capital development which the Council believes is so essential to the transformation of Rutland, and able, within the context of setting a robust budget and medium term financial strategy, to allocate to the development a specific, ongoing, relatively secure source of funding that can clearly be seen to be able to cover the cost of debt financing for the project over its expected life. As long as the investment is not solely for financial return.
- g) Borrowing to reschedule existing borrowing i.e. replace existing loans with others.

3.1.2 Effectively, the Council works out its capital expenditure plans and then calculates how much it needs to borrow having considered whether it should fund capital expenditure using other options. The Council's objectives are to:

- avoid external borrowing as far as possible (i.e. use other sources of funding first where possible) unless that borrowing yields income or deliver savings beyond the cost of borrowing;
- repay borrowing early if this is financially prudent and viable;
- reduce its borrowing charge if this represents value for money;
- ensure any new borrowing is affordable; and
- work within prudential indicator limits.

3.2 **Current borrowing portfolio**

3.2.1 The Council currently has loans outstanding of £22.436m of which £21.386m are long term loans with the Public Works Loans Board (PWLB). PWLB is managed as part of the UK Debt Management Office, which is a HM Treasury Executive Agency. The remainder is a £630k Local Enterprise Partnership interest free loan which matures in 2023 and an interest free Salix loan of £420k repayable in 2022. Included within the £21.386m is £8.232m of debt that was inherited from Leicestershire in the Local Government Re-organisation in 1997.

3.2.2 The last time the Council actually borrowed from the PWLB was in 2008 to contribute towards funding the Oakham bypass, the value of this loan was £4m.

3.2.3 All PWLB loans have been borrowed on a maturity basis. Interest payments will be made every six months on equal instalments throughout the term of the loan, with the principal being re-paid on the maturity date.

3.2.4 To be able apply for the PWLB's certainty rate for new borrowing the Council

needs to conform to new DLUHC requirements. These requirements are that an authority borrowing for projects for yield schemes would automatically disqualify an authority from being able to borrow from the PWLB.

- 3.2.5 The external debt projections are shown overleaf. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

ACTUAL EXTERNAL DEBT (PI9) AND GROSS DEBT AND THE CFR (PI10)

Year End Resources	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual £000	Est £000	Est £000	Est £000	Est £000
External Debt					
Debt - 1 April	22,226	22,142	22,058	21,386	21,386
Expected Change in Debt	(84)	(84)	(672)	0	0
Actual /projected Gross Debt 31 March	22,142	22,058	21,386	21,386	21,386
Capital Financing Requirement	20,038	19,775	19,146	18,517	17,888
Under / (Over) Borrowing	(2,104)	(2,283)	(2,240)	(2,869)	(3,498)

- 3.2.6 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

- 3.2.7 The overborrowed position has not materialised from borrowing for revenue purposes, which this indicator is a key test of. Whilst the CFR is reduced by MRP charge every year, external debt position has not changed significantly as debt is not due (see 3.3.6). In addition, since 2008 when the Council borrowed £4m PWLB for the by-pass, the Council has taken only two loans i) an interest free loan from the Local Enterprise Partnership to contribute to the purchase and renovation of Oakham Enterprise Park (£630k); and ii) a Salix loan at 0% for Street Lighting upgrades (£420k). This borrowing was for capital purposes and not to fund revenue.

- 3.2.8 The Section 151 Officer reports that the Council has not complied with this prudential indicator in the current year due to the historic factors detailed in 3.2.7.

3.3 Treasury Indicators: Limits to Borrowing Activity

- 3.3.1 **Operational boundary for external debt (PI6)** - This is the limit beyond which

external debt is not normally expected to exceed. It is not an absolute limit, it can be temporarily breached. In most cases, this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resource.

Operational boundary	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Debt	23,000	23,000	23,000	23,000
Commercial activities/non-financial investments	0	0	0	0
Total	23,000	23,000	23,000	23,000

3.3.2 **Authorised limit for external debt (PI7)** - A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term but is not sustainable in the longer term i.e. if the Council borrowed in the short term in advance of a capital receipt being received.

3.3.3 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

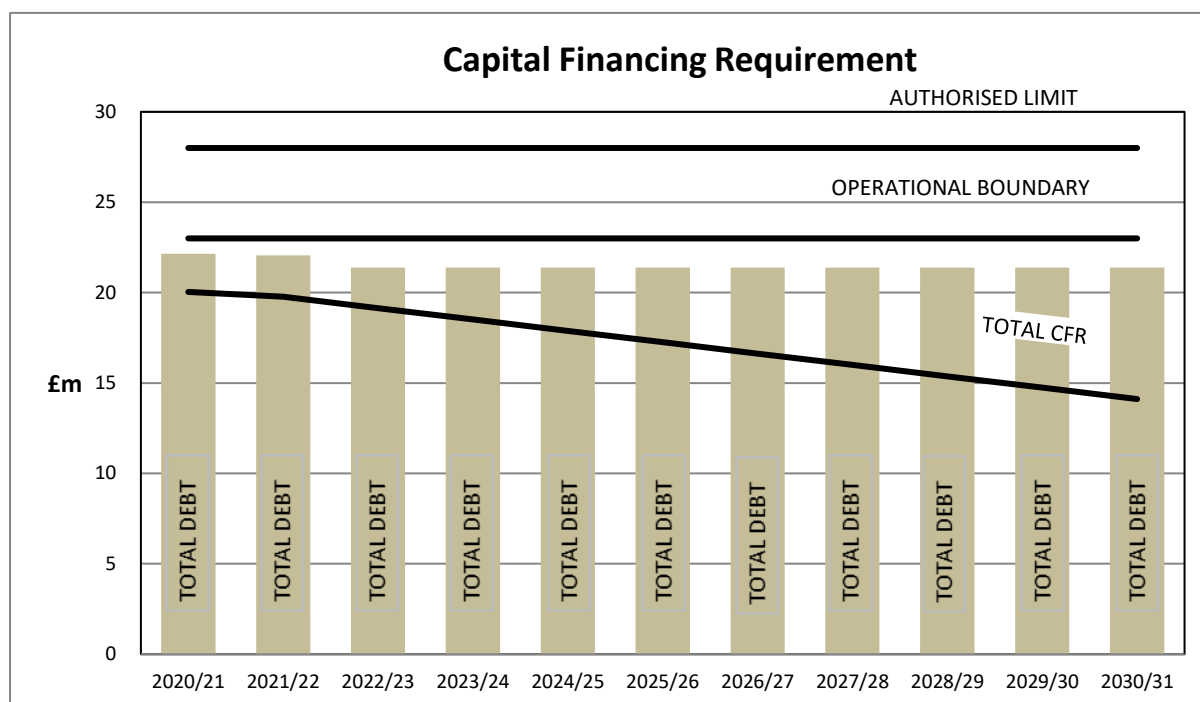
3.3.4 The Council is asked to approve the following authorised limit:

Authorised limit	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Debt	28,000	28,000	28,000	28,000
Commercial activities/non-financial investments	0	0	0	0
Total	28,000	28,000	28,000	28,000

3.3.5 IFRS16 Leases will be implemented in 2022/23. This requires all arrangements that convey the right for the council to use an asset – whether or not there is a formal lease agreement in place, and regardless of whether any payment is made – must potentially be considered as a finance lease. The introduction of this IFRS is fundamentally a technical accounting adjustment and does not the financial position of the Council. It may impact some of Prudential Indicators, as the data collection for this continues the impact cannot currently be determined; any amendments required to these levels will be reported at the earliest opportunity.

3.3.6 The graph below shows where we currently are against all of the borrowing

prudential indicators.



3.4 Prospects for Interest Rates

3.4.1 Link Group, Treasury Solutions have provided a view on interest rates as per the table below.

	Dec 2021 %	Mar 2022 %	Jun 2022 %	Sep 2022 %	Dec 2022 %	Mar 2023 %	Jun 2023 %	Sep 2023 %	Dec 2023 %	Mar 2024 %
Bank Rate	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00
3 Month average earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.80	0.90	1.00	1.00
6 Month average earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.10	1.10
12 Month average earnings	0.50	0.60	0.70	0.40	0.80	0.90	1.00	1.10	1.20	1.20
5 Yr PWLB	1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80
10 Yr PWLB	1.80	1.90	1.90	2.00	2.00	2.10	2.10	2.20	2.20	2.20
25 Yr PWLB	2.10	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60
50 Yr PWLB	1.90	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40

3.4.2 The Coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings. As shown in the forecast table above, the forecast for Bank Rate now includes four increases between December 2021 and March 2024.

3.4.3 Investment and borrowing rates

- Investment returns are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows: -
 - PWLB Standard Rate is gilt plus 100 basis points (G+100bps)
 - PWLB Certainty Rate is gilt plus 80 basis points (G+80bps)
 - Local Infrastructure Rate is gilt plus 60bps (G+60bps)

3.4.4 Currently the PWLB Certainty Rate is set at gilts + 80 basis points for borrowing. However, consideration may still need to be given to sourcing funding from the following sources at cheaper rates:

- a) Local authorities (primarily shorter dated maturities)
- b) Financial institutions (primarily insurance companies and pension funds but also some banks, out of spot or forward dates)
- c) Municipal Bonds Agency (no issuance at present but there is potential).

3.5 **Borrowing Strategy**

3.5.1 The Council is maintaining an over-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has been fully funded with loan debt. Cash supporting the Council's reserves, balances and cash flow has not been used as a temporary measure.

3.5.2 The overborrowed position has not materialised from borrowing for revenue purposes, which this indicator is a key test of. Since 2008 when the Council borrowed £4m PWLB for the by-pass, the Council has taken only two loans i) an interest free loan from the Local Enterprise Partnership to contribute to the purchase and renovation of Oakham Enterprise Park (£630k); and ii) a Salix loan at 0% for Street Lighting upgrades (£420k). This borrowing was for capital purposes and not to fund revenue.

3.5.3 Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Strategic Director of Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

3.5.4 If the Council were to borrow then the Strategic Director for Resources would monitor the market to ensure that the borrowing was undertaken at the optimum time for the Council. If the Strategic Director for Resources thought rates would fall then they may choose to hold off long term borrowing. If they thought rates would rise then they may choose to borrow in advance of need (see section 3.6) to ensure borrowing is secured at a lower rate.

3.5.5 Any decisions will be reported to the Cabinet at the next available opportunity.

3.6 **Prudence in borrowing**

3.6.1 Prudential Code and CIPFA guidance says that the Council must not borrow more than or in advance of their needs purely to profit from the investment of the extra sums borrowed. The Council has some flexibility in utilising legitimate examples of prudent borrowing, this includes refinancing current borrowing, securing affordability by removing exposure to future interest rate and financing capital expenditure primarily related to the delivery of a local authority's functions. The Section 151 Officer may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Section 151 Officer will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities.

3.6.2 Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and
- The authority would not look to borrow more than 18 months in advance of need.

3.6.3 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6.4 Certain acts are deemed by the Prudential Code to not be prudent, therefore the Council will

- not borrow to invest primarily for financial return
- not make any investment or spending to increase the CFR unless primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project or otherwise incidental to the primary purpose.

3.7 **Proportionality**

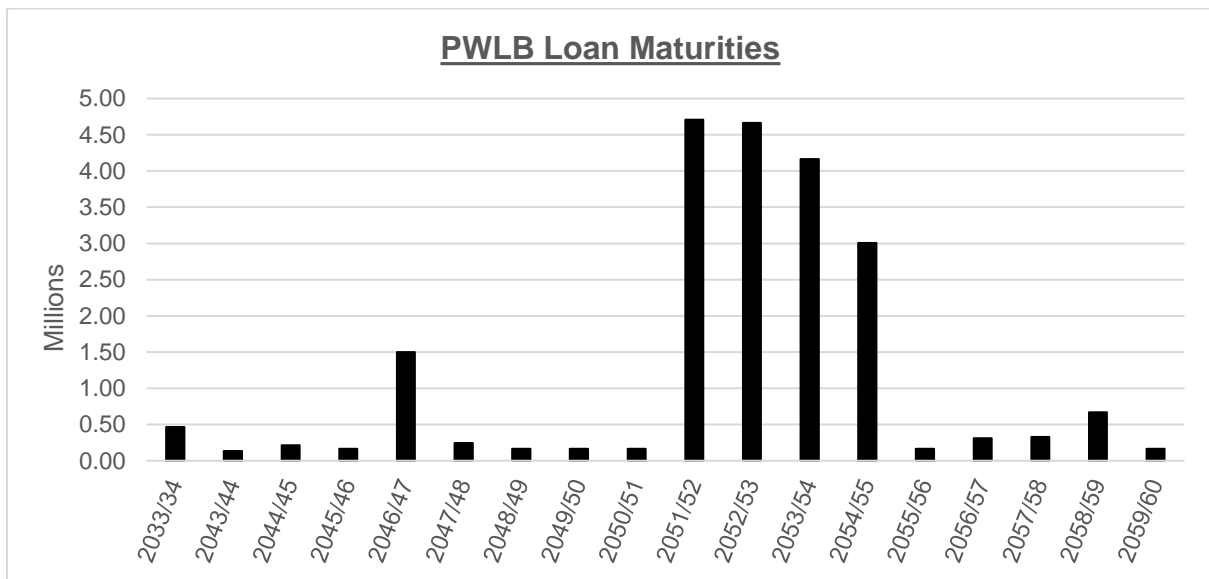
3.7.1 The Council will consider the concept of proportionality, alongside that of affordability needs when analysing funding projects through borrowing. The costs and risks associated with that borrowing will be examined as part of the whole financial position of the Council, so that the Council does not undertake a level of investing which exposes it to an excessive level of risk compared to

its financial resources. The Council needs to be aware of the scale and relationship with the asset base and revenue delivery to inform decision making. Potential investments will be subject to the Proportionality Test shown in the Capital Strategy Appendix 2.6.9.

3.7.2 To demonstrate the proportionality between the treasury operations and the non-treasury operation, key indicators are shown for the Council as a whole as well as for non-treasury investments throughout this report e.g. the operational boundary is split to show commercial investments separately.

3.8 Debt repayment and rescheduling

3.8.1 The graph below demonstrates when PWLB debt is due to be repaid.



3.8.2 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there remains a very large difference between premature redemption rates and new borrowing rates.

3.8.3 The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

3.8.4 All rescheduling will be reported to the Cabinet at the earliest meeting following its action.

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment overview

4.1.1 The Council receives substantial income from council tax, business rates and central government. The majority of council tax and business rates payments are received between April and January, with expenditure being fairly static

throughout the year.

- 4.1.2 At any point of time in the year, the Council can have between £41m - £57m available to invest. The estimated level of investments at year end based on the current cash flow calculations and for the next few years is shown below. The total investments at Quarter 2 show the estimated level of investment at the mid-point during the financial year. The large movement from £52m to £35m is due to c£25m of investments maturing in the final quarter and although some of these will be re-invested, the Council typically receive less income in the final quarter as Council Tax receipts drop off.

	2021/22 Actual £000	2021/22 Forecast £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Total Investments at Quarter 2	51,785		33,000	29,000	25,000
Total Investments at 31 March		35,000	31,000	27,000	23,000

- 4.1.3 The Council will invest surplus money in various ways to get a return on balances thus generating extra income.

4.2 Investment policy objectives

- 4.2.1 The DLUHC and CIPFA have extended the meaning of ‘investments’ to include both financial, and non-financial investments. The Treasury Management Strategy deals solely with financial investments, as managed by the treasury management team. Non-financial investments, generally relating to investment in fixed assets either for service delivery or invest to save opportunities are covered in the Capital Investment Strategy.

- 4.2.2 The Council’s investment policy has regard to the DLUHC’s Guidance on Local Government Investments (“the Guidance”); CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the CIPFA TM Code”) and CIPFA Treasury Management Guidance Notes 2018.

- 4.2.3 The Council’s investment strategy primary objectives, in order of importance are:

- safeguarding the re-payment of the principal and interest of its investments on time – losing any funds like in the case of Icelandic banks would be very significant in this financial climate;
- adequate liquidity – the Council does not want to run short of money so it cannot pay its bills or does not have money available to make investments in capital expenditure;
- maximising the investment return – this is clearly important but the Council does not want to maximise returns at the expense of the first two objectives.

4.2.4 In addition to the above, the Council also has a supplementary aim to be ethically responsible in how it invests. The Council will explore further how this aim may best be achieved e.g. consideration of green investments. For now, the Council will continue to use credit ratings where environmental, social and governance considerations are played into the ratings used.

4.2.5 These objectives filter through this strategy.

4.3 **Investment rules**

4.3.1 In accordance with the above guidance from the DLUHC and CIPFA and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long term ratings.

4.3.2 The Council engages with its advisors to monitor markets to support the ratings systems which ensures the Council is aware of the standing of the bank / building society.

4.3.3 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4.4 **Creditworthiness policy**

4.4.1 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

4.4.2 The Section 151 Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. This criteria is separate to that which chooses Specified and Non-Specified investments as it provides an overall pool of counterparties considered high quality the Council may use rather than defining what its investments are.

4.4.3 Typically, the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of F1 and a long term rating of A-. There may be occasions when the counterparty ratings from one or two of the rating agencies are marginally lower than these ratings but may still be used. In these instances, when counterparty ratings from one of the credit rating

agencies (Fitch) meet the minimum criteria and also other relevant market data shows a stable position the counterparty can be used. If there is a major disparity between the counterparty ratings issued by Fitch and the other credit rating agencies then the counterparty will not be used.

4.4.4 Credit rating information is supplied by our treasury consultants daily on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance for overseas counterparties a negative rating watch at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market, the negative ratings watch will only be a factor in the selection process for overseas banks or if the negative rating applies only to one or several counterparties

4.4.5 Environmental, Social and Governance (ESG) factors can and do influence credit quality, ESG credit factors are those factors that can materially influence the creditworthiness of a rated entity or issue, examples include:

- Environmental credit factors- climate policy, market changes to address mitigation and adaption requirements related to climate change;
- Social credit factors- social capital including consumer and citizen relationship issues; socioeconomic and demographic issues; and
- Governance credit factors- risk management, cyber risk and governance structure factors- including board skill sets and key person risk.

4.4.6 The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) is:

- Banks 1 - good credit quality – the Council will only use banks which:
 - a) are UK banks; and/or
 - b) are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AA+
 - c) and have, as a minimum, the following Fitch (where rated): Short Term A-/ Long Term F1
- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations. These banks can be included provided they continue to be part nationalised or meet the ratings in Banks 1 above.
- Banks 3 – The Council’s own banker for transactional purposes if the bank falls below the above criteria, in this case balances will be minimised in both monetary size and time invested.
- Building societies. The Council will only use societies which:
 - a) Meet the ratings for banks outlined above;

- b) Have assets in excess of £1bn;
 - Money Market Funds (MMFs) CNAV LVNAV
 - UK Government (including gilts, Treasury Bills and the DMADF)
 - Local authorities, parish councils etc.
 - Property Funds

4.5 Use of additional information other than credit ratings

4.5.1 Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

4.6 Time and monetary limits applying to investments

4.6.1 The time and monetary limits for institutions on the Council's counterparty list are as follows (for both specified and non-specified investments):

	Fitch Rating (long-term/short-term)	Money Limit	Time Limit
Banks/ Building Society higher quality	AA-/F1+	£7m	3yrs
Banks /Building Society medium quality	A-/F1	£7m	364 days
Banks – part nationalised	N/A	£7m	364 days
Council's banker (not meeting Banks above)	BBB/F2	£1m	overnight
Building Society (not meeting Banks above & minimum assets £1 bn)	Not Rated	£1m	6 months
UK Government Gilts	UK sovereign rating	£5m	3 years
Debt Management Account Deposit Facility managed by the DMO (Debt Management Office)	UK sovereign rating	£5m	364 days
Local authorities	N/A	£7m	364 days
Property Funds	N/A	£2m	No limit set*
	Fund rating	Money Limit	Time Limit
Money Market Funds CNAV	AAA	£5m	liquid
Money Market Funds LVNAV	AAA	£5m	liquid

* No time limit as investment would need to be left to mature to ensure no loss on investments.

4.7 Other considerations

4.7.1 Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA+ from Fitch or equivalent. there has been no changes to the criteria from report 161/2020. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.
- **Other limits.**
 - no more than 10% will be placed with any non-UK country at any time;
 - All limits in place will apply to a group of companies.

4.8 Investment approach

4.8.1 As per our overall objectives, we ensure that these surplus balances are managed in a way to maximise the income potential whilst having regard to security risk.

4.8.2 The Council's approach is influenced by numerous issues:

- Cash flow – when will the Council need the funds to pay general running costs of the Council or fund capital investment activity;
- The vehicles allowed for investment as outlined in this strategy as referenced on 4.4.6;
- The rate of return on offer - Bank Rate is likely to start to rise from 0.10% and investment returns are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, as detailed in 3.4.1, actual economic circumstances may see rates fall short of these elevated expectations;
- Link's forecast for the long-term Bank Rate (beyond 10 years) is 2.00%. As some PWLB certainty rates are currently below 2.00%, there remains value in considering long-term borrowing from the PWLB where appropriate. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio. In addition, there are also some cheap alternative sources of long-term borrowing if an authority is seeking to avoid a "cost of carry" but also wishes to mitigate future re-financing risk.

4.8.3 Our focus is on traditional investments e.g. deposits for up to 12 month period – this is in line with the advice from our consultants (Link Group, Treasury Solutions) We may also consider longer term options (Government bonds,

Property Funds etc.). For example, placing funds in long term investments may not be an option depending on capital expenditure and investment plans.

- 4.8.4 Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Upper limit on total principal sums invested for periods of longer than a year (PI12)

£000	2022/23	2023/24	2024/25
Long term treasury management investments; invested for longer than 365 days	10%	10%	10%

4.9 Investment returns expectations and benchmarking

- 4.9.1 The Council currently uses the 6 month LIBOR rate to assess investment performance. The provision of LIBOR and associated LIBID rates will cease to exist at the end of 2021. A new benchmark SONIA (Sterling Overnight Index Average) 6 months rate this is the risk-free rate for sterling markets administered by Bank of England. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors

- 4.9.2 Security – Each counterparty the Council invests in has a risk of default (a calculated percentage to demonstrate the potential loss on the investment). The Council's maximum security risk benchmark for the current portfolio, is:

- 0.10% historic risk of default when compared to the whole portfolio. The table below demonstrates a financial representation of how much the Council would stand to lose at 0.10%.

	2021/22 Forecast £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Total Investments at 31 March	35,000	31,000	27,000	23,000
Revenue impact of risk of default at 0.10%	35	31	27	23

- 4.9.3 Risks arising from commercial investments will be assessed during the evaluation process as detailed in the CIS.

- 4.9.4 Liquidity – in respect of this area the Council seeks to maintain:

- Bank overdraft - £0m
- Liquid short term deposits of at least £1m available with a week's notice.

4.9.5 Yield - local measures of yield benchmarks

- Investments – internal returns above the 6 month SONIA compounded rate

4.10 End of Year Investment Report

4.10.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

5 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2022/23 – 2024/25 AND MRP STATEMENT

5.1 Capital Expenditure

5.1.1 The Council's capital expenditure plans (see 2.1.3) are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

5.2 Minimum Revenue Provision Policy

5.2.1 Minimum revenue provision (MRP) policy statement - The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

5.2.2 DLUHC regulations have been issued which require Council to approve an MRP Statement in advance of each year. A variety of options are provided to Councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement

- For capital expenditure incurred before 1 April 2008, the Council will reduce on a straight line basis over 50 years.
- From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be (either / and):
 - a) Asset life method – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
 - b) Depreciation method – MRP will follow standard depreciation accounting procedures. These options provide for a reduction in the borrowing need over approximately the asset's life.

5.2.3 There is currently an open consultation on the Minimum Revenue Provision (MRP). The key issues being addressed are:

- local authorities using sales from assets in place of a charge to revenue; and
- local authorities not charging MRP on debt related to certain assets i.e. commercial investments. The Council's practice is prudent and proposed changes will not affect its MRP policy.

5.2.4 **MRP Overpayments** - A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision (VRP) or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget i.e. if the Council wanted to reverse the VRP in 2013/14, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2021 the total VRP overpayments were £1.41m in 2013/14 and £0.597m in 2015/16 giving a total MRP overpayment of £2.01m.

5.3 **Affordability Prudential Indicators**

5.3.1 Prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

5.3.2 **Estimates of Financing Costs to Net Revenue Stream (PI1) and Actual financing costs to net revenue stream (PI2)** - This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs) against the net revenue stream (the total income the Council receives i.e. the financing part of the MTFP).

%	2020/21	2021/22	2021/22	2022/23	2023/24
	Actual	Estimate	Estimate	Estimate	Estimate
Services	4.23	4.20	4.00	3.85	3.73

The estimates of financing costs include current commitments and the proposals in the budget report.

5.3.3 **Incremental Impact of Capital Investment Decisions on Band D Council Tax (PI13)**. This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

Council Tax - Band D	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Estimate	Estimate	Estimate
	£	£	£	£	£
Services	0%	0%	0.07%	0.07%	0.06%

Commercial Investments	0%	0%	0%	0%	0%
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5.3.4 Upper and lower of maturity structure of borrowing (fixed & variable) (PI11)

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing all at the same time causing cash flow problems, and are required for upper and lower limits. The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed interest rate borrowing 2022/23		
	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	25%
2 years to 5 years	0%	20%
5 years to 10 years	0%	20%
10 years and above	0%	100%
Maturity structure of variable interest rate borrowing 2022/23		
	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	25%
2 years to 5 years	0%	20%
5 years to 10 years	0%	20%
10 years to 20 years	0%	100%

5.3.5 Interest rate exposure- the exposure to interest rate movements is managed using the prudential indicator in 5.3.4. If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

£'000	2022/23	2023/24	2024/25
Increase in interest payable on variable rate borrowings	0	0	0
Increase in interest receivable on variable rate borrowings	250	225	223

No variable rate borrowings are held and therefore an increase in interest rate has no impact on borrowing costs.

5.3.6 Debt to net service expenditure (PI14) - This indicator shows gross debt as a percentage of net service expenditure. Net service expenditure is considered to be a proxy for the size and financial strength of a local authority.

£'000	Services	Commercial Activities
Gross Debt	21,386	0
Net Service Expenditure	41,925	41,925
Debt to net service expenditure %	51%	0%
Maximum Level	60%	0%*

*Current policy does not allow for investment in commercial activities

- 5.3.7 **Net income from commercial and service investments to net revenue stream-** this indicator shows the financial exposure of the authority to the loss of income, relates to service investment for which the Council has incurred borrowing cost

£'000	2022/23	2023/24	2024/25
Commercial investments net income	0	0	0
Service investments net income	156	164	171
Total net income	156	164	171
Net Revenue Stream	41,159	42,818	44,122
Net income to revenue stream %	0.38%	0.38%	0.39%

- 5.3.8 **Liability benchmark-** this a new prudential indicator being introduced; it is a measure of how well the existing loans portfolio matches the Councils' planned borrowing needs. This indicator is made up of the Council's net loans requirement plus an allowance for short term liquidity. Net loans requirement is made up of the Council's gross loan debt, less treasury management investments, at the last financial year end, projected into the future based on its approved prudential borrowing, planned MRP and any other forecast major cash flows. Where actual loans are less than the benchmark indicate a future borrowing requirement; or where actual loans outstanding exceed the benchmark represents excess cash requiring investment.
- 5.3.9 It is not considered this will be a problem in the short term for the Council, there is no planned borrowing in this Strategy. CIPFA recommend this indicator is produced for at least 10 years. CIPFA has recently released a new software tool to be able to build the required benchmark, the Council will undertake the required data input and analysis in the forthcoming year to meet these requirements. This will be developed alongside the long-term capital plans covering a 10 year period and will be included in the TMSS 2023/24.

ANNEXE A1 - PUBLIC WORKS LOAN BOARD (PWLB) DEBT ANALYSIS

The table below shows the number of outstanding loans with the PWLB, the maturity date, Principal outstanding, interest rate and the premium payable if the council was to settle the outstanding loan.

PWLB 2021-22 Loan Repayment Premiums as at 3-Dec-2021					
Loan Reference	Start Date	Maturity Date	Principal Balance	Interest Rate %	Premium
461697	27-Mar-1987	31-Dec-2043	132,529.13	9.000	215,859
461698	27-Mar-1987	31-Dec-2044	212,550.13	9.000	361,224
461699	27-Mar-1987	31-Dec-2045	163,500.10	9.000	289,410
461700	27-Mar-1987	31-Dec-2046	196,200.12	9.000	361,133
476645	30-Nov-1995	28-Jul-2053	163,500.10	8.000	332,332
476646	30-Nov-1995	28-Jul-2054	163,500.10	8.000	343,621
476647	30-Nov-1995	28-Jul-2055	163,500.10	8.000	353,960
476842	21-Dec-1995	13-Dec-2052	163,500.10	7.875	320,180
476843	21-Dec-1995	13-Dec-2051	163,500.10	7.875	310,112
476844	21-Dec-1995	13-Dec-2050	163,500.10	7.875	300,055
477672	05-Aug-1996	08-May-2048	163,500.10	8.375	292,315
477673	05-Aug-1996	08-May-2049	163,500.10	8.375	302,978
478210	26-Sep-1996	25-Sep-2047	217,138.76	8.125	366,484
478211	26-Sep-1996	25-Sep-2056	163,500.10	8.125	373,484
478214	26-Sep-1996	25-Sep-2047	28,111.39	8.125	47,446
479404	21-May-1997	08-May-2057	327,000.20	7.125	658,591
479405	21-May-1997	08-May-2056	147,150.09	7.125	287,106
481709	13-Oct-1998	25-Sep-2058	163,500.10	4.625	209,945
482002	14-Jan-1999	25-Sep-2058	320,460.20	4.375	385,448
482386	30-Mar-1999	25-Mar-2059	23,271.98	4.625	30,371
482875	08-Nov-1999	25-Mar-2059	163,500.10	4.500	206,370
483562	18-Nov-1999	25-Sep-2059	163,500.10	4.250	196,076
491043	19-Jan-2006	19-Jan-2034	465,521.00	4.000	174,233
491501	05-Mar-2006	03-Nov-2051	2,689,694.00	4.400	2,581,815
491580	19-May-2006	19-Nov-2046	1,303,000.00	4.250	994,118
492151	20-Sep-2006	20-Mar-2052	1,856,434.00	4.200	1,709,666

PWLB 2021-22 Loan Repayment Premiums as at 3-Dec-2021

Loan Reference	Start Date	Maturity Date	Principal Balance	Interest Rate %	Premium
492927	19-Feb-2007	19-Aug-2052	2,000,000.00	4.400	1,981,501
492928	19-Feb-2007	19-Aug-2053	2,000,000.00	4.400	2,047,280
492929	19-Feb-2007	19-Aug-2054	1,427,410.00	4.400	1,514,829
493087	03-Aug-2007	19-Aug-2052	2,500,000.00	4.250	2,374,526
493088	03-Aug-2007	19-Aug-2053	2,000,000.00	4.250	1,962,914
493089	03-Aug-2007	19-Aug-2054	1,414,351.00	4.250	1,439,455
			21,386,323.30		23,324,837

ANNEXE A2 TREASURY MANAGEMENT GLOSSARY OF TERMS

Authorised Limit (Also known as the Affordable Limit):

A statutory limit that sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities).

Balances and Reserves:

Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.

Bank Rate:

The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate". This rate is also referred to as the 'repo rate'.

Basis Point:

A unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent). In most cases, it refers to changes in interest rates and bond yields. For example, if interest rates rise by 25 basis points, it means that rates have risen by 0.25% percentage points. If rates were at 2.50%, and rose by 0.25%, or 25 basis points, the new interest rate would be 2.75%.

Bond:

A certificate of debt issued by a company, government or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.

Capital Expenditure:

Expenditure on the acquisition, creation or enhancement of capital assets.

Capital Financing Requirement (CFR):

The Council's underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not been financed.

Capital Receipts:

Money obtained on the sale of a capital asset.

Credit Rating:

Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.

Counterparty List:

List of approved financial institutions with which the Council can place investments with.

Debt Management Office (DMO):

The DMO is an Executive Agency of Her Majesty's Treasury and provides direct access for local authorities into a government deposit facility known as the DMADF.

All deposits are guaranteed by HM Government and therefore have the equivalent of a sovereign triple-A credit rating.

Gilts:

Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged'. Being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

Liability Benchmark:

a measure of how well the existing loans portfolio matches the Council's planned borrowing needs. Net loans requirement (see below) plus an allowance for short term liquidity

LIBID:

The London Interbank Bid Rate (LIBID) is the rate bid by banks on Eurocurrency deposits (i.e. the rate at which a bank is willing to borrow from other banks).

LIBOR:

The London Interbank Offered Rate (LIBOR) is the rate of interest that banks charge to lend money to each other. The British Bankers' Association (BBA) work with a small group of large banks to set the LIBOR rate each day. The wholesale markets allow banks who need money to be more fluid in the marketplace to borrow from those with surplus amounts. The banks with surplus amounts of money are keen to lend so that they can generate interest which it would not otherwise receive.

Maturity:

The date when an investment or borrowing is repaid.

Money Market Funds (MMF):

Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.

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.

Net Loans Requirement:

A measure of the authority's gross loan debt, less treasury management investments, at the last financial year end, projected into the future based on its approved prudential borrowing, planned MRP and any other forecast major cash flows.

Non Specified Investment:

Investments which fall outside the CLG Guidance for Specified investments (below).

Operational Boundary:

This linked directly to the Council's estimates of the CFR and estimates of other day to day cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely prudent but not worst case

scenario but without the additional headroom included within the Authorised Limit.

Prudential Code:

Developed by CIPFA and introduced on 1/4/2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.

Prudential Indicators:

Prudential indicators are a set of financial indicators and limits that are calculated in order to demonstrate that councils' capital investment plans are affordable, prudent and sustainable.

They are outlined in the CIPFA Prudential Code of Practice. They are indicators that must be used to cover the categories of affordability, prudence, capital spending, external debt/borrowing and treasury management. They take the form of limits, ratios or targets which are approved by Council before 1 April each year and are monitored throughout the year on an on-going basis. A council may also choose to use additional voluntary indicators.

Public Works Loans Board (PWLB):

The PWLB is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Revenue Expenditure:

Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.

(Short) Term Deposits:

Deposits of cash with terms attached relating to maturity and rate of return (Interest).

Sterling Overnight Index Average (SONIA):

the risk-free rate for sterling markets administered by the Bank of England. SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.

Specified Investments:

Term used in the CLG Guidance and Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than one year. UK government, local authorities and bodies that have a high credit rating.

Supported Borrowing:

Borrowing for which the costs are supported by the government or third party.

Temporary Borrowing:

Borrowing to cover peaks and troughs of cash flow, not to fund capital spending.

Unsupported Borrowing:

Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.

Yield:

The measure of the return on an investment.

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Rutland
County Council

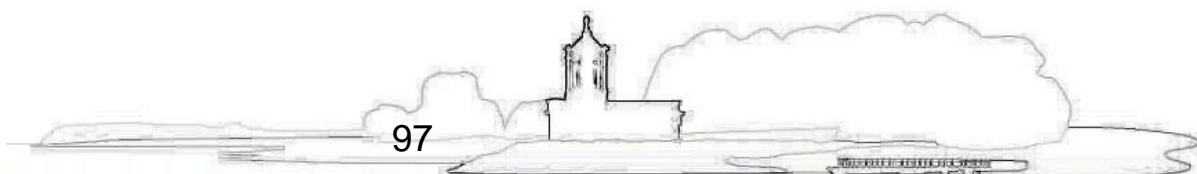
Rutland County Council
Catmose, Oakham, Rutland LE15 6HP

01572 722 577
enquiries@rutland.gov.uk
www.rutland.gov.uk



Rutland County Council

Capital Investment Strategy 2022 - 23



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1 OVERVIEW OF STRATEGY

1.1 Background

1.1.1 The Prudential Code plays a key role in capital finance in local authorities. Local authorities determine their own programmes for capital investment and the Prudential Code was developed by CIPFA to support local authorities in taking their decisions. Local authorities are required by Regulation to have regard to the Prudential Code when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003.

1.1.2 The overall aim of the Council, with respect to capital expenditure and investment, is to achieve council objectives and priorities whilst ensuring that capital plans are affordable, prudent and sustainable.

1.2 Aims and Principles

1.2.1 The Capital Investment Strategy (CIS) provides a framework that allows that objective to be achieved. It sets out:

- what is capital expenditure/investment and why we incur it (section 2);
- the Council's overall capital objectives, priorities and plans (section 3);
- how the Council's capital expenditure/investment will be funded/ resourced (section 4);
- how the Council's capital expenditure/investment plans will be appraised (section 5) including the Council's Invest to Save Policy (Annexe A1);
- how capital plans will be approved (section 6), monitored and reported upon (Section 7); and
- the skills and knowledge required to deliver the capital plans (section 8).

1.2.2 The CIS should be read in conjunction with the Council's Treasury Management Strategy which covers the Council's treasury investment policy, debt and borrowing policies and MRP policy. The Council's debt and MRP policy are directly impacted by capital plans.

1.2.3 The key principles of the CIS are as follows:

Principle 1 – Focus capital investment on delivery of council objectives and priorities
We will do this by:
<ul style="list-style-type: none">• Being clear on objectives and priorities
<ul style="list-style-type: none">• Appraising all investments in the context of objectives/priorities
<ul style="list-style-type: none">• Ensuring decision-makers are clear on the positive contribution capital investment makes to objectives

Principle 2 – Maximise and promote best use of available funds
We will do this by:
<ul style="list-style-type: none"> • Bidding for external funds where possible
<ul style="list-style-type: none"> • Taking advantage of increased freedom and flexibility afforded by the removal of ring fencing from funding allocations
<ul style="list-style-type: none"> • Generate funding, where possible, from the rationalisation of existing assets
Principle 3 – Ensure strong governance over decision-making
We will do this by:
<ul style="list-style-type: none"> • Ensuring that all projects have an officer and lead member sponsor
<ul style="list-style-type: none"> • Ensuring that proposals demonstrate that a rigorous process of options appraisal has been followed, requiring evidence of need, cost, risk, outcomes and methods of financing.
<ul style="list-style-type: none"> • Ensuring all decisions are approved in line with the Constitution and the CIS
Principle 4 – Ensure plans are affordable, prudent and sustainable
We will do this by:
<ul style="list-style-type: none"> • Ensuring capital investment decisions do not place additional pressure on Council Tax or our Medium Term Financial Plan
<ul style="list-style-type: none"> • Promoting capital investment which allows either invest to save outcomes or generates a revenue and/or capital return
<ul style="list-style-type: none"> • Minimizing borrowing requirements by putting the first call on grants/internal resources

2 CAPITAL EXPENDITURE AND INVESTMENT

2.1 Capital expenditure and investment

2.1.1 The Local Government Act 2003, which includes the legislation for the capital finance system, does not specify what precisely constitutes capital expenditure. Instead it:

- Refers to “expenditure of the authority which fails to be capitalised in accordance with proper practices”;
- Enables the Secretary of State to prescribe by regulation which local authority expenditure shall be treated as capital expenditure and which shall not be treated as capital expenditure; and
- Enables the Secretary of State to prescribe by regulation that the spending of a particular local authority shall, or shall not, be treated as capital expenditure.

2.1.2 We define capital expenditure/investment as “Expenditure on the acquisition, creation or enhancement of non-current assets”. Non-current assets include those items of land, property and plant/equipment which have a useful life of more than one year.

2.1.3 The Council will set a de-minimis limit of £10,000 for expenditure to be considered for capitalisation. The following categories of expenditure will require capital resources to fund their purposes:

- The acquisition, reclamation, enhancement or laying out of land exclusive of roads, buildings or other structures
- The acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures
- The acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels
- The making of advances, grants or other financial assistance towards expenditure or on the acquisition of investments
- The acquisition of share capital or loan capital
- The issue of loan instruments in respect of which not all repayments by the authority are due within 1 year of issue
- Works to increase substantially the thermal insulation of a building
- Works to increase substantially the extent to which a building can be used by a disabled or elderly person
- The acquisition of computer software, plus the in-house preparation of it, provided that the intention is to use the software for at least 1 year

2.1.4 The Council incurs capital expenditure for a number of reasons:

- to repair and maintain existing assets e.g. boiler at the Museum
- to deliver on council priorities e.g. Digital Rutland
- to meet statutory requirements/service priorities e.g. issuing disabilities facilities grants so householders can adapt homes and “stay put”

- to avoid unnecessary revenue costs e.g. investment in roads reducing reactive repairs

2.1.5 The Councils' capital expenditure plans are therefore all linked to the Corporate Plan, priorities and service delivery aims.

3 THE COUNCIL'S CAPITAL PLANS

3.1 Key drivers

3.1.1 There are three key drivers of the Council's capital plans:

- Corporate plan - strategic aims and priorities - and other supporting strategies
- Asset management requirements
- Invest to Save - an ambition to generate income or reduce costs in support of the Council's priorities.

3.1.2 The Council is doing significant work in all of the above areas that will have a significant impact on future versions of the Capital Investment Strategy. The three priorities are expanded on below with a commentary on work in progress.

3.2 Aims and priorities

3.2.1 In its current Corporate Plan (approved October 2019) the vision for Rutland was set out "High Quality of Life in Vibrant Communities". This vision was supported by the following four priority themes:

- Delivering sustainable development
- Vibrant communities
- Protecting the vulnerable
- Customer focused services

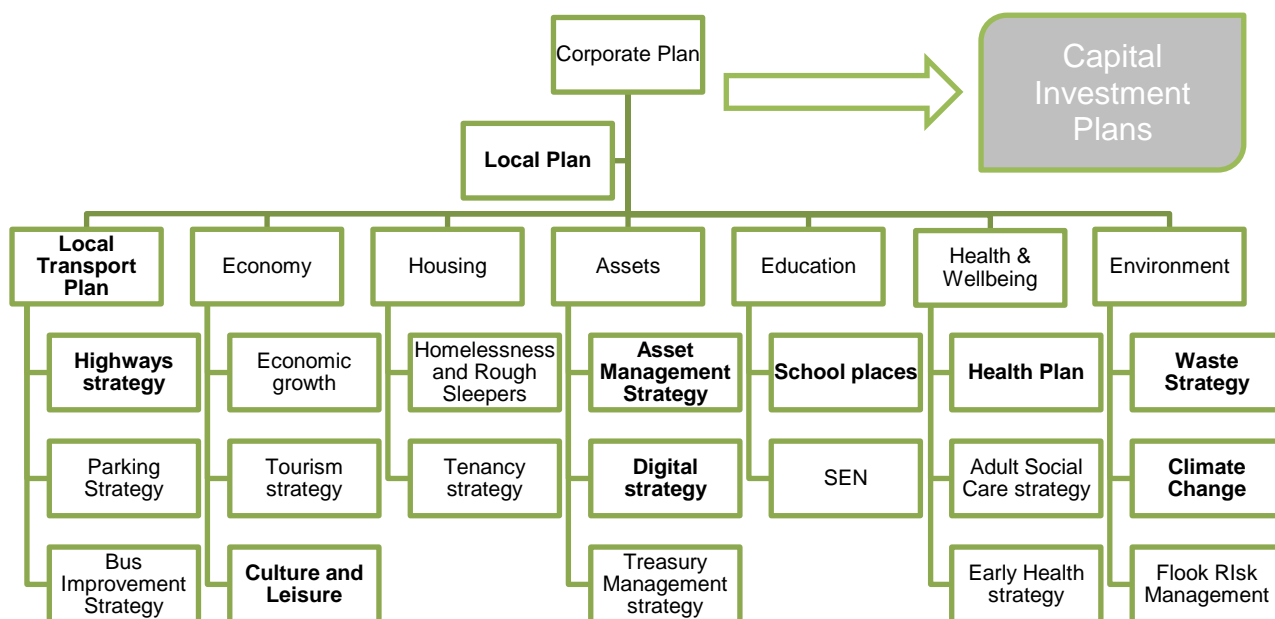
3.2.2 The Council is producing a new Corporate Plan for April 2022. The new plan follows an extensive dialogue with the community called "The Future Rutland Conversation" (FRC). The FRC involved local people in a process to develop a new vision and aspirations for the county – one that will help the Council to co-create new strategies and policies to achieve these goals.

3.2.3 The FRC has resulted in a Vision document being drafted and consulted on. In due course, it will be considered by Council for comment and support. The Vision document includes four key themes including:

- **A special place:** Sustaining a vibrant rural county that harnesses the enterprise of its businesses, the ambition and creativity of its residents, and the passion of its local communities
- **Sustainable lives:** Empowering people to live sustainable lives through the power of choice and the removal of barriers and obstacles
- **Healthy and well:** Promoting health, happiness and well-being for people of all ages and backgrounds
- **A county for everyone:** Ensuring everyone – whatever their circumstances – has the opportunity to live well and overcome any challenges they may face.

3.2.4 The Council will use the Vision to shape and influence its new Corporate Plan. Alongside its work on the Corporate Plan, the Council has been working on various

strategies and key projects that will drive strategic priorities and future spending.



3.2.5 The direction of travel and potential capital impact of the Council’s key strategies (in bold) are covered below:

Area	Details	Impact on investment plans
Leisure	Council considering the future of leisure provision and exploring various options. A decision on the immediate future will be made shortly. Council retains long term aspirations for a new leisure facility if funding can be secured.	No impact yet pending Council decision. Should Council retain assets then funding will be made available to meet any associated liabilities. Funding has not been set aside for any new facilities subject to securing external funding.
Waste	Council’s Municipal Waste and Street Scene strategy aims to reduce waste and increase recycling rates in line with Government targets. Options for the future of waste management are being considered prior to the service being retendered. The Council is also committed to providing at least one Household Waste Recycling Centre within the County. The two	No impact on plans yet but future of HWRC under review.

Area	Details	Impact on investment plans
	<p>existing sites, North Luffenham and Cottesmore, are limited in the accessible services they are able to offer due to their size and layout so the Council will need to consider future provision.</p>	
Local Plan	<p>The Council is developing a new Local Plan.</p> <p>The housing stock in Rutland is projected to grow by 789 new homes by 2026, with 1,333 planned to be built by 2031.</p> <p>Accompanying the Local Plan will be a new Infrastructure Development Plan (IDP). As the Council develops a new IDP, in the intervening period, the Council will be working with Members to determine priorities for use of CIL/s106 and to meet infrastructure needs of housing growth.</p>	<p>Cabinet has been asked to only consider “investment” in projects deemed critical in terms of mitigating the development of housing growth.</p>
Health Plan	<p>The overall vision of this Plan is to nurture safe, healthy, happy & caring communities in which people start well and thrive together throughout their lives. The essence of the Plan’s goal is ‘people living well in active communities’.</p> <p>The overall population of Rutland is projected to grow by 5% to 42,277 by 2025 and by 14% to 45,886 by 2040, Based on the anticipated distribution of that growth, additional demand for health and care services is expected particularly in Oakham and Empingham, requiring capacity to be increased. This is deemed to be a priority for the Council.</p>	<p>Funds are available but no specific funding set aside at this stage.</p>
Transport	<p>Under the Local Transport Plan 4 “Moving Rutland Forward” which covers the period 2019 to 2036, the vision for Rutland’s transport network is a transport network that supports: Sustainable Growth; Vulnerable Residents; and Health and Wellbeing.</p> <p>The issues of the transport network have been highlighted in the Future Rutland</p>	<p>Short term transport projects built into plans.</p> <p>Council awaits a response to its bid for national funding.</p>

Area	Details	Impact on investment plans
	Conversation as a priority. The Council has also submitted a Bus Improvement Plan in a bid to secure some of the national funding available for bus improvements.	
Education	The Council has a duty to ensure that there are sufficient school places in their area. The school capacity survey (SCAP) is a statutory data collection that all local authorities must complete every year. The Council receives funding from Government to create school places where needed.	Current plans include funding targeted to achieve sufficient school places e.g. expansion of school places at Catmose College.
Digital	<p>Council has a Digital Strategy 2019-22 which prioritises: building on superfast broadband connectivity; accelerating full fibre coverage facilitating 4G; 5G Mobile broadband connecting businesses to new opportunities; enabling digital delivery and service transformation; and ensuring digital inclusion.</p> <p>Council has invested in and achieved progress in connecting the County but accelerating digital transformation is a key future focus.</p>	<p>Investment to 2022 in infrastructure is built into plans.</p> <p>Investment plans for future years to be decided.</p>
Highways	<p>Council's Highways Strategy focuses on maintaining its highway network to a high standard through the efficient use of available resources – ensuring the safety and quality of assets and following the County Council's environmental policies to meet Rutland's environmental needs and the challenge of climate change.</p> <p>Council receives highways grant funding which is fully invested to meet these aims.</p>	Plans include full use of Highways funding to improve infrastructure assets.
Climate change	A Climate Change Action Motion was presented to Full Council on 14 October 2019 with various measures put forward including a commitment to make sure the Council's activities achieve a net-zero carbon footprint before 2050.	No impact presently.

Area	Details	Impact on investment plans
	The Corporate Plan will include an action to develop firm plans for the achievement of this commitment.	

3.3 Asset Management requirements

- 3.3.1 The Council owns a small amount of land and property assets that make an important and positive contribution to achieving corporate objectives. The quality, condition, suitability and sustainability of our operational assets have a direct bearing on the quality and deliverability of front line services. It is therefore extremely important that these assets continue to be managed in a proactive and efficient way.
- 3.3.2 As at 31st December 2021, the Council had 49 ‘Operational Assets’ including 26 ‘Operational assets with buildings’, including primary schools. These are the assets that the council uses for service delivery purposes.
- 3.3.3 In addition, the Council has a range of Non-Operational assets; the assets within this category could be surplus, vacant or awaiting for disposal. The total number of ‘Non-Operational Assets’ at 31st December 2021 was 1.
- 3.3.4 The Council’s aim is to manage the council’s land and property assets effectively by providing:
- buildings that are fit for purpose, sustainable, providing access for all, meeting service needs and community expectations
 - assets that support economic and environmental regeneration of Rutland
 - real estate management, generating income, underpinning corporate priorities and delivering value for money.
- 3.3.5 The Council does have some assets that generate income and a positive return on the MTFP albeit none of these assets are run solely for commercial reasons.
- 3.3.6 One of the current gaps in the capital programme is a planned maintenance programme for current assets. Cabinet approved a capital project to determine future property maintenance requirements on Council owned assets. This is due to report shortly.
- 3.3.7 The Council’s Asset Management Plan (AMP) will be updated when condition survey work is completed but the key asset management priorities remain:
- rationalise the current portfolio and to dispose of surplus assets where possible;
 - help deliver sustainable social, environmental and economic outcomes for local communities;
 - reduce running costs and maximise income; and

- ensure all assets meet health and safety and other regulatory requirements.

3.4 Invest to Save

- 3.4.1 In its efficiency plan (Report 151/2016) approved by Council, the Council noted that one of its strategies for reducing the gap in the MTFP was to make better use of assets/capital resources. This remains the case today.
- 3.4.2 Continued reductions in government funding and reduced investment income from traditional treasury management investments reinforced the need for the Council to maximise income from other sources or reduce costs where appropriate to support delivery of services.
- 3.4.3 The Council created a Commercial Investment Policy (CIP) and set aside £10m to be funded from borrowing for investments where the primary goal was financial return. The Council made no investments under this policy and the £10m set aside has been removed from capital plans.
- 3.4.4 The CIP has now been replaced with an Invest to Save Policy (Annex A1) as borrowing for commercial return is no longer allowable under draft CIPFA guidance.
- 3.4.5 The key elements of this Policy mean:
- Investments proposed where financial return is one of the key drivers but not the only one (i.e. other priorities exist) will be made and appraised under this Policy and can be funded from borrowing. This will allow risks to be identified, assessed and minimised as far as possible;
 - Investments where financial return is not a priority will be assessed in line with existing Financial Procedure Rules where value for money is a key consideration.

3.5 Longer Term Capital Programme

- 3.5.1 The current capital programme, which is presented as part of the budget setting report to Council in February only looks at agreed projects. The Capital Strategy guidance issued by CIPFA in May 2021 states that capital planning should be thought about in a structured way – and that a longer-term capital strategy is required to enable Councils to take a longer-term approach to capital investment planning. The guidance suggests a capital investment plan that spans 10 years
- 3.5.2 The Capital Investment plan will be more detailed in the early years and more speculative in the later years but provides a more realistic profile for capital investment.
- 3.5.3 The Council is currently updating a number of its plans (Corporate Plan, Asset Management Plan, and Infrastructure Development Plan) that will be required to inform a longer term Capital Investment Programme. For now therefore, the Council's capital programme and plans tend to be short range only.
- 3.5.4 As a result of this the Council is looking for a 10 year Capital Investment Programme to be in place for the 23/24 budget setting cycle and the work referenced above will help achieve that.

4 RESOURCING STRATEGY

4.1 Financial context

4.1.1 Whilst the aims and priorities of the Council will shape decisions around capital expenditure, there is recognition that the financial resources available to meet priorities are constrained in the current economic and political climate. The context for capital expenditure decisions is as follows:

- The Council does have capital resources and expects to receive more resources in the future (from Government, existing s106 agreements and CIL);
- The Council has limited capital assets which it could sell and use receipts to reinvest;
- The Council expects housing growth and this growth will yield CIL which can be used to invest in infrastructure;
- The Council is currently servicing debt of c£22m which has to be repaid in the future; and
- The Council's MTFP shows a funding gap for 2022/23 and continues to grow beyond. At present, the Council is working to close the gap. Any additional capital expenditure which is not funded through capital resources will increase this gap unless that expenditure delivers revenue savings or income.

4.1.2 In light of the above context, it is imperative that capital expenditure plans are affordable, prudent and sustainable. Given the Council's MTFP position, the Council's aim is to minimise any impact on the Council's General Fund. Typically, the most expensive option for financing capital expenditure is externally borrowing so the Council will do what it can to avoid that unless that borrowing yields income or deliver savings beyond the cost of borrowing. This is a key objective for the Council.

4.2 Available resources

4.2.1 There are a range of potential funding sources which can be generated locally either by the Council itself or in partnership with others. The Council continues to seek new levels of external investment to match against its capital programme, this may be additional capital receipts from asset sales or contributions from other external bodies.

4.2.2 The Council currently holds a number of resources that are not allocated to a capital project and also expects to receive other resources over the next 5 years.

4.2.3 The table overleaf shows the estimated income that is likely to be received over the next 5 years.

	Est Closing balance 31/03/21	Income 2021/22	Income 2022/23	Income 2023/24	Income 2024/25	Total Expected Income
	£000	£000	£000	£000	£000	£000
Total Grant	(7,463)	(5,682)	(3,613)	(3,613)	(3,613)	(23,984)
Capital Receipts	(1,428)	(100)	(100)	(100)	(100)	(1,828)
Developer Contributions	(7,966)	(400)	(400)	(400)	(400)	(9,566)
Total	(16,857)	(6,182)	(4,113)	(4,113)	(4,113)	(35,378)

4.2.4 The Council has a number of options currently available for funding capital projects, including;

- Government Grants - Capital resources from Central Government can be split into two categories:
 - a) Non-ring fenced – resources which are delivered through grant that can be utilised on any project (albeit that there may be an expectation of use for a specific purpose). This now encompasses the vast majority of Government funding and the Council will initially allocate these resources to a general pool from which prioritised schemes can be financed.
 - b) Ring-fenced – resources which are ring-fenced to particular areas and therefore have restricted uses.
- Non-Government Contributions - Where there is a requirement to make an application to an external agency to receive external funding, which could also commit Council resources as matched funding to any bid for external resources.
- Prudential Borrowing - Councils can borrow money to pay for capital assets. This can take the form of the Council running down its own cash balances or undertaking a loan from another organisation such as Public Works Loan Board (PWLB) but there may be restrictions imposed by the Treasury on what loans can be used for.
- Capital Receipts – Capital receipts come from the sale of the Council's assets. Where the sale of an asset leads to the requirement to repay grant, the capital receipt will be utilised for this purpose. Once this liability has been established and provided for, capital receipts will be available to support the capital programme as a corporate resource. Where the asset has been funded from prudential borrowing a review will be undertaken to determine whether the most cost effective option is to utilise the receipt to repay debt, considering the balance sheet position of the authority.

- Revenue Contributions - Councils are free to make a contribution from their revenue budget to fund capital schemes - this is known as direct revenue financing. There are no limits on this. Funding from revenue means the Council gets a one-off revenue “hit” to the value of the contribution / asset.
- Section 106 / Community Infrastructure Levy (CIL) – Use of section 106 / CIL funds from planning developments can be used for capital or revenue. As the purpose of these receipts is to invest in infrastructure to support development then they tend to be used for capital purposes.
- Oakham North agreement – The Council has an agreement with a developer in lieu of receiving S106/CIL. This funding can be used for capital or revenue but has been earmarked for capital purposes.

4.3 Existing and indicative capital investment plans and funding

- 4.3.1 The Council's capital expenditure plans can be found in the Revenue and Capital Budget 2022/23 and Medium Term Financial Plan (01/2022). Plans include already approved projects or recurring projects such as investment in highways, disabled facilities grants etc.

5 CAPITAL INVESTMENT APPRAISAL

5.1 Types of capital investment

5.1.1 The definition of an **investment** covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds. This Strategy deals with non-financial assets only. Financial asset investments are covered in the Treasury Management Strategy.

5.1.2 There are various different types of non-financial investments. The Council has categorised them, in line with CIPFA guidance, as follows:

Type	Example(s)	How we will appraise
<p>Commercial investments project where the primary objective is to “make a financial surplus for the organisation” and where capital expenditure would meet the test of an “investment asset”</p>	<p>Buying a hotel</p> <p>Acquiring land for development</p> <p>Buying a rental property</p>	<p>The Council will not undertake this type of investment in light of latest CIPFA guidance.</p>
<p>Service investments – financial are those made clearly and explicitly in the course of the provision, and for the purposes, of operational services but where financial return is a key priority.</p>	<p>Development of business park within County</p> <p>Provision of office space for start-up businesses within County</p> <p>Building new Leisure provision</p>	<p>Invest to Save Policy (Annexe A1)</p>

Type	Example(s)	How we will appraise
<p>Pure service investments are those made clearly and explicitly in the course of the provision, and for the purposes, of operational services.</p>	<p>Moving out of Council office to another site</p> <p>Expanding an existing school</p> <p>Giving disabled facilities grant so people can “stay put”</p> <p>Repair and maintenance of assets</p>	<p>Capital programme pro-forma as required by Financial Procedure Rules (para 5.6) so that VFM can be assessed.</p>

5.2 Capital funding prioritisation

- 5.2.1 Potential proposals for new council investment will inevitably exceed the resources available, therefore choice and priority setting should form an important part of the Council’s capital appraisal process, ensuring that best choices in line with the Council priorities are made and value for money is achieved.
- 5.2.2 The Council does not currently have a prioritisation appraisal process linked to its capital expenditure plans, but will aim to implement this alongside the 10 year investment programme (section 3.5).
- 5.2.3 Broadly the Council will aim to adopt the principle in the CIPFA capital strategy guide on intended benefits, outputs and outcomes to develop a weighted score for each project for instance:
- **Benefits** – these can be financial and non-financial: a programme or individual project could result in net savings, an increase in your funding stream, an increase in your income stream, a reduction in CO2 emissions or other such benefits.
 - **Outputs** – a programme or individual project could result in an increase in new business start-ups, new houses, an additional rail network, and additional personal equipment for frontline staff, digital technology or other such outputs.
 - **Outcomes** – a programme or individual project could result in jobs created or safeguarded for your area, a contribution to your housing target, improved connectivity, a refurbished asset for community use or other such outcomes.

6 GOVERNANCE AND DECISION-MAKING

6.1 Strategy

6.1.1 The Prudential Code sets out a clear governance procedure for the setting and revising of a capital strategy and prudential indicators i.e. this should be done by the same body that takes the decisions for the local authority's budget – i.e. Full Council.

6.1.2 The Chief Finance Officer is responsible for ensuring that all matters required to be taken into account are reported to Full Council for consideration.

6.2 Capital expenditure/investment decisions

6.2.1 The Prudential Code states that decisions around capital expenditure, investment and borrowing should align with the processes established for the setting and revising of the budget.

6.2.2 The Financial Procedure Rules (FPR) set out clear procedures for the approval of capital expenditure, including:

- approval of the capital programme – Full Council (FPRs para 5.5)
- additions/changes to the capital programme – Cabinet/Council (FPRs para 5.7)
- borrowing – Full Council (FPRs 5.5 – 5.7) with borrowing sourced by Chief Finance Officer.

6.2.3 In approving projects, Cabinet/Council may establish a vehicle (working group, panel, or board etc) to oversee the allocation of funds or completion of projects (e.g. an amount set aside for Sports grants could be allocated by a working group with delegated authority). In taking this decision, Members can consider risks and any other relevant factors.

6.2.4 The programme of meeting sets out the dates of Cabinet and Council meetings. Should the Council require decisions to be made quickly to respond to opportunities then the Constitution includes provision for emergency meetings.

6.3 Performance reporting

6.3.1 Progress against delivery of the Capital Strategy/Programme will be reported periodically in Finance Reports to Cabinet.

6.3.2 Performance against the prudential indicators and other indicators (set out in Section 7) will be reported mid-year in the Treasury Mid-Year report and Annual report.

7 PERFORMANCE MONITORING AND INDICATORS

7.1 Prudential Code requirements

7.1.1 The Prudential Code requires Councils to think about six things when it agrees its capital programme:

- Service objectives – are spending plans consistent with our aims and plans?
- Stewardship of assets – is capital investment being made on new assets at the cost of maintaining existing assets?
- Value for money – do benefits outweigh the cost?
- Prudence and sustainability – can the Council afford the borrowing now and in the future?
- Affordability – what are the implications for council tax?
- Practicality – can the Council deliver the programme?

7.1.2 Councils need to prove that they are complying with the Code and this is done through a series of prudential indicators that are set locally and approved at the same time the Council sets its budget for the following year.

7.1.3 These indicators are included in the Treasury Management Strategy but are based on the capital plans derived in accordance with this Strategy.

7.2 Commercial Investment portfolio

7.2.1 The Code of practice states that Indicators must be used for the commercial investment portfolio. The Councils policy is not to invest in this type of investment so no indicators will be produced in relation to these.

8 SKILLS AND KNOWLEDGE

8.1 In-house resources

8.1.1 The successful implementation of the Capital Investment Strategy necessitates the availability of people with the necessary experience of:

- developing capital projects;
- acquiring and selling properties;
- commissioning partners to deliver the capital programme;
- managing properties as a landlord; and
- sourcing suitable opportunities that match the criteria set under the adopted strategy.

8.1.2 The Council currently has in place a team in the Places Directorate which manages the current operational and non-operational asset portfolio. This team comprises:

- Head of Property Services
- Senior Surveyor
- Building Surveyors, Inspectors and Estate Officers

8.2 Externally available resources

8.2.1 The Council also makes use of external advice in developing projects or undertaking due diligence including external valuers, property condition experts, market appraisers etc. Other advice will be commissioned as and when required.

8.3 Members

8.3.1 Members are familiar with the budget process and approve the Treasury Management Strategy and Budget. Any additional training requirements will be discussed with the Scrutiny Commission.

ANNEX A1 – INVEST TO SAVE POLICY

1. BACKGROUND

- 1.1 The core function of the Council is to deliver statutory and other services to local residents. Reductions in government funding and reduced investment income from traditional Treasury Management investments, as detailed in the Medium Term Financial Plan (MTFP), reinforce the need for the Council to make better use of its available assets (land/property/cash) to reduce future capital and revenue costs.
- 1.2 This can be achieved from investing in capital assets (property or other assets) with a view to achieving a strategic objective or priority whilst generating revenue income and reducing future revenue or capital costs thereby reducing net costs or avoiding costs in the MTFP.
- 1.3 Under this policy, the Council may:
- develop/invest in existing facilities for disposal or reuse;
 - build or develop its own facilities (e.g. care homes) rather than use those of external providers; and
 - undertake any other investments for which it has legal powers as long as any investment has a beneficial impact on the Medium Term Financial Plan and is not solely for Financial Return.
- 1.4 Under this policy, the Council **cannot** consider commercial investments where the primary or sole intention is to make a “financial return”. CIPFA has continuously warned authorities against purely commercial investments. CIPFA has advised that a policy on non-treasury investments should be put in place that sets out a framework for investments and commercial activities. This policy meets this requirement.
- 1.5 Investments made in **financial assets** i.e. property funds, share capital, fixed term deposit, government bonds are classified as treasury investments and are not covered as part of this policy.
- 1.6 As set out in Section 5 **Pure Service investments** are defined as those made clearly and explicitly in the course of the provision, and for the purposes, of operational services do not fall under this policy. These investments tend to share at least one of the following conditions:
- Those made where the Council has a statutory obligation (e.g. Highways) unless the goes beyond a statutory requirement;
 - Where the Council is ring fenced funding in line with the terms of conditions;

- Where a positive financial return is not a requirement but value for money is still a key consideration.

2. OBJECTIVES

2.1 CIPFA recommends that the security and liquidity of investments should take priority over yield (i.e. savings or income returns). This is reflected in policy objectives below and will be reflected in the Council's Invest to Save approach. The Council's objectives are to:

- make investments that are consistent with the Council's strategic aims and priorities;
- maximise return whilst minimising risk through prudential management processes as described in this document;
- prioritise investments that yield optimal revenue streams and stable income or reduce ongoing revenue and/or capital costs to reduce the Council's financial gap;
- protect any capital invested;
- ensure any investment is prudent and in proportion to the size of the Council.

3. FUNDING

3.1 No funding has been set aside for investments of this type. This position may change as the Council completes its new corporate plan, various strategies and develops its long term capital programme.

3.2 The Council has access to various funding sources – government grants, CIL, s106, capital receipts, revenue and borrowing.

3.3 Funding sources (other than borrowing) may carry restrictions or conditions that would have to be considered as part of any decision-making.

3.4 The Council's borrowing strategy (approved as part of the Treasury management strategy) allows the Council "to borrow to fund a scheme that will reduce the Council's ongoing revenue costs in future years or avoid increased costs in future years". The Council is not permitted to borrow to fund investments made for commercial returns only.

3.5 While borrowing, say from PWLB is relatively low cost, it should be noted that investments funded through external borrowing will incur a greater cost than using other funding and this will need to be considered as part of the benefit calculation.

Example of invest to save project (with and without borrowing)

3.6 With a £2m investment, the Council may aim to surpass the rate of interest currently achieved on its cash balances and generate net income which will

contribute towards the MTFP gap and help the Council sustain the current level of service delivery (Indicative figures used in table below). The example shows that external borrowing is more costly and gives lower returns.

	Funded by borrowing	Non borrowing
Investment	£2,000,000	£2,000,000
Interest costs/interest foregone	£60,000	£20,000
Minimum Revenue Provision (MRP) – 20 years	£100,000	£0
Revenue cost savings pa	£190,000	£190,000
Net MTFP benefit	£30,000 (1.5%)	£170,000 (8.5%)
Payback	66.6 years	11.4 years

4. APPROACH/SCOPE

4.1 The Council's policy reflects a suitable balance between the risks inherent in the types of assets to be acquired/developed or projects to be undertaken and the financial rewards obtainable from those investments, limiting such risks appropriately.

4.2 Each project falling within the scope of this policy will be subject to a business case driven by a risk assessment tool (this is detailed in Annexe A3) which aims to ensure only viable projects are taken forward.

4.3 The key aspects of the Council's approach will be as follows:

- Projects to be appraised in line with criteria set out in Section 6;
- Capital investments to be approved in line with arrangements set out in Section 7;
- There will be no limits on any particular investment. Any project taken forward will follow the appropriate governance approval process.
- Legal basis of all investments to be verified as part of the approval process as per Section 5.
- In assessing the merits of an investment, Officers will specifically exclude investments that involve the following activities:
 - a) Animal exploitation

- b) Armaments and nuclear weapons production or sale
- c) Environmentally damaging practices
- d) Gambling
- e) Human Rights Abuse / Oppressive regimes

5. LEGAL

5.1 As part of the evaluation of any potential capital investment, Officers must understand and present the legal basis for decisions prior to approval. As the Council's policy only allows capital investment to further the achievement of strategic objectives and priorities then legal issues are considered to be inherently low risk.

5.2 In applying this policy, the Council is relying on the following legal powers:

- Section 120 of the Local Government Act 1972 gives councils the power to acquire property by agreement for the purpose of any of its functions or for the benefit, improvement or development of the area.
- Section 1 of the Localism Act 2011, known as the general power of competence, enables a local authority to do anything that an individual generally may do (subject to prohibitions, restrictions, and limitations in existing statute which are not applicable in the circumstances set out in the report). Further, that power enables the authority to do it anywhere in the United Kingdom or elsewhere, for a commercial purpose or otherwise for a charge, or without charge, and to do it for, or otherwise than for, the benefit of the authority, its area or persons resident or present in its area.

6. APPRAISING POTENTIAL INVESTMENTS - CRITERIA AND MINIMUM REQUIREMENTS (BUSINESS CASE AND RISK ASSESSMENT)

6.1 An investment appraisal tool has been developed to facilitate an assessment of potential investments and derive a financial business case and risk assessment. The tool has been developed to support the appraisal of any project put forward.

6.2 Investments must generally pass three tests which are inextricably linked:

6.3 **Yield test** - Investments must demonstrate the best use of Council money: this is to be measured typically by generating a suitable rate of return (net savings/income) of at least the Bank of England base rate i.e. yield should exceed the comparable investment returns available on cash deposits.

6.4 The rate of return takes into account the gross yield/revenue/savings generated/costs avoided and deducts relevant costs (including capital financing and borrowing costs) to arrive at net income/savings.

6.5 Whilst rate of return is the primary assessment measure for yield, other factors that will be considered include:

- Payback - the period over which the initial outlay will be recouped. The shorter the payback the more attractive the investment.
- Expected date of positive net return - whilst an investment can have a rate of return over the life of an asset, it may not yield a positive net return in the early years. Given the MTFP objectives of reducing net costs, it is desirable for investments to generate a “surplus” sooner rather than later

6.6 **Risk test** – investments must not expose the Council to an inappropriate level of risk and in particular the security and liquidity risks must be adequately managed as a priority.

6.7 Asset/property related investments invariably carry risks that treasury investments do not in relation to the property itself or the economy (e.g. risk that the Council will not get its investment back, that the rate of return is not guaranteed, that the Council will be faced with unknown costs and that asset values will decrease rather than increase).

6.8 The typical risks are shown in Annexe A2 with a description of how they are assessed through the investment tool. The assessment tool does have a pass/fail. Any investment has got to exceed the rate of return achievable by standard treasury investment, currently assumed to be 1% A summary version of the investment appraisal tool is included in Annexe A2.

6.9 **Proportionality Test** – There are two main aspects to proportionality.

- The extent of the impact to the Council revenue budget.
- The proportion of capital investment allocated to invest to save projects.

6.10 Proportionality for the revenue budget will depend on the risk the Council is exposed to. Careful analysis will be required of the maximum amount that the revenue budget could reasonably absorb and what the level of risk is above this. This involves assessing the key risks associated with an investment, working out the potential loss value and probability of occurrence and then setting aside a reserve to cover such losses. This would need to be regularly reviewed to ensure the reserve is still valid e.g. a change in economic position may impact the probability of high vacancy rates. Examples of the types of test that can show how proportionality can be managed are shown below.

Property A - Purchased for £3.5m – Economic Development									
Loss Event	High Vacancy Rate			Decrease in Property Value			Impairment		
	25%	50%	100%	10%	20%	30%	£250k	£1m	Full Loss
Projected Loss (a)	£104k	£209k	£467k	£350k	£700k	£1,050k	£250k	£1,000k	£3,500k
Probability of Occurrence (b)	40%	10%	1%	10%	5%	1%	10%	0.5%	0.25%

Loss a x b	£42k	£21k	£5k	£35k	£35k	£11k	£25k	£5k	£9k
Weighted Average Loss	£188k								
Assumed Reserve Level created	£100k								
Impact to General Fund	£88k								

New Leisure Centre - Purchased for £10m									
Loss Event	Service Support			Decrease in Property Value			Impairment		
	£50k	£100k	£150k	10%	20%	30%	£250k	£1m	Full Loss
Projected Loss (a)	£50k	£100k	£150k	£1,000k	£2,000k	£3,000k	£250k	£1,000k	£10,000k
Probability of Occurrence (b)	20%	10%	1%	10%	5%	1%	10%	0.5%	0.25%
Loss a x b	£10k	£10k	£2k	£100k	£100k	£30k	£25k	£5k	£25k
Weighted Average Loss	£307k								
Assumed Reserve Level created	£150k								
Impact to General Fund	£157k								

6.11 The above test(s) would show that the Council would have insufficient reserves to cover the weighted average loss. To mitigate this the Council should set a reserve level consistent and proportionate to the investment, in the case(s) above £188k and £307k.

6.12 Creating a proportionate reserve level would give the Council sufficient coverage to determine the best course of action for each asset should a loss event occur.

7. GOVERNANCE

7.1 Full Council agrees the Capital Investment Strategy including this Invest to Save Policy.

7.2 The Policy framework includes:

- Access to funds;
- A framework for appraising investments; and
- A framework for decision-making.

8. STAFFING

- 8.1 The successful implementation of any invest to save project will largely be reliant on the availability of people with the necessary experience of delivering capital projects and managing opportunities in order to source suitable opportunities that match the criteria set under the policy.
- 8.2 The Council will also make use of external advice e.g. external valuers, property condition experts, system/technology experts etc. Other advice will be commissioned as and when required.

9. PERFORMANCE INDICATORS

- 9.1 Both non-financial and financial investments performance indicators are shown as part of Treasury Management Strategy. Any investment which is based on income generation will also be subject to additional indicators These include:
- net yield (£ and %)
 - capital value (e.g. fair value) and liquidity assessment
 - expected v actual payback
 - risk assessment
- 9.2 Ongoing review will consider any measures required to improve performance and to protect/enhance existing assets.

ANNEX A2 - TYPICAL INVESTMENT RISKS AND HOW THEY CAN BE MITIGATED

Example risks generated revolve around expansion of property portfolio and developing own facilities.

Risk	How addressed through risk assessment	Details
Council purchases or develops property that cannot be leased	SECURITY OF INCOME	Council will aim to buy tenanted properties or will require a pre-let agreement in the event that it develops properties for let
Council develops its own provision e.g. leisure centre and income is not maintained or costs escalate.	SECURITY OF INCOME	Council will factor any risks associated with income or expenditure assumptions into the risk assessment. The extent of the risk may dictate the rate of return required i.e. a small surplus and hence rate of return on running a leisure centre may not give sufficient headroom to counter rising costs or falling income.
Council develops its own provision for which the need may not be guaranteed e.g. care provision	SECURITY OF INCOME /SECURITY OF CAPITAL	Council will factor any risks associated with income or expenditure assumptions into the risk assessment.
Council purchases a tenanted property but tenant leaves	SECURITY OF INCOME/ LOCATION AND SECTOR/ THE PROPERTY	Council will undertake due diligence around tenants. It will also try and acquire properties that are flexible (i.e. not bespoke) and in locations where there is demand
Tenants default on payments	SECURITY OF INCOME	Provisions built into leases (as with OEP) to provide protection Rent deposits considered as appropriate. Parent company guarantees may also be sought if applicable.
Rental income dips in light of market conditions	SECURITY OF CAPITAL	For tenanted properties, Council will review lease length, rent review clauses etc to understand what protection is built in. For new developments or new lets, financial assessment to reflect the risk of lower rents
Value of capital investment reduces because of market conditions (covers all assets not just Property)	LOCATION AND SECTOR/ SECURITY OF CAPITAL	Council is not exempt from the impact of the wider economy but a) will commission market appraisal information

Risk	How addressed through risk assessment	Details
		<ul style="list-style-type: none"> b) will consider the location and sector and c) aims to hold assets for the long term so that it can “ride” out short term market impacts (solely property) d) for IT and other investment ensures payback before obsolescence
Council purchases property requiring substantial repairs and maintenance	PROPERTY RISK	<p>Property condition survey undertaken by qualified surveyors as part of due diligence and costs can be factored into financial assessment.</p> <p>Council will seek to agree a Full Repairing and Insuring (FRI) lease where appropriate - a lease which imposes full repairing and insuring obligations on the tenant, relieving the landlord from all liability for the cost of insurance and repairs.</p>

ANNEX A3 - FINANCIAL AND RISK ASSESSMENT

The example below is based on a new build Leisure Centre - where the investment required from RCC is £2.5m of the total build cost of £10m

Criteria	Metrics	Detail	Value
Measurement of Investment Performance	Cost of Investment	Capital cost of investment (initial outlay and any further outlay required)	£10m
	External Funding	Amount of External Funding Available	£7.5m
	RCC Investment	Amount of Investment Required by RCC	£2.5m
	Gross Yield	Average income per annum	£0.1m
	Costs	Average running costs including capital financing costs per annum	£0.05m
	Proportionality	Consideration is given to the size of the investment and the potential risk and impact to the Council, with a test similar to that in 6.9 undertaken.	Yes
	Savings	Annual savings generated through investment (savings may be cost already in MTFP or not included e.g. investment necessary to avoid cost)	N/A

Year in surplus	Year by which the investment will yield a positive MTFP impact i.e a surplus	1
Payback period	Year by which any capital outlay will be recouped	50
Net yield	Average net income/saving per annum	£0.05m
	Rate of Return Total Investment %	0.5%
	Rate of Return RCC Investment	2.0%
	Pass or Fail? (Has got to beat rate of return achievable by standard treasury investment) currently assumed to be 1%	Pass

Risk Category and weighting	Description	Investment Risk Indicators		Leisure Centre Assessment (1 – high risk, 5 low risk)
Security of Income / Saving 40%	The income (or revenue savings) which are likely to be generated by the investment is the most important element. The security of the income will be governed by lots of factors.	High Risk	No existing tenant or income source, savings not secured, no obvious market or demand, high turnover or tenant, lease lengths likely to be short, sector has high levels of uncertainty	Score: 1 The leisure market is unstable and income levels are demand led and can be variable. In a small community, there is no guarantee around income levels.
		Low Risk	Savings guaranteed and quantifiable, Secured tenants, high demand	
Location of sector 10%	The investment should be in an area/sector which is economically buoyant and has the potential for sustainable financial and economic growth.	High Risk	Undesirable area with limited growth potential, niche sector	Score: 1 Leisure Market is unstable
		Low Risk	Economically buoyant area and sector	
The Property / Asset 20%	The age and construction of investment should be considered including the potential for alternative use, obsolescence, requirement for repairs / improvements.	High Risk	Old building, high risk of repairs, high potential for obsolescence, inefficient and high cost, not adaptable for alternative use if needed	Score: 5 New build so low risk, repair cost should be low.
		Low Risk	New or modern building, low maintenance, well designed, flexible use for alternative uses	
Security of Capital	An assessment should be made on the security of capital and the scope	High Risk	Value of Property / investment is likely to decrease	Score: 3 Land value in Rutland likely to rise. This has not scored higher

Risk Category and weighting	Description	Investment Risk Indicators		Leisure Centre Assessment (1 – high risk, 5 low risk)
/Scope for capital appreciation 10%	for capital appreciation in respect of the investment.	Low Risk	Value of Property / investment is likely to increase	due to the specialist nature of the building which means it is not multi-purpose use.
Other Benefits 20%	There may be other non benefits, regeneration, environmental, job creation, business rates, place shaping, diversity of offer, social value etc	High Risk	No other benefits	Score: 4 Social value around public health and improving health of the wider community.
		Low Risk	Other benefits exist	

The example above has been scored and the table below summarises the score. For the theoretical example above, the leisure centre passed the financial assessment, but failed the risk assessment. Based on the assessment tool the investment would not qualify for investment under the Invest to Save policy.

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Risk	Weighting %	Score	Weighted Score
Security of Income/Saving	40	1	0.4
Location & Sector	10	1	0.1
The Asset	20	5	1.0
Security	10	3	0.3
Other Benefits	20	3	0.6
Total	100	13	2.4
Weighted Score Pass			2.5
Pass/Fail			Fail

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Rutland
County Council

Rutland County Council
Catmose, Oakham, Rutland LE15 6HP

01572 722 577
enquiries@rutland.gov.uk
www.rutland.gov.uk

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CABINET

15 February 2022

FINAL REVENUE AND CAPITAL BUDGET 22/23

Report of the Portfolio Holder for Finance, Governance and Performance,
Change and Transformation

Strategic Aim:	All	
Key Decision: No	Forward Plan Reference: FP/151021	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
Contact Officer(s):	Saverio Della Rocca, Strategic Director for Resources (s.151 Officer)	01572 758159 sdrocca@rutland.gov.uk
	Andrew Merry, Finance Manager	01572 758152 amerry@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet RECOMMENDS TO COUNCIL that it:

- Approves the General Fund Budget for 2022/23 of £42.345m (Section 11)
- Approves an increase in Council Tax of 4.99% including 3% for the Adult Social Care precept resulting in a Band D charge of £1,917.36 (Section 10)
- Approves use of the remaining Government hardship fund to provide further council tax discounts to the most vulnerable residents (10.2.2)
- Delegates authority to the Strategic Director for Resources in consultation with the Portfolio Holder with responsibility for Finance to administer the Council Tax energy rebate scheme using new burdens funding as appropriate.
- Delegates authority to the Strategic Director for Resources and Strategic Director for Adult Services and Health to use any new burdens funding for adult social care charging reforms as required to enable the Council to meet the October 2023 target dates.

- Delegates authority for the Chief Executive or Strategic Director for Resources in consultation with the Portfolio Holder with responsibility for Finance to continue discussions with cost reduction consultants and spend up to £100k on a viable project (8.3.7)
- Approves additions/deletions to the capital programme as per 12.1.2
- Approves changes to earmarked reserves as per 9.2.3
- Notes that additional revenue or capital expenditure may be incurred in 2022/23 funded through 2021/22 budget under spends to be carried forward via earmarked reserves. The use of reserves for budget carry forwards is not currently shown in the budget but will have no impact on the General Fund
- Approves the estimated surplus of £186k on the Collection Fund as at 31 March 2022 (Section 10.3) of which £159k is the Rutland share
- Notes the responses to consultation (Section 15)
- Notes the position on the Dedicated Schools Grant budget (Section 14)
- Delegates authority to the s151 Officer to make any necessary changes to the budget arising from the Council tax decision and/or any additional funding received

1 PURPOSE OF THE REPORT

- 1.1 The Council is required to set a balanced budget and agree the level of Council tax for 2022/23 in the context of its Medium Term Financial Plan. This report presents the final budget for approval.

2 KEY QUESTIONS AND ANSWERS

- 2.1 Delivering Council Services within the MTFP is a key priority for the Council. The remainder of this report gives Members answers to some of the key questions relevant to the budget setting process. Further detail can be found in individual sections.

Key questions	Status
<i>Funding outlook (section 4)</i>	
1. What resource does the Council have available in 22/23 and over the next few years?	The Council's Government funding and total available resources are known for 22/23. This is sufficient for 22/23 to balance the budget (assuming Council Tax of 4.99%). The Finance Settlement covered only 1 year so Government funding for beyond 22/23 is not known. The Council has made assumptions about 23/24 but with various reforms pending and funding for key legislation not announced in detail, forecasting for 23/24 is very difficult. The Council assumes marginal increases in funding but less than the 3.1% average announced in the Spending Review to reflect some redistribution due to Levelling Up.

Key questions	Status
2. Are we projecting a financial gap?	Yes, c£2.2m from 23/24.
3. How certain are we about the size of the gap?	The size of the gap is by no means certain given the risks (section 7), uncertainties in respect of assumptions (section 6) and future funding (section 5). The Council will keep this under review.
4. Have we got a plan to close the gap?	Savings made in 21/22 have allowed the budget to be balanced in 22/23 but are not sufficient to close the gap in 23/24. In light of this and the tougher financial context, we will revise our approach and some details of emerging areas of focus are covered in Section 8.
5. What level of reserves should the Council aim to retain?	It is proposed that the minimum level is retained at £3m but given the increased level of uncertainty and risk the Council will need to monitor this position. The short term position affords the Council time to reduce expenditure to match funding levels.
<i>Budget 22/23 (section 2)</i>	
6. What does the overall budget look like and how does it compare to prior year?	The Council's restated Directorates budget for 21/22 is £41.0m (section 11). The Council's Directorate budget is £1.16m (2.8%) higher than the comparable budget for 21/22. In achieving this position a number of uncontrollable pressures have been absorbed.
7. Priorities – how does the proposed budget support the Council's priorities?	The Council's spending plans continue to promote the Council's priorities in line with the corporate plan (11.2).
8. What new savings is the Council planning to make in 22/23?	The budget includes £1.3m of savings (11.4), the vast majority coming from the Budget Review work presented to Council in July 2021. None of the savings are deemed to have a significant impact on front line services.
9. What pressures is the Council facing in 22/23?	The Council continues to experience pressure on its base budget of £1.195m (11.5) of which most relate to demand and market cost pressures. £189k of pressures are one off.
10. What choice does the Council have over the level of Council tax?	The Council can decide to keep Council tax at the current level or increase it by up to 4.99% (including 3% for social care).

Key questions	Status
	Whilst Members do have a choice, not embracing a 4.99% increase would have a significant impact on balances (section 10).
<i>Statutory and constitutional requirements (Section 18)</i>	
11. Overall Position – Is the Council on track to meet its constitutional and statutory requirements?	Yes, Section 18 gives more detail.
<i>Consultation (section 16)</i>	
12. What consultation did Council on the draft budget?	Various consultation activities were undertaken. Details of the responses consultation are included in section 15 and Appendix 8.
<i>Capital (section 12)</i>	
13. Are there any additions/amends to the current capital programme?	There are various additions/deletions to the capital programme. Changes to CIPFA Local Authority standards means that Local Authorities should no longer borrow to invest solely for a commercial return. The £10m allocation for commercial investments has now been removed.

3 BACKGROUND AND MAIN CONSIDERATIONS

3.1 Strategic Director for Resources: Section 151 Officer overview

- 3.1.1 The 22/23 Local Government Finance Settlement was received on 16th December. There were no changes in the final settlement that impacted Rutland. Whilst the Council was hoping for a multi-year settlement, it only covers one year. This is the fourth consecutive one year settlement and is very unwelcome. The Government announced its intention to reform the funding regime, business rates retention and New Homes Bonus over three years ago and these reviews are still hanging. The year on year uncertainty around core funding is very unhelpful for a Council trying to deliver financial sustainability over the medium term.
- 3.1.2 The Settlement is positive in so far as the **Council is receiving more Government funding** than it has received for some time. The Government defines the amount of core funding that councils have available as “spending power”. Our core spending is increasing by 7.4%, £2.6m. This is positive and is the biggest increase for a long time albeit after the effects of inflation and the need to fund the new social care levy, one could argue that the real term increase is negligible.
- 3.1.3 The funding settlement methodology continues to place an undue burden on

council tax rises as **the Council's Government funding per household is below average**. There are two parts to "spending power" – Government funding and Council Tax. Government funded spending power has increased by £800k from 21/22. The remaining increase in Spending Power, £1.73m, assumes that Rutland will increase Council tax by 5%. To be clear, the Council receives £444 Government funding per household compared to the Unitary average of £773. The Government formula gives us less funding because our "needs" are less and our relative resources are greater i.e. we have a greater ability to generate more from council tax than other areas. This assumption only holds true under the existing referendum rules. Equalising the position would require significant changes to council tax rates across the country.

- 3.1.4 **The extra funding is not sufficient to cover costs.** The cost of delivering local authority services in the current economy is increasing. Pressures on labour supply, additional tax burdens, energy prices, and pandemic recovery factors all seem to be pushing up prices. The rates of inflation for fuel and utilities are above 15%, supplier rates are increasing with labour costs under pressure due to shortages and uplifts in the minimum wage, and the new social care levy will cost c£155k.
- 3.1.5 **But with savings, the Council has been able to balance the budget.** The Council knew in 21/22 that it had to act to deliver savings for 22/23 and avoid the use of contingencies. It has managed to achieve that culminating in a budget for 22/23 of £42.345m which is balanced by only using £6k of General Fund reserves.
- 3.1.6 **The one year Settlement means the Council faces more funding uncertainty** but it estimates that it is still facing a challenging future with a projected deficit of £2.2m in 23/24.
- 3.1.7 Outside of known pressures, the **Council is working in an environment where risk and uncertainty are aplenty**. Will the Government fully fund the new Environment Act? Will funding for social care be sufficient to implement reforms? Will the Council see big increases in costs as it retenders its waste and highways contracts? Will the Council's asset condition work indicate additional spending is required? It is difficult to see the Council emerging from this uncertainty with no additional pressures but only time will tell.
- 3.1.8 **The financial problems being faced now by the Council are acknowledged by its Members and officers.** Whilst there is still a strong view that the Council is being treated unfairly by the overall financial settlement, the Council recognises that it has a responsibility to address this issue. Whilst the Council continues to lobby for a better deal for Rutland, it realises that a strong action is needed to put the Council on a sustainable footing. It also understands that the challenge is getting harder as we have made lots of savings already, we are vulnerable to increases in demand-led services and there are parts of our budget we do not fully control.
- 3.1.9 **For 22/23, our target has to be to manage within our overall budget and to take steps now to reduce the planned reliance on reserves in 23/24 to no more than £1m with a view to balancing the budget in the years after.**

3.1.10 In terms of the 22/23 the following summarises the main features of the proposed Budget:

- A balanced budget achieved in challenging circumstances using £6k of General Fund reserves;
- Statutory duties are met;
- Pressures in services (£1.195m) have been included arising from demand and market cost pressures;
- Savings of £1.3m;
- Average Council Tax increase of £1.75p per week for a Band D equivalent property;
- Incorporation of a 1% contingency above Directorate budgets to mitigate against further demand led and other pressures; and
- The use of one-off funding to only fund one-off pressures, invest to save schemes, time limited projects or to deal with the continued response to the pandemic.

3.2 Updates since the draft Budget

3.2.1 Cabinet approved a draft budget for consultation (Report 01/2022) on 18th January. The final budget includes some technical changes which mean that the budget has been balanced using £6k of General Fund reserves. The paragraphs below provide an update on key issues.

3.2.2 Council tax rise – Cabinet has confirmed that following consultation, they will proceed with a 4.99% council tax proposal (1.99% general and 3% for adult social care).

3.2.3 Council tax discounts – the Council remaining hardship fund will allow the Council to apply £100 discount to the most financially vulnerable residents. The remaining hardship fund budget is included in the 21/22 budget and will be carried forward to 22/23 and transferred to the Collection Fund to fund the discounts.

3.2.4 Funding settlement – the Final Settlement was tabled in Parliament on 9th February, and there were no changes to the quantum or distribution of the Settlement that impacted on Rutland.

3.2.5 Business Rates - the Council has completed its NNDR1 return and business rates estimates to Government. This has had no impact on the Council's financial projections for business rates for 22/23 but does involve some technical adjustments (more detail is given in 10.4).

3.2.6 Council tax energy rebate - Government have announced that households in England, which are in council tax bands A-D, will receive a £150 rebate to help

with the cost of increasing bills. The rebate is called a Council Tax energy rebate and will be made directly by local authorities from April. The Council will also receive a share of £144 million to operate a discretionary fund to support vulnerable people and individuals on low incomes that do not pay Council Tax, or that pay Council Tax for properties in Bands E-H. The Council will receive new burdens funding to administer this work which will present a significant workload challenge as over 10,000 payments will be made with the Council currently not holding bank details for over 2,500 households. As no allocation has yet been made, figures are not included in the budget. Council is asked to delegate authority to the Director for Resources in consultation with the Portfolio Holder for Finance to administer this scheme using new burdens funding as appropriate.

- 3.2.7 Pay settlement - The pay settlement negotiations for 21/22 are still ongoing with an agreement unlikely to be reached by 1 April. The provision for backdated pay for 21/22 will be carried forward into the 22/23 budget if no agreement is reached prior to 31st March 2022.
- 3.2.8 Early Years - The Early Years funding rates have been confirmed with £5.57 for 2 year old provision and £4.38 for 3 and 4 year olds, see section 14.
- 3.2.9 Covid pressures and earmarked reserves – the original budget included Covid related pressures funded by General Fund but these will be funded from Covid grant held in earmarked reserves as there are sufficient funds available. This reduces the impact on the General Fund by £79k.
- 3.2.10 Collection Fund – the budget included £180k as the being the surplus on the Collection Fund. The amount declared is £159k and the budget has been adjusted. This increases the projected deficit by £31k.
- 3.2.11 Supporting Families - The Council has received confirmation of a ring fenced grant for £161k. The amount allocated in the budget is £99k. The remaining £62k will be placed into the social care reserve until required. There is no impact on the General Fund.
- 3.2.12 Holiday Activities and Food programme – the Council’s allocation is £89,240. This is included in the People Directorate budget but shows as £0 as all of the funding will be passported to children.
- 3.2.13 Cyber Security - The Council will received £150k in relation to Cyber Security. This funding will be received in 21/22 so will be included in the 21/22 budget and carried forward to 22/23 for use.
- 3.2.14 Public health - the grant has now been confirmed as £1,365,933. The MTFP included £1,328,600. The additional funding will be matched with additional expenditure.
- 3.2.15 Adult Social Care charging reforms – the Council will have to implement reforms by October 2023 and will brief Members in more detail in due course. Whilst work needs to start imminently, we await announcements of new burdens funding. For now, the Council is planning to second an Officer into a

project role and reorganising other resources at a cost of £6k per annum for the next two years to be funded from the Social Care reserve. Further resource will be brought in when new burdens funding is confirmed and the Council is asked to delegate authority to the Director for Resources and Director for People to use any new burdens funding as required. As it stands, the budget has not been adjusted for the above changes as further announcements are expected before the 1st April.

- 3.2.16 School conditions funding - The Department of Education has announced that Local Authorities receiving protection funding towards their allocation, will see a 75% reduction in 2022/23. This is expected to reduce further in coming years. This grant valued at £116k is held in the Unallocated reserves shown in 12.6;
- 3.2.17 Highways/Integrated – we have funding confirmed for these two capital grants as per section 12.6;
- 3.2.18 Grants outstanding - the Council’s MTFP includes grant funding which has not yet been confirmed. This includes Better Care Fund (excl. Improved better Care Fund) £2.494m and Independent Living fund £62k.
- 3.2.19 Bus Service Operators Grant (BSOG) £69k - The BSOG is being reformed as part of the National Bus Strategy – Bus Back Better. The new strategy states “The new funding regime will take a holistic approach targeted at the delivery of the policies in the strategy and other specific benefits: growing patronage, increasing efficiency, improving the environment and securing modal shift from the private car”. The details of any funding has not been confirmed and may be different to that included in the budget.
- 3.2.20 Energy costs – the Council’s budget includes £504k for energy costs. There is a risk that costs increase beyond this level. The Council does have a contingency in the budget so no further provision has been made at this time.
- 3.2.21 Consultation responses – these are included in Section 15 with the full response to the budget survey given in Appendix 8.
- 3.2.22 CIPFA financial resilience index – this has been updated with details given in 11.6.6. The Council’s financial position remains low risk compared to other Unitary councils but this in itself does not detract from the seriousness of the Council’s position.
- 3.2.23 Appendices – Members should note that the only Appendices to have changed are Appendix 1 – MTFP for the minor changes outlined above and Appendix 3 earmarked reserves.

4 FUNDING OUTLOOK

4.1 Objectives

- 4.1.1 The Council is committed to being financially sustainable. This means ensuring it can live “within its means” and balancing the budget in any given year without using General Fund reserves. This is the number one priority.

4.1.2 The second key priority is to maintain General Fund reserves above the recommended minimum limit, £3m.

4.1.3 These two priorities are underpinned by other financial objectives including securing value for money, ensuring spending helps achieve council priorities and being financially transparent.

4.2 Medium Term Financial Plan

4.2.1 The Council produces a Medium-Term Financial Plan (MTFP) which covers a five year period. It is a forward looking document which provides a financial picture over the next five years (in this case 2022/23 to 2026/27). The MTFP sets out the forecast spending profile of the Council and estimates the level of resources it will have available over the next 5 years. This enables the Council to forecast an annual surplus/deficit and assess whether its spending plans are affordable.

4.2.2 The MTFP is updated on an ad hoc basis to respond to changes in the local financial environment, government announcements and the results of budget monitoring but it is formally updated to fit in with the annual budget cycle. The MTFP provides a comprehensive picture of national influences on the Council's budget, local spending influences and priorities, as well as revenue and capital financial projections. Underlying risks together with a view of potential longer-term financial issues are also considered.

4.2.3 The MTFP can be used to model different assumptions and changes. Some of the possible impacts of changes are discussed in the section on Risk/Uncertainties.

4.2.4 A summary of the MTFP is shown overleaf with a summary of the different elements that influence it. More information is included on each.

	22/23	23/24	24/25	25/26	26/27
Priority 1: Living within our means	✓	x	x	x	x
Priority 2: Balances above £3m	✓	✓	✓	x	x

5 YEAR MTFP (22/23 – 26/27)

		22/23	23/24	24/25	25/26	26/27
General Fund	Opening value of General Fund Balances* (provisional subject to 21/22 outturn)	(11,465)	(11,459)	(9,247)	(6,008)	(2,359)
Net expenditure	Service expenditure, borrowing costs and contingencies	42,345	44,260	46,206	48,039	50,063
Less: Government funding	Social care grants, Share of Business rates, Other grants	(9,205)	(10,553)	(10,569)	(10,577)	(10,333)
Less: Council tax	Council tax	(30,451)	(31,425)	(32,598)	(33,813)	(35,071)
Less: Earmarked reserves	Use of set aside funds to offset expenditure	(2,683)	(70)	0	0	0
Equals: (Surplus)/deficit	Deficit means Council is not living within its means	6	2,212	3,239	3,648	4,659
General Fund	Closing value of General Fund Balances	(11,459)	(9,247)	(6,008)	(2,359)	2,259



Local Government Settlement (5) - The 3 year Government funding settlement and value of other Government grants drive Government funding figures.	Risk/uncertainties (7) - Issues that can influence the level of income, expenditure and funding but not all are built into MTFP e.g. Council receives extra funding.	Reserves (9) - Planned use of earmarked reserves sustain expenditure and offset costs.
Assumptions (6) - Variables built into MTFP that influence the level of income, expenditure and funding. Some are known (e.g. National Insurance rates) and some are not (e.g. future Inflation rates, pay rates).	Savings (8) – Savings reduce expenditure or increase income. Net expenditure for 22/23 includes some planned savings but future savings need to be programmed into the MTFP.	Council Tax (10) - Assumed increases in Council Tax impact the future level of funding. The Government maximum limit is 3%.

5 COMPREHENSIVE SPENDING REVIEW AND LOCAL GOVERNMENT FINANCE SETTLEMENT

5.1 Finance Settlement 22/23

- 5.1.1 In October the Office for Budget Responsibility (OBR) published forecasts of growth and inflation, taking into account the impact of the Comprehensive Spending Review as described below.
- 5.1.2 In October 2021, GDP growth forecasts had improved for 2021/22, now showing growth of 10.8%. This is abnormally high as it follows a contraction in 2020/21 of 10.9%. The forecast for 2022/23 has been revised to growth of 4.2%, followed by more normal growth levels of between 1.4% and 1.7% per annum.
- 5.1.3 Inflation, as measured by the Consumer Price Index (CPI) was forecast in October to remain above target at 3.3% in 2021/22 and 3.7% in 2022/23. In December, the figure had risen to 5.1%. The Bank of England's target of 2% is not forecast to be achieved until 2024/25. These forecasts will result in inflationary pressures across all budgets.
- 5.1.4 On Wednesday 27th October the Chancellor announced the outcome of the Spending Review 2021 (SR21) alongside the Autumn Budget. This provided departmental allocations for each of the next three financial years, as well as the total funding for local government in England for that period. This shows a real terms increase for local government for the remainder of this parliament, although this includes the £3.6bn of new social care funding previously announced and to be funded specifically from the 1.25% National Insurance Health and Social Care Levy.
- 5.1.5 Using Government figures, core spending power (figure used by Government to compare available core funding) of local authorities in England is £50.39bn in 21/22 compared to £53.85bn in 22/23, a 6.8% increase. Overall the picture for Rutland is slightly better with core spending power at £38.31m compared to £35.68m in 21/22, an increase of 7.4%. Whilst this figure is used for comparative purposes, most Council's (including Rutland) have more available resources because of miscellaneous grants and additional business rates income (spending power assumes Councils achieve their business rates baseline level but which most Councils keep more because of growth). This factor significantly distorts spending power analysis.
- 5.1.6 In 22/23 nationally 58.9% of spending power comes from council tax compared to 60.1% in 20/21. In 22/23 80% of Rutland's spending power comes from Council tax, significantly higher than the national average.
- 5.1.7 There are no projected or indicative numbers for the remainder of the spending review period (2023/24 and 2024/25). More fundamental changes in local government funding have been clearly signalled for 2023/24. So, this one-year settlement feels like a rollover settlement from 2021/22, with the focus very much on "stability".
- 5.1.8 More fundamental changes in the distribution of funding could be implemented as early as 2023/24. The Government will start work "in the coming months" to work out "with the sector" how to update funding distribution and "challenges and opportunities facing the sector". These changes in funding could be significant, and

make forecasting for 2023/24 and beyond very difficult. Some or all of the Fair Funding Review could be resurrected, and a business rates baseline reset seems likely.

Overall funding available 17/18 – 22/23

	17/18	18/19	19/20	20/21	21/22	22/23
RSG	0.889	0	0	0	0	0
Transitional Grant	0.337	0	0	0	0	0
Rural Service Delivery Grants	0.681	0.849	0.849	0.849	0.890	0.890
Core government funding	1.907	0.849	0.849	0.849	0.890	0.890
Misc grants (2)	0.351	0.392	0.875	1.039	0.964	1.679
New Homes Bonus (3)	1.214	1.231	1.148	0.966	0.518	0.461
Better Care Fund (4)	2.061	2.306	2.215	2.330	2.705	2.712
Business rates (5)	4.786	4.963	5.244	5.532	5.638	3.462
Total government funding	10.319	9.741	10.331	10.716	10.715	9.204
<i>Council tax (inc collection fund and adult social care precept)</i>	<i>23.412</i>	<i>24.800</i>	<i>26.496</i>	<i>27.863</i>	<i>28.426</i>	<i>30.451</i>
Total resources available	33.731	34.541	36.827	38.579	39.141	39.655
Use of Council earmarked reserves	0.288	1.295	(0.384)	(0.292)	(1.288)	(2.683)
<p>1 - Funding represents amounts available at budget setting. Additional grants received in year for specific items are not included.</p> <p>2 - Includes Social care grants of £1.061m</p> <p>3 - NHB income will be abolished from 23/24</p> <p>4 - The Better Care Fund is to continue in 2022/23, with the allocation increasing to £2.712m including grants previously received as Winter Pressure funding.</p> <p>5 - In Rutland, 50% of business rates are paid to Government, 1% is paid to the Fire Authority, and 49% is retained by the Council. Of the 49% retained, the Council pays a further tariff to the Government (valued at £1m). The estimates can be impacted by factors that reduce rates due (appeals, business failure, and greater discounts) or increase rates due (new business). See also 10.4</p>						

5.1.9 Additional grant funding has been announced for **Social Care**. The Council received £746k in 21/22 which has been increased to £1.061m. As expected, the new £636m social care grant has been allocated using a combination of the Adult Relative Needs Formula and equalisation of the Adult Social Care precept.

5.1.10 **Improved Better Care Fund (IBCF)**. Inflation of 3.0% has been applied to IBCF,

increasing grants from £2.077bn to £2.140bn. Our share is £218k.

- 5.1.11 An initial allocation (£162m) from the £3.6bn set aside for social care reforms has been distributed through the settlement. A £91k grant is focussed on **market sustainability and fair cost of care**, and the relatively small amounts reflect the assumption that costs will initially be relatively low in 2022/23. A further £600m will be distributed in 23/23 and 24/25 but no allocations have been published. This funding will be aimed at promoting efficient and effective operation of care markets, with sustainable rates of care and comes with conditions. Local authorities will be expected to conduct cost of care exercises, set out their plans for driving market sustainability, including progress towards a fair cost of care, and to report to DHSC on how funding is being used.
- 5.1.12 The Council tax principles allow a 2% increase in “core” **council tax** plus a further 1% increase in the Adult Social Care precept. Rutland will be allowed to increase to 4.99% as it did not apply the full 3% allowed in 21/22. The decision around Council tax is discussed further in Section 10. The Adult Social Care precept should not be confused with the social care national insurance levy. The precept income is retained by the Council but the additional national insurance contributions are collected nationally and then redistributed.
- 5.1.13 The Chancellor announced in SR21 that the business rate multiplier will be frozen in 2022/23 and that will remain at 49.9p in 2022-23. The increase in the Consumer Price Index (CPI) in September 2021 – which is normally used to set the multiplier – was 3.1%. Compensation for under-indexing the multiplier will continue to be paid to local authorities in 2022/23. We estimate that the compensation will be £366k. This is included in the Business rate figures.
- 5.1.14 **Rural Services Delivery Grant (RSDG)** is the same as 21/22 at £890k.
- 5.1.15 The Council will receive £461k in **New Homes Bonus**. This was unexpected. This includes two payments in respect of years 9 and 12 of the scheme. The year 12 payment was unexpected although the Council was expecting a share of the £346m surplus of NHB unused.
- 5.1.16 The Council will receive a new one off **Services Grant** of £307k. This grant has been used to provide a “floor” increase for every authority (i.e. to ensure that no authority’s Spending Power is lower in 2021/22 than it was in 2020/21). Ministers have distributed this sum as a specific grant using the 2013/14 Settlement Funding Assessment. This benefits Rutland as since that time our share of SFA has reduced substantially.
- 5.1.17 The Council will continue to receive a **Lower Tier Services Grant** of £47k.
- 5.1.18 Outside of core funding, the Council has made various Covid-19 announcements. **Supporting Families (£40m) and Cyber Security (£12m)**. The Supporting Families figure is £161k. The Council will received £150k in relation to Cyber Security. This funding will be included in the 21/22 budget and carried forward to 22/23.
- 5.1.19 The allocations for the £1.5bn **COVID-19 Additional Relief Fund (CARF)** have now been published with Rutland’s allocation being £946,908. This fund was originally announced in March 2021 alongside the decision to “rule out COVID-19 related

MCC appeals” [Material Changes in Circumstances (MCC)]. The Council will have the discretion to make relief awards to qualifying businesses. There is no impact on the 22/23 budget as this will be dealt with in 21/22.

5.2 Beyond 22/23

- 5.2.1 The Government have not produced any allocations for beyond 22/23. This gives maximum flexibility to redistribute funding according to political priorities and need as part of Fairer Funding and/or Business Rates Retention. The Levelling Up agenda will inevitably play into any future settlement.
- 5.2.2 Prior to the financial settlement, the Council’s MTFP assumed increases in spending power of 3 – 4% based on trends from 18/19 to 21/22 and assuming a small element of redistribution for Fairer Funding.
- 5.2.3 Post Settlement, the Council has modelled various scenarios. Each scenario assumes that any redistribution would kick in from 23/24 and thereafter inflationary increases would apply.

Scenario	Definition	23/24 impact
1. Spending Power is 1%	Spending power increases by 1% from 22/23. As the Government assumes council tax increases, grants would be reduced to achieve a 1% increase.	£0.719m less government grant. Spending power increases to £38.604m
2. Spending Power is 3.1%	Spending power increases by 3.1% as indicated in the CSR. Any increase would be funded by Council tax in the first instance.	An additional £0.084m grants Spending power increases to £39.406m
3. Spending Power increases at same rate as 22/23	Spending power increases by 7.1% as indicated in the CSR. Any increase would be funded by Council tax in the first instance.	An additional £1.612m grants Spending power increases to £40.936m
4. Spending Power is 0% but business rates reset in full	Spending power does not increase. Any increase would be funded by Council tax in the first instance. As the Council retains c£1m more than its business rates baseline, this would be given back to Government.	£2.422m less government grant. Spending power stays at £38.222m
5. Spending Power is 3.1% but business	Spending power increases by 3.1% as indicated in the CSR. Any increase would be funded by Council tax in the first instance. As	£1.237m less government grant. Spending power

Scenario	Definition	23/24 impact
rates reset in full	the Council retains c£1m more than its business rates baseline, this would be given back to Government.	increases to £39.407m
6. Spending Power is 3.1% but business rates only partially reset	Spending power increases by 3.1% as indicated in the CSR. Any increase would be funded by Council tax in the first instance. As the Council retains c£1m more than its business rates baseline, this would be given back to Government but in this scenario some element (80%) is returned to the Council.	£0.743m less government grant. Spending power increases to £39.407m

5.2.4 The Council believes that scenario 1 is most likely given the Government has stated that average spending power increases will be 3.1% moving forward and there will be some adjustments for Levelling Up. On this basis, the Council post settlement MTFP includes the assumptions below. To reflect these changes in the MTFP, the Council has adjusted the total amount of Government grant shown by a Spending Power adjustment figure.

	22/23	23/24	24/25	25/26
Pre Settlement	3.63%	3.96%	4.12%	4.07%
Post Settlement	7.11%	1.00%	2.5%	2.5%

5.2.5 However, all commentators agree that forecasting for 23/24 is very difficult and should be treated with caution. Even a 3.1% increase in spending power for the next few years would not be sufficient to address the gap.

6 MTFP ASSUMPTIONS

6.1 As explained in Section 4, beyond 22/23 the Government funding position is still unknown. In the context of the current economic position, the Council has refreshed its assumptions about future funding.

Assumption	Description	22/23	Beyond
Pension contribution rates	Employer rates set by Pension Fund.	Lump Sum increased by £140k as per triannual review.	Still assumed 1% increase per year. Next triennial review due in 22/23.

Assumption	Description	22/23	Beyond
Inflation	Assumed rates of inflation with the MTFP	Social Care rates increased to 4% General Inflation 2% Utilities 5%	Same as 22/23
Interest rates	The rate at which the Council can invest surplus funds	The Council have assumed rate rises June and March. Investment impact trails behind this by 6 months due to locked in rates for long term deposits.	The Council have assumed that returns will increase in line with Base rate movements until 24/25
Contingencies	Contingencies within the MTFP	The Council has a demand led contingency based on 1% of Net Cost of Services	Same as 22/23
Staff pay award	Pay award for Chief Officers and other staff negotiated nationally.	Set at 2%, with 2% allowed for 21/22 as this would not have been settled prior to the end of the financial year	Annual increases of 2%
Social care grant	Specific grants given by Government	As per local government financial settlement	Linked to Spending Power impact see para 5.2
Rural Delivery grant	Grant for rural authorities	As per local government financial settlement	Linked to Spending Power impact see para 5.2
Council tax base	Number of Band D properties	Taxbase estimated at 15,798 for 22/23	Growth set at 145 properties per annum approx. equivalent to 115 Band D properties
Council tax rate	Rate set by elected members	The Council assumes an increase of 4.99%. 1.99% referendum limit + 1% Social Care + 2% balance of Social Care	Reverts to 2.99% 1.99% Referendum limit plus 1% Social Care

Assumption	Description	22/23	Beyond
		allowance from 21/22	
Misc grants	Ad hoc grants	Assumed some grants will continue at the same rates unless known	As opposite
Business Rates	Amount of funding Rutland is allowed to keep (its baseline) by Government from rates collected	Assume rates baseline continues as is (no growth).	Linked to Spending Power impact see para 5.21
Better Care Fund	Ringfenced funding shared with the CCG	Assume this increases with inflation as it contributes to reducing the burden on the NHS	Same as 22/23

7 RISKS AND UNCERTAINTIES

7.1 While the MTFP includes various assumptions, there are a number of inherent risks associated with these assumptions and a range of other factors that could impact on funding and spending that are outside of the Council's control (these are covered below).

	Issue/risk	Impact/ Action to mitigate risk
1	<p>The Council has received a 1 year financial settlement. Future funding is difficult to predict (see section 5) as it is not clear as to whether and how the Government will implement Fair Funding or Business Rates Retention.</p> <p>Some changes to the distribution of funding should be expected as the Government delivers its Levelling Up agenda.</p>	<p>MTFP assumes funding will reduce as redistribution takes place.</p> <p>The Council will continue to lobby for additional funding and respond to future calls for evidence.</p>
2	<p>The Government has indicated that 3% will be the maximum council tax rises permitted without the need for a referendum (some extra flexibility is given to Councils like Rutland in 22/23 who did not apply the full social care precept in 21/22). This limits the</p>	<p>MTFP assumes 3% tax rises from 23/24.</p> <p>The Council will lobby for additional Government funding rather than Council tax rises to minimise the local tax burden.</p>

	Issue/risk	Impact/ Action to mitigate risk
	Council's flexibility to raise taxes further as a means of closing its financial gap or creating funding for investment.	
3	<p>The Government has announced that it will introduce a social care cap of £86,000 as part of adult social care reforms. This means that individuals will not need to spend more than £86,000 on their personal care over their lifetime. This will be introduced in October 2023 and implemented using legislation already in place under the Care Act 2014.</p> <p>The introduction of the care cap and associated administration will be significant and local authorities are still waiting details on how this will be implemented.</p> <p>In the settlement, £91k has been received for market sustainability and fair cost of care. The Council has seen pressures on providers to the point that some care packages have been 'returned' to the Council.</p> <p>The Government have indicated that the adult social care reforms will be fully funded but there is a concern as to how the Government had calculated the full cost and whether any grant received will be sufficient. It is far too early for the Council to assess what the cost of implementing and operating reforms will be.</p>	<p>Of the additional tax income created by the Social Care levy, £5.4bn will be allocated to social care, of which £3.6bn will be used to fund the cost of these social care reforms.</p> <p>The MTFP assumes the cap will be cost neutral. Should this not be the case, the Council will lobby accordingly. This issue was raised by Sir Bob Neill MP (Conservative, Bromley and Chislehurst) during the Report stage of the Health and Social Care Bill.</p> <p>The fair cost of care grant will be used to support providers.</p>
4	<p>The Better Care Fund continues into 21/22 and increased by 5.3% but the level of funding beyond then is unsure and future reforms to the NHS or changes to the way social care is funded could change this landscape.</p> <p>At a local level, joint working and integration is strong</p>	<p>The MTFP includes the BCF in line with published allocations and assumes this will continue with inflationary increases.</p>
5	<p>Schools funding (Dedicated Schools Grant) is outside of the General Fund and is ring fenced.</p>	<p>The Education and Finance teams are working with Schools to tackle issues. A Recovery plan exists and Department for</p>

	Issue/risk	Impact/ Action to mitigate risk
	<p>The Council is carrying a deficit on the DSG, nearly £1m, caused by High Needs pressures which it aims to recover over time. In statute, the Council is not required to fund this deficit but with funding received barely sufficient to meet current demand, the Council is unclear as to how the deficit will be funded.</p> <p>The level of deficits nationally are significant and growing. The Council understands that the DfE are working with some Councils to tackle the problem and that future reforms are likely but as it stands there is no plan that will clear the deficit quickly.</p> <p>We await national policy reforms.</p>	<p>Education may request information or review it.</p> <p>Lobbying is being done through our local MP and via the LGA. The Chair of the LGA Children and Young People Board has urged that reforms are completed and that high needs block deficits are written off.</p>
6	<p>Council tax is the largest single source of revenue for Rutland. The amount raised in future years will depend both on how the tax base evolves and on the scale of any increases in the tax rate. Growth in the council tax base will depend on several factors:</p> <ul style="list-style-type: none"> • The change in the number of properties on which council tax is payable, which in turn depends on the number of new net properties The Council assumes a gross growth rate of 145 in line with planning guidance. • Changes in the number of properties subject to exemptions, discounts and premiums. These have been stable in 21/22 are not anticipated to change. • Changes in the number of properties whose residents are eligible for local council tax support (LCTS) – this number has grown from 1,393 in April to 1,557 at the of November and is expected to continue to rise for the remainder of the year. • Changes in the collection rate for those still eligible to pay council tax - there has been a small increase in non-payment this year, although based on past experience most of this is expected to be recouped in 	<p>The MTFP assumes net tax base growth of c115 Band D properties in line with the assumptions set out opposite.</p>

	Issue/risk	Impact/ Action to mitigate risk
	future years. We therefore assume the collection rate in 2021/22 to be 98.5%, with the rate returning to 99% thereafter.	
7	<p>As with council tax, the business rates tax base is affected by several factors, all of which are uncertain:</p> <ul style="list-style-type: none"> • the change in the quantity of non-domestic property – for Rutland, gross rateable value has marginally decreased from £32,930 at billing to £32,817 in November • the change in the number of properties subject to different tax reliefs, such as the 100% reduction in tax bill available for the first 3–6 months a property is empty – this has remained stable; • changes in the collection rate – this has held up with businesses still getting relief. 	The Council has traditionally seen little business rates growth. The MTFP assumes no growth in 22/23 other than for that known.
8	<p>The Council voted in September 2021 to restart its Local Plan process and set aside c£1.4m to fund this.</p> <p>The costs associated with developing a new Local Plan and managing without a plan in the interim are estimated at £1.4m.</p> <p>The Council agreed to keep the budget under review and note whether evidence emerges as to whether it will go up or down.</p> <p>Early signs indicate that there are already emerging pressures on the Local Plan budget. Additional planning applications from significant developments such as Mallard Pass will mean additional resource will be needed. While the Council will aim to negotiate a Planning Performance agreement for all large scale developments, to try and cover costs, it represents a significant risk.</p>	The Council has no additional provision set aside and would need to access General Fund reserves should costs escalate.

	Issue/risk	Impact/ Action to mitigate risk
9	<p>Pay inflation rate for 21/22 is still not confirmed after national negotiations failed.</p> <p>The Council originally assumed a freeze with c£100k set aside for staff due increments and rises for those earning under £24k. At Quarter 2 this assumption was changed to 2%.</p> <p>The pay settlement is not expected to conclude by March 2022.</p>	<p>The MTFP reverts back to the normal 2% assumption for 22/23 onwards.</p>
10	<p>For the large part, the Council's direct pandemic activity has stopped albeit the impact in the medium term on the future of council services is still being monitored.</p> <p>There are also some areas where there are backlogs or ongoing workload demands which require short term resource. Examples include continued reporting and assurance requirements in Finance and Revenues.</p> <p>Grant funding remains in case further pressures arise.</p>	<p>The Council has Covid grants remaining that can be used to support short term pressures.</p> <p>The 22/23 budget includes use of Covid grants for this purpose.</p>
11	<p>The Government target is to keep inflation below 2%.</p> <p>Inflation, as measured by the Consumer Price Index (CPI) is 5.1%. On the old RPI measure, inflation is 7.1%. There are a combination of factors – rising pay, petrol prices, utilities and supply shortages.</p> <p>The Council has seen the impact of inflation as it has extended and renewed contracts. Contract extensions have led to increased costs in the short term.</p> <p>With significant contracts due for tendering, the Council is at the risk of price inflation.</p>	<p>The Council will monitor the position on key contracts and has inflation built into the MTFP which has been adjusted as part of the 22/23 budget.</p>
12	<p>Interest rates may change thereby reducing the Council's ability to earn</p>	<p>Advice from our Treasury advisors is factored into investment returns expectations</p>

	Issue/risk	Impact/ Action to mitigate risk
	<p>investment income and the potential to repay long term debt earlier.</p> <p>The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment.</p> <p>Rates were not expected to rise but the Bank of England has raised interest rates for the first time in more than three years, in response to calls to tackle surging price rises. The increase to 0.25% from 0.1% followed data this week that showed prices climbing at the fastest pace for 10 years.</p> <p>Interest rates are not expected to increase further which will dampen investment returns but if inflation continues to rise this could change.</p>	<p>which have been lowered by £140k for 22/23 and £90k in 23/24.</p> <p>Consideration has been given to other investment routes such as property funds but this has been ruled out for now.</p> <p>Regular review of the debt position and consideration of the balance between investing surplus cash and using it to repay long term debt.</p>
13	<p>Capital financing costs have been estimated based on current spending plans.</p> <p>Corporate analysis of existing and potential new projects indicates that no further external borrowing is expected at this stage. However the Council's asset condition survey is due to report in early 2022 and funding of a planned maintenance programme will need to be sourced.</p> <p>The Capital Investment Strategy highlights the need for a long term (10 year) capital plan. This could require further borrowing.</p>	<p>The Council will aim to minimise borrowing unless there is an Invest to Save rationale.</p>
14	<p>The Council has seen demographic changes over time and will do so again in the future.</p> <p>It is difficult to track changes in population and number of households have not always translated into increases in service costs.</p>	<p>The MTFP includes a contingency of 1% of the budget in its MTFP to cover demographic and other demand changes.</p> <p>As far as possible Directors will try to manage costs pressures within budget.</p>

	Issue/risk	Impact/ Action to mitigate risk
	The Council is expecting to see population changes and housing growth over the next 5 years.	
15	<p>The Council's net pension liability for the Local Government Pension Scheme (controlled by Leicestershire County Council as the Pension Fund administrator) has increased from £40m to £57m.</p> <p>Contribution rates are due to be confirmed in 22/23 and pressure on interest rates may impact investment income placing pressures on employer contributions.</p>	The position will be monitored but the Council's MTFP includes a 1% increase in rates per annum.
16	<p>The new Environment Bill has various impacts for local authorities:</p> <ul style="list-style-type: none"> • The act introduces extended producer responsibility (EPR) which allows authorities to make regulations that require manufacturers to contribute to the disposal costs of the products they produce. • Recyclable household waste must be collected separately from other household waste, for recycling or composting • Food waste collection must take place at least once a week. However, under the Act, Councils will not be permitted to charge for the collection of food waste. • Councils will not be allowed to charge for the collection of Green Waste. <p>The Environment Act also sets out other provisions including a commitment to net zero greenhouse gas emissions by 2050.</p> <p>These changes will have far reaching implications on the composition and material flow of Rutland's waste and</p>	<p>The Government has stated in its waste and resource efficiency factsheet that it <i>"recognises the financial pressures local authorities face and will ensure that costs arising from new statutory duties such as those proposed in the Bill are covered."</i></p> <p>The detail of any available funding are awaited. Conversations with officials gave rise to concerns and our MP, Alicia Kearns, has written to Ministers asking for assurances.</p> <p>The Council has assumed the following:</p> <ul style="list-style-type: none"> • Green Waste charging will continue until 24/25. Grant compensation is assumed to be 75% of the value of the green waste charge. • Food waste to be implemented from 24/25 but not funded until 25/26 (as per current announcements).

	Issue/risk	Impact/ Action to mitigate risk
	will fundamentally affect how the Council specifies its requirements for the new waste contracts.	
17	<p>The Council has properties which are being reviewed as part of a condition survey. This a core part of its work on Asset Management.</p> <p>The results of this work will be factored into future plans and an Asset Management Strategy. As a minimum, a planned maintenance programme will be developed and decisions made as to whether assets will be retained.</p>	<p>The MTFP includes an additional £250k repairs budget from 23/24. The need and adequacy of this budget will be considered when condition work is completed.</p> <p>Capital funds and reserves are available but adequacy will depend on the extent of the long term programme.</p>
18	<p>Ash dieback, sometimes known as ‘Chalara’, affects ash and other species of trees and is caused by a fungal pathogen.</p> <p>The management of Ash dieback was identified in the MTFP as a future potential financial development/pressure but figures are unknown. The financial implications of the spread of ash dieback will be more fully understood as work progresses.</p> <p>The Council is responsible for the inspection and maintenance of all trees on land it owns and manages, including the adopted highway.</p>	<p>The Council has set aside £500k of repurposed earmarked reserves to fund ongoing work. This was not used in 21/22 but is still held pending further review.</p> <p>Consideration will be given to minimising cost of felling and maximising revenue from timber sales.</p>
19	<p>Businesses can appeal to the VOA about the amount of rates they pay. If their RV is reduced on appeal (NB: appeals can be backdated for years) then the Council will not only lose income but will have to refund businesses for any “overpayments” they have made.</p> <p>To mitigate this risk, the Council has a provision for appeals and losses. The amount set aside represents each Council’s estimate of the sums that may ultimately be repaid to ratepayers. Setting the provision is not straightforward but relies on the various</p>	<p>The Council recalculates its provisions every year as part of setting the business rate tax base in January.</p> <p>The backlog with the VOA makes it difficult to be certain about the future risk.</p>

	Issue/risk	Impact/ Action to mitigate risk
	<p>types of information and judgements (and is subject to external audit).</p> <p>The dilemma for the Council is about the level at which to set its provision. If it is too low then the Council may incur costs in the future. If it is too high then the Council could reduce its income in the short term.</p> <p>Nationally there has been a large rise in appeals lodged with the Valuation Office Agency and the VOA requires additional resources to manage its processes and give authorities more clarity on income. It remains to be seen whether the MCC funding (£946k) will have an impact.</p>	
20	<p>A Climate Change Action Motion was presented to Full Council on 14 October 2019. This was followed by an Ecological Emergency in November 2021. Among the measures put forward for the first motion, were commitments to:</p> <ul style="list-style-type: none"> • Make sure the Council’s activities achieve a net-zero carbon footprint before 2050 • Achieve 100% clean energy across all council functions by 2050 or earlier • Provide a climate change impact assessment on all relevant council decisions • Request that scrutiny panels consider the impact of climate change and the environment when reviewing council policies and strategies • Review council activities to take account of production and consumption emissions • Set up a Climate Change Partnership Group involving councillors, residents, young people, climate experts, 	<p>The MTFP makes no additional provision for spending towards climate change but does include a budget for a Climate Change officer.</p> <p>MTFP will be updated as plans are drafted and agreed.</p>

	Issue/risk	Impact/ Action to mitigate risk
	<p>businesses, and other relevant groups</p> <p>There is no detailed plan to support the Climate Change motion or what the Council's support for the Climate and Ecological Emergency Bill means so it is difficult to assess the financial impact. However work has started on a baseline carbon assessment which will provide a launch point for any plans.</p>	
21	<p>The Council, like many others, is experiencing issues in respect of recruitment and retention.</p> <p>There are a number of challenges contributing to this including the impact of the pandemic (as individuals reassess what is important to them), agile working which makes jobs further afield more accessible to staff, pay rates which are moving upwards as authorities will pay more to retain staff and uncertainty in the sector generally which makes the public sector less attractive for private sector candidates.</p>	<p>Review of recruitment and retention has been completed.</p> <p>Pay levels are reviewed to try and maintain competitiveness.</p>
22	<p>Rutland County Council has undertaken a review of the County's leisure and wellbeing needs. The purpose of the review was to inform options for the shape of the leisure and wellbeing offer beyond 2022.</p> <p>Cabinet has approved various recommendations including the option of letting a new nil cost contract (if possible) for dry side leisure facilities alongside exploring options for a community led facility and securing more public access swimming.</p> <p>Ultimately, the Council has a desire for a zero subsidy for ongoing wet and dry leisure provision at a new site with 90% external funding in recognition of the Council's financial position.</p>	<p>The MTFP does not include any allowance for additional Leisure costs.</p> <p>£250k of developer's contribution has been committed as match funding towards future provision and investment in facilities as recommended by Cabinet.</p>

8 SAVINGS: CLOSING THE GAP

8.1 Objective and priorities

- 8.1.1 Given the funding settlement and existing pressures and risks, the financial outlook confirms that strong action is required now to eliminate (or at the very least reduce) the projected deficit for 23/24.
- 8.1.2 Despite savings made in 21/22 and 22/23, the forecast revenue budget for 23/24 shows a funding gap of £2.2m which will have to be balanced by using reserves if savings cannot be found. Using reserves to balance the budget for recurring expenditure is not good practice and not sustainable.
- 8.1.3 **Strong action is needed now to reduce costs and increase revenue. By December 2023 and in time for the 23/24 budget, the Council must have agreed deliverable savings (worked up proposals that can be actioned from 1 April 2023) that can be included in the budget.**
- 8.1.4 Given the savings already delivered, the work/investment required to deliver further savings and the uncertainties that remain, it is accepted that balancing the books by 23/24 is challenging. In this context, the Council should aim to close the gap fully by 25/26.
- 8.1.5 One of the further challenges is that the expenditure growth year on year is greater than funding growth, so saving £2.2m in 23/24 does not remove the problem in full. **As part of the action set out in 8.1.3 the Council will also need to consider spending control mechanisms to minimise inflation increases above funding levels. This could include cash limited budgets, recruitment pauses and pressure management.**

8.2 Context – barriers and issues

- 8.2.1 Developing a programme of savings is complicated by various factors which are explained below
- a) Whilst some services are statutory, classifying spend as either statutory or discretionary at a headline level is almost impossible. For example, having a finance function is not a statutory requirement but without it the Council could not meet statutory obligations such as producing the Statement of Accounts. Therefore, the Council cannot simply list discretionary services and cut those to plug the gap. The Council will nevertheless have to explore the question of discretion in more detail at service level. This is an area where external input may be useful based on our enquiries.
- b) the Council has already made significant savings over the last 10 years which have been used to meet additional pressures and offset the loss of funding;

Year	Budget savings
11/12	3,313,050
12/13	1,193,500
13/14	1,534,500
14/15	889,400
15/16	785,900

Year	Budget savings
16/17	1,022,400
17/18	931,300
18/19	805,600
19/20	1,515,000
20/21	479,000
21/22*	1,743,300
22/23	1,314,000

*Figures include budget review savings

- c) the Council's net spending per head (£1,347) compared to other unitary Council's (£1,735) is below average (based on the latest LG Inform figures pre pandemic). Reducing costs further without impacting the services enjoyed by residents is unlikely;
- d) inevitably there are some areas where the potential for reductions to be made is low either because of savings already made, statutory obligations, current spend levels or because spend is outside of the Councils' control. The list below gives examples.

Areas	Spend	Challenge
External audit	£100k	Fee reduced from £180k to £80k over last 10 years. Statutory requirement for audit. Auditors regulated nationally and under pressure to do more.
Internal audit	£95k	Very low cost at c£92k. Other service delivery options already explored. Service cannot be stopped or cut.
New social care levy	£155k	New tax for 22/23. Council cannot opt out.
Social Care packages	£10.3m	There are three factors which drive cost none of which are Council controlled: <ul style="list-style-type: none"> - need for care. The Council cannot choose to only help those with greatest needs and leave others to help themselves if they meet the threshold for care. - financial contributions – some people pay towards their care. The Council does not the set financial rules so cannot ask people to pay more. - care rates – the Council has to pay a fair rate for care. Reducing rates would destabilise and threaten the supply of provision.

Areas	Spend	Challenge
Home to School transport	£774k	<p>Local authorities have a duty to provide non means tested free transport for all pupils of compulsory school age (5-16) if their nearest suitable school is:</p> <ul style="list-style-type: none"> • beyond 2 miles (if below the age of 8); • beyond 3 miles (if aged between 8 and 16) <p>The Council controls how this need is met but control over number of children needing transport is limited.</p>
Pay increases	£335k	The Council does not control the level of pay rises given to staff so it cannot simply freeze pay to save money. Pay is set at a national level.
Fees and charges	£4m	Most fees are set nationally. Fees set locally, the Council can only break-even and recover costs. Legally it cannot make a profit unless it acts through a trading company.
Concessionary travel	£240k	<p>A mandatory bus concession for older and disabled people has been in place since 2001. The scheme has gradually been extended and since April 2008 has provided free off-peak local bus travel to eligible older and disabled people anywhere in England.</p> <p>This is Government controlled so the Council cannot choose to stop subsidising those who enjoy free travel even if they can afford to pay for themselves.</p>
Pension contributions	£3.2m	<p>£3.2m per annum, set by Pension Fund, unlikely to reduce given Pension Fund deficit.</p> <p>Council cannot come out of the Pension Fund for existing employees. Reducing headcount is the key way of reducing costs.</p>
National insurance contributions	£1.3m	Rates set by Government. Reducing headcount is the only means of reducing spend.

Areas	Spend	Challenge
Insurance	£270k	Level of cover reviewed and little scope for savings other than not having insurance
Public Health	£1m	£1.3m, ring fenced sum, savings already made and allocation will continue to reduce

8.3 Options and Next Steps

8.3.1 Notwithstanding the above comments, the Council must act now if it wishes to be financially sustainable.

8.3.2 As noted above, there appear to be an increasing number of areas where the Council has no or limited influence over spending levels. In early January, the Council will be revisiting its budget in full and classifying spend into “controllable” and “non-controllable” categories.

8.3.3 It will then work with elected members to look at “controllable” spend to prioritise areas for further work. As part of this work, the Council will refresh and review the list of medium term saving options it included in a July report to Council.

8.3.4 Whilst the above work is scheduled for January, there are inevitably some areas which will make a long list for consideration including:

- a) reduce the amount spent on **leadership and management** by reviewing the senior structure;
- b) reviewing its **corporate services** structure and offer and seeking to reduce costs in part by being more efficient, investing in technology and encouraging self-serve.
- c) review the **cultural offer** and seek to maintain current provision whilst significantly reduce subsidy by looking at options for greater community ownership;
- d) review its **transport offer** and aim to connect the County better by trying to make routes commercially viable (and if not reducing subsidies) and reinvesting in a new network;
- e) revise its current offer and policy in relation to **Post 16 transport** which is currently delivered free of charge and alternatives will be explored;
- f) review the **discounts** it gives on council tax and business rates; and
- g) review the **social services prevention** offer whilst maintaining resources to deal with those who have care needs.

8.3.5 None of the above savings areas **can be delivered without some impact on front line services** although the Council will aim to mitigate impacts where possible. As

part of the above considerations, the Council may decide to hold vacancies now in areas targeted for future service reductions.

- 8.3.6 The scale of savings required (and the capacity needed to deliver such savings) means that the Council is considering bringing in an external partner to help provide capacity, expertise and independent challenge. Officers accept that there is risk that they are “too close” to service areas. In addition, a vertical approach to savings (i.e. service led) means that the opportunity for horizontal changes (cross organisational) may be missed. In particular, reductions in headcount will make small teams even smaller and possible unviable. This will present some challenges and may require a move to a different organisational design.
- 8.3.7 The Council has had some informal conversations with advisers who have delivered “cost reduction” projects elsewhere. Such a project would take 3 months to complete and would cost in the region of £50-£100k which the Council could fund from savings made in 2021. The Council is requesting that the Chief Executive/s151 Officer progress this, if they deem it appropriate, in consultation with the Portfolio Holder for Finance.
- 8.3.8 Alongside the savings work, the Council will continue to lobby Government for a better deal for Rutland in terms of core funding but also for specific rural challenges like transport.
- 8.3.9 A more detailed plan will be worked up for April once some of the work discussed has been advanced. The Council will also engage with residents on potential savings ideas prior to finalising the savings programme as part of its corporate plan development.

9 RESERVES

9.1 The minimum level of reserves required

- 9.1.1 One of the reasons that a deficit does not threaten the Council’s resilience overnight is that the Council has been prudent over the years and has maintained a healthy reserve level. The total level of reserves relative to council revenue expenditure is relatively high compared to other Councils as per the CIPFA Resilience Index indicating a good degree of financial management.
- 9.1.2 These reserves can be called upon in the short term to balance the budget but this is not good practice and they cannot continue to be used indefinitely as indicated above. Reserves are also available to meet unexpected costs. In 2021, the decision to restart the Local Plan process (which calls upon £1.4m of Reserves) demonstrates the importance of having available funds.
- 9.1.3 The level of reserves is set to take account of:
- strategic, operational and financial risks (see Section 7);
 - key financial assumptions underpinning the budget; and
 - the quality of the Council’s financial management arrangements.
- 9.1.4 The Council’s minimum reserves target is set at £3m. Presently, the Council’s General Fund balances (and useable earmarked reserves) are above the minimum

level. As at March 2022, reserve levels are budgeted to be at £11.464m (General Fund) and non-ring fenced reserves £6.559m (earmarked reserves as detailed in Appendix 3).

9.1.5 A review of the reserves position has been undertaken. **It is my view that the minimum reserve level be maintained at £3m.** This level is deemed adequate based on professional judgement and a risk assessment taking into account the following factors:

- a) despite a good savings track record, the Council has work to do to deliver future savings;
- b) there are potential risk and cost pressures as set out in 3.4; and
- c) the financial outlook (Spending Review 2021) and Settlement indicate that future funding will not close the gap.

9.2 Earmarked Reserves

9.2.1 **Earmarked reserves** are used as a means of building up funds to meet known or predicted liabilities (albeit the timing may be unforeseen). Their establishment and use is subject to Council approval and movements are reported as part of the quarterly financial monitoring reports. A list of earmarked reserves is given in Appendix 3.

9.2.2 The Council has £4.026m of un-ringfenced earmarked reserves which can be used at the discretion of Council.

9.2.3 The Council has reviewed earmarked reserves and is proposing the following changes:

- deletion of Brexit reserve because the reserve is no longer required as the Council has not seen any pressures emerging solely attributable to Brexit.
- deletion of Digital Rutland reserve as the project is largely complete and there is a budget within the Places directorate to manage the remaining elements of the project.
- transfer funds from deleted reserves (totalling £292k) into the social care reserve.
- create a new CST Improvement reserve from the balance held in Budget carry forward to fund customer services improvements e.g. website development.
- transfer £53k from the budget carry forward reserve to the social care reserve as the budget carry forward is no longer required

9.2.4 In terms of the use of Reserves in the MTFP (non ring fenced reserves only), the Council's general approach is:

- to meet in year pressures over and above the 1% contingency in the core budget from relevant reserves providing there is a plan to address a longer term pressure;
- to fund invest to save type expenditure or cost avoidance;

- to use other reserves for their intended purposes.

9.2.5 The MTFP therefore assumes (for now) limited planned use of earmarked reserves. The Council is not using earmarked reserves to offset use of the General Fund (outside of any change previously agreed).

9.2.6 In terms of replenishing earmarked reserves, the Council's plan is to:

- balance the budget without using reserves;
- use any underspends in specific areas to top up reserves where that would not cause a General Fund deficit; and
- direct officers to consider the need for earmarked reserves in setting budgets and associated fees and charges e.g. rent levels should generate income to be set aside for future repairs or void periods.

10 COUNCIL TAX AND COLLECTION FUND

10.1 Council tax – options

10.1.1 The Government has maintained the general Council Tax referendum limit at 1.99% for 22/23. Rutland is also able to levy an Adult Social Care precept of an additional 3% for 22/23 (1% allowed under 22/23 regulations and 2% brought forward from the prior year where the Council was allowed to apply up to 3% with any unused carried forward to 22/23).

10.1.2 From 23/24 onwards, the limit will be 2% for general council tax and 1% for the adult social care precept.

10.1.3 The Council proposes to raise Council Tax by 2% and levy the Adult Social Care precept of 3%. This is the maximum amount, **Members should note that Councils in financial difficulties that have not maximised local taxation have been criticised for asking for more Government funding.**

10.1.4 The rationale for applying the 3% Adult Social Care precept is that the total increase in direct ASC costs (after applying savings) is estimated at £1.016m (excluding corporate overheads). The total additional yield from a 3% levy is £0.890m. As an aside, the total value of the precept for 22/23 is £3.609m v £13.827m total spend on ASC.

10.1.5 The table overleaf gives shows the difference between the various options that Members could apply:

Change from 21/22	Council tax rate	22/23 Council tax revenue £m	Loss against maximum yield in 22/23	MTFP Impact
4.99%	£1,917.36	£30.292m	N/A	N/A
3.99%	£1,899.23	£30.004m	£0.288m	£1.9m - £2.2m
2.99%	£1,880.84	£29.715m	£0.777m	£3.8m - £4.2m
1.99%	£1,862.57	£29.427m	£0.865m	£5.7m - £6.3m

0.99%	£1.844.31	£28.043m	£1.154m	£7.6m – £8.5m
0%	£1,826.23	£28.852m	£1.440m	£9.5m - £10.5m
NB: The losses over a 6 year period will vary according to a number of factors including growth, council tax support, collection rates, discounts and empty homes.				

10.2 Impact on residents

10.2.1 The Council runs a Local Council Tax Support scheme. The Scheme gives a maximum 80% discount on Council Tax bills for qualifying residents (i.e. those on low incomes who have capital of less than £10,000). This scheme runs alongside the single person discount so residents living on their own only pay 75% of the value of Council tax for their property.

10.2.2 In 2021/22 the Council applied a further discount of up to £100 for those on the lowest incomes funded from Government grant. The budget assumes that this will continue into 22/23 as long as funds remain. The Council also has a discretionary hardship fund (£20k) which would allow us to reduce Council tax for the most vulnerable.

10.2.3 The table below shows the impact on residents of the Council tax decision.

Impacts	21/22	22/23
<i>On residents</i>		
Council tax per Band D property	£1,826.13	£1,917.36
Weekly cost (Band D)	£35.02	£36.77
Maximum weekly cost for those receiving full council tax support	£8.76	£9.19
Number of households paying the full charge*	9,965	10,025
Number of households receiving single persons discounts/ council tax support*	6,676	6,705
Council tax support funding available for hardship cases	£20,000 with additional reserves held if required	£20,000 with additional reserves held if required

10.3 Council Tax Collection Fund – the estimated balance for 2021/22

10.3.1 The Council, as a billing authority, is required to keep a special fund, known as the Collection Fund. If a surplus or deficit remains in the Collection Fund at the year-end it is subsequently distributed to, or borne by the billing authority (in this situation

the Council) and the preceptors (Police and Fire Authorities). Billing authorities are required to estimate the expected Collection Fund balance for the year to 31 March in order that the sum can be taken into account by billing authorities and preceptors in calculating the amounts of Council Tax for the coming year. The difference between the estimate at 15 January, and the actual position at 31 March will be taken into account in the following financial year.

10.3.2 The estimated financial position on the Collection Fund at 31 March 2022 is shown below.

Estimated Deficit at 31 March 2022	£186,000
Share of Deficit	
Rutland County Council	£159,600
Leicestershire Police Authority	£20,400
Leicestershire Fire Service	£6,000

10.3.3 The deficit represents 0.59% of the amount collected. Regulations provide for the Council's share of the estimated deficit to be transferred to the General Fund in 22/23.

10.4 **Business Rates Collection Fund – the estimated balance for 2022/23**

10.4.1 Similar to Council Tax the Collection fund for business rates as been anomalous. Although the Government has funded a large proportion of the changes in relation to business rates, the timing and accounting treatment required for the Collection Fund will result in significant movements between reserves to neutralise any impact of the reliefs.

10.4.2 The Councils draws down an amount from the Collection Fund based on annual return completed in January and this forms the 'funding' from business rates, which does not fluctuate.

10.4.3 For 21/22, the Government have made policy decisions to grant extra relief as part of their Covid response, but recompense local authorities by grant payable in year. The consequence of this is the Council still receives the estimated funding from the Collection Fund plus grant funding for the additional relief, creating a significant surplus for the Councils general fund in 21/22.

10.4.4 This creates a deficit on the Collection Fund as the amount collected will not be as high as when estimated in January, but the fund still pays out the estimated amount. The Council will then have to pay back the deficit in the next financial year.

10.4.5 To help neutralise this impact the Council will use the additional funds received in 2020/21 and put them into a specific earmarked reserve in order to meet the estimated deficit in the Collection Fund in January 2022.

10.4.6 The Council has now completed the government return for business showing the estimated position for 22/23 and due to the impact described in 10.4.3.

10.4.7 The way in which business rates work in accounting terms means that the Council's business rates figure in the MTFP will be shown as £3.562m rather than £5.776m (with business rates income received in prior years being pulled into the General Fund via earmarked reserves). This adjustment is just a timing difference as the Government fund the council for lost income in the year of loss, but the repayment of the loss appears in the following year e.g. the Council received grants for reliefs government gave to businesses in 20/21, but will only have to pay back the losses from the reduction in rate bills in 22/23. To mitigate this impact the Council transferred the extra funding in 20/21 to a reserve and will draw down this to offset the repayment.

11 REVENUE BUDGET

11.1 The Council is proposing a net revenue budget of £43.276m. The table below sets out the detailed make-up of the budget.

		Budget 22/23 £000
11.1.1	People	19,806
11.1.1	Places	14,701
11.1.1	Resources	7,667
	<i>Sub-Total Directorate budgets</i>	42,174
11.1.2	Pay Inflation contingency	674
11.1.3	Demand Led Contingency	428
	<i>Sub-Total Contingencies</i>	1,102
	Net cost of services	43,276
11.1.4	Appropriations	(2,478)
11.1.5	Capital financing costs	1,647
11.1.6	Interest income	(100)
	<i>Sub-Total Capital</i>	(931)
	Total Net Spending	42,345
	Funding	(39,656)
11.1.7	Contribution from Earmarked Reserves	(2,683)
	Use of General Fund reserves	6

11.1.1 The **Directorate budgets** are detailed by functional areas in Appendices 4 to 6. The budgets include savings and pressures.

11.1.2 The budget includes a contingency for **pay** changes (pay inflation, adjustment, re-grades, staff opting in to pension fund etc). The public sector pay award for 21/22 has not been settled at the time of writing. The Council assumes a 2% pay award for 22/23 and beyond.

11.1.3 The budget includes a **1% contingency** of £428k to cover demographic growth, housing growth and service demand. Historically, this has been sufficient to cover costs but its suitability for the next period of the plan is under review. The contingency replaces needs management and other contingencies.

11.1.4 The **appropriations** figure represents adjustments that 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 Directorate budgets.

11.1.5 **Capital financing** costs of £1.647m comprise interest costs on loans of £1.033m and Minimum Revenue Provision (MRP) costs of £614k. MRP is a statutory charge to the revenue account which covers the repayment of debt (see 6.3).

11.1.6 **Interest income** reflects interest earned on investments. This has been significantly impacted by the pandemic and other economic factors.

11.1.7 **Earmarked reserves** are used to offset specific expenditure. The 22/23 budget uses £2.683m of earmarked reserves to fund Better Care Fund Projects (£200k), Highways Drainage Works (£30k), Council Tax Hardship Fund (£40k), Business Rates (£2,314k), Use of the Covid Reserve (£79k) and additional drawdown of commuted sums due to additional costs of the Grounds Maintenance Contract. A list of earmarked reserves is given in Appendix 3.

11.2 **Contribution to Corporate priorities**

11.2.1 The budget will allow the Council to deliver on corporate plan priorities and meet statutory obligations. The Council continues to focus on delivering and maintaining core services during difficult financial times and supporting those who are most vulnerable:

- the Council is enhancing current Local Council tax support scheme arrangements by providing additional top up support for the most financially vulnerable;
- the Council continues to work closely with Health and has now implemented the seven day a week offer for service users;
- the Council is investing in the waste management service and preparing to implement the Environment Act including food waste collection;
- the Council continues to invest in the Council's road network to keep it at a high standard;
- the Council continues to invest in transport provision to maintain access to public transport and has submitted a bid for Bus Services Improvement funding;
- the Council continues to meet increased demand for Home to School and Special Educational Needs (SEN) transport;
- the Council continues to expand its digital offer and enable residents to make service requests online;
- the Council is investing in the development of a new Local Plan and has set aside significant funding for this; and

11.2.2 Whilst the Council is facing challenging circumstances, the budget protects key services, and avoids service reductions that may be forced in the future.

11.3 **The budget process – the development of the revenue budget**

Impact of Covid-19

11.3.1 Whilst the extent of pandemic work is much reduced, there are still some legacy

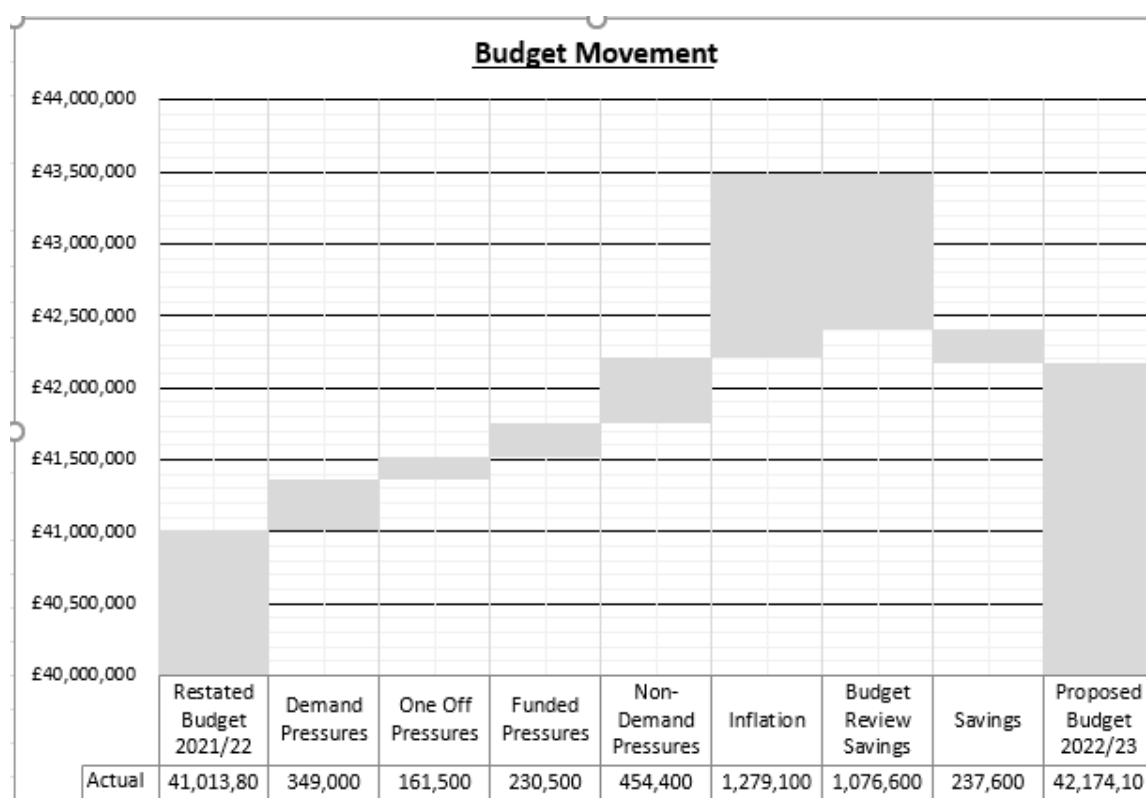
impacts that cause additional costs in 22/23 and can be funded by Covid grant that the Council has available. For example, additional support in Finance will continue into 22/23 as additional reporting requirements continue and the Council delivers work previously deferred to accommodate the focus on pandemic focus. The total costs are £79k and are funded by grant.

11.3.2 Beyond the above issues, the Council still retains £343k of Covid grant funding available to meet any further pressures that might emerge.

Budget process

11.3.3 The starting point is the restated 2021/22 budget which is updated for any approved changes and adjustments as reported in Finance reports. Minor adjustments are made to individual budgets as part of the normal annual budget process. These include updating for the pay settlement, inflation, adjustments and removing one off budgets. Any savings and pressures are also factored in.

11.3.4 The Council's restated Directorates budget for 21/22 is £41.0m. The Council's Directorate budget is £1.16m (2.8%) higher than the comparable budget for 21/22. Therefore the total 22/23 is £42.2m. The build-up of the budget is explained below.



11.3.5 The original 21/22 budget is restated so it is comparable as far as possible with the 22/23 proposed budget. For example, any one off items included in 21/22 are removed as part of the restatement.

11.4 Savings

11.4.1 The 22/23 budget includes:

- Savings proposed/extended from the Budget Review Paper Presented in July 2021 (£1.07m);

- New savings proposed for the 22/23 budget (£0.24m).

11.4.2 In July 2021, Full Council took the Budget Review report (64/2021) and agreed various savings relating to 21/22 but would also apply to 22/23. Some additional changes were made in September. The table below shows the total savings taken in 22/23 as a result of the budget review.

	Savings Removed 21/22	Additional Savings 22/23	Total Savings 22/23
Administrative Savings	(130,500)	(40,900)	(171,400)
Revision to Councils Offer	(219,800)	(182,700)	(402,500)
Change in Funding Assumptions	(371,000)	0	(371,000)
Strategic Projects	0	(735,000)	(735,000)
Other Proposals	0	(118,000)	(118,000)
Total Budget Review	(721,300)	(1,076,600)	(1,797,900)

11.4.3 A detailed list of the savings included in the budget can be found in Appendix 2.

11.5 Pressures – additional costs

11.5.1 Service pressures may arise from increased demand from service users, legislative changes that place additional duties or responsibilities on the Council or from withdrawn funding which means the General Fund has to pay for services previously funded through other income e.g. grant.

11.5.2 As indicated in para 11.3.1, there are some pressures that are Covid related which will be funded by grants and therefore not have an impact on the Council's General Fund.

11.5.3 The 22/23 budget also includes total new spending of c£1.195m of which £0.349m pertains to demand, £0.685m is about market pressures and £0.189m is due to one off pressures e.g. Continuation of Agency Staff. Pressures are detailed in Appendices 2.

11.5.4 The £0.189m of one off pressures relate to a number of reasons £107k for the continuation of interim staffing arrangements, £10k to support the retender of insurance services, £57k one off investment deliver services/systems differently and £15k for additional maintenance of waste equipment.

11.6 Reserves and Estimates - robustness

11.6.1 Best practice requires me to identify any risks associated with the budget, and section 25 of the Local Government Act 2003 requires me to report on the adequacy of reserves and the robustness of estimates.

11.6.2 The most substantial risks in 22/23 pertain to demand led budgets and in particular social care. The Council has prudently assumed that current trends will continue but also has some contingency included in the budget any pressures. It is my view that estimates made in the plan are prudent.

11.6.3 In the medium term, the risks to the budget strategy arise from the risks detailed in 3.3 but can be summarised as follows.

- non-identification and delivery of future savings;
- unidentified and uncontrollable pressures; and
- loss of future resources, particularly in respect of changes to business rates, government funding or council tax.

11.6.4 The risk of economic downturn continuing, nationally or locally, is a distinct possibility as noted in the risk commentary in 3.3. This could result in further significant reductions in funding, falling business rate income, and increased cost of Council Tax reductions for tax payers on low incomes. It could also lead to a growing demand for Council support and services and an increase in bad debts.

11.6.5 In 22/23, it is my view that the Council's financial resilience is adequate. In light of the risks highlighted in section 7, **my view is that the position is deteriorating and requires immediate action**. In the short term (up to 2 years), the Council can manage the above risks as:

- It has a good level of earmarked and General Fund reserves;
- The Council is largely self-sufficient and its high dependency on Council tax leaves it less vulnerable to further government reductions but only if Members raise council tax to the maximum allowable;
- Budget management is sound; and
- Action must be taken in year to reduce expenditure.

11.6.6 My assessment is supported by the CIPFA resilience index where the Council is generally rated as low risk on the measures of financial stress including level of reserves as a % of net expenditure, council tax/net revenue expenditure ratio, external debt and social care ratio. More information can be found on the following link - **Financial Resilience Index 2022 (cipfa.org)**.

11.6.7 Subject to the above comments, I believe the Council's general and earmarked reserves to be adequate in the short term. I also believe estimates made in preparing the budget are robust based on information available.

12 CAPITAL PROGRAMME

12.1 Overall Programme – existing and new projects

12.1.1 The Capital Programme is developed around specific projects. The programme comprises four strands:

- Approved projects: capital projects already approved that will span across more than one financial year (any projects already approved which are not yet completed will continue into 2022/23);
- Ring Fenced Grants: These projects will automatically be included in the existing capital programme.(e.g. disabled facilities grants);

- Non Ring Fenced Grants: New projects to be approved in the budget or in-year; and
- Funding available but not yet allocated.

12.1.2 The table below is an overview of the position for 2022/23. Projects that make up the total £18.298m are listed in Appendix 7.

Capital Programme	Budget Approved to Date	New Capital Projects	Deleted Capital Projects	Budget 2022/23
	£000	£000	£000	£000
Strategic Aims and Priorities	8,297	250	(82)	8,465
Commercialisation	10,000	0	(10,000)	0
Asset Management Requirements	10,004	0	(171)	9,833
Total Projects	28,301	250	(10,253)	18,298
Financed By				
Grant	(16,011)	(250)	86	(16,175)
Prudential Borrowing	(10,436)	0	10,085	(351)
Capital Receipts	(176)	0	0	(176)
RCCO	(181)	0	0	(181)
Developers Contributions	(1,497)	0	82	(1,415)
Total Budget Funding	(28,301)	(250)	10,253	(18,298)

12.2 Approved projects – approved projects continuing into 2022/23

12.2.1 Some of the capital projects will span across more than one financial year. Any projects already approved which are not yet completed will continue into 2022/23. The estimated spend in 2022/23 will depend primarily on the outturn position (the amount spent) for 2021/22.

12.3 Approved projects – projects delivered with ring fenced funding

12.3.1 The Council receives Devolved Formula Capital funds which is passported to maintained schools to help them support the capital needs of their assets. Schools will decide what projects to fund.

12.3.2 For the Disabled Facilities grant which is part of the Better Care Fund, the full allocation is used to help residents remain in their home and be independent.

12.4 Projects in pipeline – to be submitted for approval in due course

12.4.1 In a few areas, works are ongoing and some proposals for new projects are being developed. In these areas, Cabinet reports are expected in 2022/23. Funding for any future projects will be met in full or in part from the unallocated funding (set out in 12.5 below). Areas under review include:

- Highways – the spending review indicated £1.7bn in 2021/22 for local roads and upgrades to tackle potholes, relieve congestion and boost connectivity. This includes £500m for the pothole fund and £310m for upgrades to larger roads. The

Council allocation is £1.5m and is included within the unallocated table in 12.6 until a paper is presented to Cabinet for approval.

- Transport – The Bus Service Improvement Plan went to cabinet in October 2021. The council will be submitting a bid for funding, if successful, its expected that match funding from the Integrated Transport Block will be needed. A further report will be presented in Early 2022 on further schemes that will be funded from the Integrated Transport Block, including fleet replacement
- Property - The Council has been completing an asset condition survey of all assets. This will drive a strategic property review and will lead to the development of a longer term maintenance programme. A new cabinet paper which is expected early 2022.
- SEND – A paper went to Cabinet in December 2021 that shows the plans on how the remaining SEND funding will be spent. The report will support Rutland vision that all children and young people with Special Educational Needs and or Disabilities (SEND) to lead healthy, independent and safe lives.
- Levelling Up fund bid – the Council may submit a bid for Levelling Up funding. Once details have been announced, the Council may be asked to decide how much match funding it wishes to include within the bid.
- Speed Indicator Device Review – The potential scheme would look at replacing 69 Speed Indicator Devices (SIDs) across Rutland over a three year period.

12.5 Deleted Capital Projects – Projects deleted from the capital programme

12.5.1 If approved by Cabinet, the projects below (£10.253m) will be removed from the capital programme. Any grant or Developers' Contributions that would have been used on these projects have been included within the unallocated funding below (para 12.6).

- Investment Properties (£10m Prudential Borrowing) – Changes to CIPFA Local Authority standards means that Local Authorities should no longer borrow to invest solely for a commercial return. This allocation has now been removed.
- Oakham Town Centre (£86k Highways Grant Funding) -The project was created for potential future design and maintenance works on the Oakham Town Centre project. The funding from the cancelled project will be re-allocated in 2022/23 to the Highways capital programme to be used on schemes within Oakham Town Centre.
- Future Maintenance Requirements (£85k Prudential Borrowing) – The original capital project was to support feasibility studies on councils' assets. This is now deleted.
- Sports Grant (£82k funded from Developers Contributions) – The capital project was approved in 2015. The final grant award to Royce Rangers is still expected to go ahead (£75k). No further works is planned for the project.

12.6 Unallocated Funding (funding available) and potential future projects

12.6.1 Currently the Council is holding capital funds that have not yet been committed to a project. A breakdown of these funds is shown in the table below. Any future capital projects highlighted in 12.4.1 will be funded from the unallocated funding below.

Unallocated Funding	Ref	Estimated Closing Balance 31/03/22	Grant Awarded/ Receipts expected	Capital funding for ring fenced budget	Estimated Closing Balance 2022/23
		£000	£000	£000	£000
Devolved Formula Capital		(7)	(12)	12	(7)
Better Care Fund (BCF)		0	(238)	238	0
Adult Social Care – Misc	12.6.2	(219)	0	0	(219)
Schools Cap Maintenance	12.6.4	(437)	(116)	0	(553)
Highways Cap Maintenance	12.6.5	(93)	(1,058)	0	(1,151)
Pothole		(2)	0	0	(2)
Integrated Transport	12.6.6	(1,314)	(462)	0	(1,776)
Highways – Misc	12.6.2	(39)	0	0	(39)
Misc Grant	12.6.2	(77)	0	0	(77)
Developers Contribution	12.6.3	(7,376)	(400)	0	(7,526)*
Capital Receipts		(1,467)	(100)	0	(1,567)
Estimated Unallocated Funding		(11,031)	(2,385)	250	(12,917)

NB: Balance excludes contribution towards new Leisure facilities

12.6.2 Misc Grant Funding (Adult Social Care, Highways and Misc Grants) - Unallocated funding (£335k) representing various balances from historic funding that the council no longer receives. This funding is not ring fenced.

12.6.3 Developers Contribution – Unallocated funding (£7.443m) representing the expected balance as below:

- Section 106/ CIL – Unallocated funding (£4.275m) representing the expected holding balance. Projects will be developed to deal with infrastructure demands from new/existing developments. Expenditure must be spent on the specific details within the individual agreements or on items within the CIL123 infrastructure list. The CIL 123 list will be reviewed to reflect the councils new Local Plan.
- Oakham North Agreement – Unallocated funding (£3.168m) representing the expected holding balance. The Council has flexibility on how this funding is used to support the development.

12.6.4 Schools Capital Maintenance – Unallocated funding (£553k) is ring-fenced and should be allocated to schools and children's centres based on the provision of sufficient numbers of school places and surplus place removal, also the repair, improvement and replacement of existing school buildings. The allocation for 22/23 is confirmed. See para 3.2.15

12.6.5 Highway Capital Maintenance – Unallocated grant funding (£1.065m) is being held

to fund future highways projects which is not ring-fenced; however, future allocations could be affected if the funding was not spent on improving transport infrastructure within the County. The allocation for 22/23 is confirmed.

- 12.6.6 Integrated Transport - Unallocated Grant Funding (£1.776m) - The integrated transport block funding provides support for small transport capital improvement schemes. Several schemes have already been agreed. This funding is not ring fenced; however, future allocations could be affected if the funding was not spent on transport improvement schemes. The allocation for 22/23 is confirmed.
- 12.6.7 Leisure Commitment (Report 161/2021) - £250k of Developer's Contribution has been committed as match funding towards future provision and investment in facilities. This has been shown separately from the capital programme until the future of Rutland Leisure has been decided.

13 TREASURY MANAGEMENT

13.1 Overview

- 13.1.1 At the time of approving the budget, the Council will approve the Treasury Management Strategy and Capital Investment Strategy. The implications of these strategies (capital plans, investment returns and borrowing changes) are reflected in the budget where known but there are also issues that may impact the MTFP in the future.

13.2 Key issues

- 13.2.1 CIPFA is updating the Treasury Management guidance and Prudential Code for 22/23 although implementation is not required until 23/24.
- 13.2.2 The Council's TMS sets out rules on investment which focus on security, liquidity and yield. The Council's current approach, which is low risk, will reduce yield compared to previous years reflect current economic conditions. The Council does not plan to change this approach and invest in longer term investment products.
- 13.2.3 Nor does the Council propose to borrow purely for investment gain. This is not allowed now under CIPFA guidance and the Council has updated its TMS accordingly.
- 13.2.4 The Council has added an "ethical" investment priority to its strategy. For now, the credit ratings used by the Council take this account. The Council will consider "green" investment and will see how others are also responding to this agenda. may impact our approach.
- 13.2.5 The Council's capital financing costs include any borrowing charge. Presently, the capital plans include limited borrowing. The Council will soon begin development of a 10 year plan projecting what additional infrastructure it will invest in over that period and consider how this will be funded. There may be borrowing implications from this that could impact the MTFP. This work will be prioritised after the Council had produced its new corporate plan.
- 13.2.6 The Council's Capital Investment Strategy has been updated for the comments made on 13.2.3 with the Commercial Investment Policy retitled as an "Invest to Save" policy. Under this policy, the Council will still permit borrowing for capital

expenditure where financial return is a key priority alongside service considerations.

13.3 Prudential indicators – indicators to be approved

13.3.1 Local authority capital expenditure is based on a system of self-regulation, based upon a code of practice (the “prudential code”).

13.3.2 Council complies with the code of practice, which requires us to agree a set of indicators to demonstrate that any borrowing is affordable, sustainable and prudent. To comply with the code, the Council must approve the indicators at the same time as it agrees the budget. The indicators including the limit on total borrowing are approved through the Treasury Management Strategy, taken separately to this report.

13.4 Minimum Revenue provision – method of calculation

13.4.1 By law, the Council is required to charge to its budget each year an amount for the repayment of debt. This is known as “minimum revenue provision” (MRP).

13.4.2 MHCLG Guidance issued requires full Council to approve an MRP Statement in advance of each year. Council will be asked to approve the MRP Statement as part of the Treasury Management Strategy.

13.4.3 The Government is consulting on the duty of local authorities to make prudent Minimum Revenue Provision each year. Where authorities borrow to finance capital spend, they are required under regulations to set aside money each year from their revenue account. This is referred to as Minimum Revenue Provision (MRP) and is to make sure they can afford to repay the principal of their debt.

13.4.4 Prudent MRP must be determined with respect to the authority’s total capital financing requirement. The intention is to stop the intentional exclusion, by some authorities, of debt from the MRP determination because it relates to an investment asset or capital loan. The changes proposed will not impact on the Council.

14 SCHOOL FUNDING

14.1 Overview – How school funding works

14.1.1 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.

14.1.2 The Government has announced indicative allocations for all blocks (Schools, High Needs, Early Years and Central Services for 2022/23.

14.1.3 As in previous years, the Council is able to transfer 0.5% of the Schools block allocation to the High Needs block with the agreement of the Schools Forum. Due to the pressures being experienced by the High Needs budget, Forum has agreed to this transfer for 2022/23. This transfer will equate to approximately £0.140m being transferred between blocks

14.1.4 A local authority must engage in open and transparent consultation with all maintained schools and academies in the area, as well as with its schools forum

about any proposed changes to the local funding formula including the method, principles and rules adopted. Whilst consultation must take place, the local authority is responsible for making the final decisions on the formula. In reality, the options are limited.

14.1.5 Schools have reserves they can call on, and the Council will work closely with any maintained school that is experiencing financial difficulty to draw up a recovery plan.

14.2 Allocations – funding received and allocated

DSG

14.2.1 The Schools Block allocation for Rutland is £28.182m compared to 2021/22 of £27.579m (an increase of £0.603m) equating to an increase of 2.2%. The National Funding Formula sets the Primary and Secondary units of funding for each authority based on the previous years census data and these are used to calculate the funding received by the authority for the following year.

14.2.2 The two units of funding for Rutland County Council for 2022/23 have been set as follows:

- Primary Unit of Funding is £4,487.63 (£4,376.23 in 2021/22)
- Secondary Unit of Funding is £5,525.00 (£5,415.00 in 2021/22)

14.2.3 The High Needs block allocation for 2022/23 is £4.722m compared to 2021/22 of £4.377m (an increase of £0.345m) equating to an increase of 7.9%. This funding has been adjusted for the latest information on the numbers of pupils being transferred between authorities.

14.2.4 The current level of spending on high needs is projected to be £5.1m in 2021/22, and continues to rise, and therefore the allocation for 2022/23 is likely to be insufficient to cover costs next year. The transfer of 0.5% from the schools block (approximately £0.141m) is for one year only and will automatically transfer back to the schools block the following year.

14.2.5 The Council is likely to be carrying a DSG deficit of c£1.05m by the end of March 2022, the Council do have a plan to address the issue, however, recouping this deficit will be a significant challenge without additional funding and may take some years to recover if it can be recovered at all. The Government has made it clear that the deficit is not the Council's to underwrite but has not explained how the deficit will be cleared if it cannot be recovered.

14.2.6 The Early Years block allocation for 2022/23 has been provisionally set as £1.811m based on an increase rate for 2 year old funding of £5.57 (£5.36 2021/22) and funding for 3 and 4 year olds of £4.61 (£4.48 2021/22). The Council are proposing individual rates paid over to nurseries as £5.57 for 2 year olds and £4.38 for 3 and four year olds.

14.2.7 The Central School Services block allocation is £0.184m for 2021/22 a slight increase (£0.01m) from the allocation in 2020/21. The Central School Services block pays for the following services:

- Admissions Services;

- Nationally agreed copyright licence fees; and
- The local authority statutory responsibilities (previously covered by the Education Services Grant) e.g. be strategic lead for education of children and young people.

Pupil Premium Grant (PPG)

The DfE have not yet published the pupil premium rates for 2022/23.

Universal Infant Free School Meals (UIFSM)

The DfE have not yet published the rates for 2022/23

15 CONSULTATION

15.1 The Council is required to consult on the budget as set out in Section 13 below and has met those requirements. Consultation for 22/23 included:

- Consideration by each of the Scrutiny Panels at special meetings in January;
- A survey for residents;
- Events in Uppingham and Oakham market where Councillors engaged with residents
- Consultation online, static displays at libraries and publicity through the local print and broadcast media through January.

15.2 Scrutiny Panel feedback

15.2.1 Scrutiny Panels met on 26th/27th January to discuss the budgets. There were no formal recommendations made by the Panels for Cabinet to consider. However various topics were discussed:

- Some Members queried whether the Council should create a new post to focus on Climate Change. The Portfolio Holder explained that the Council had approved a climate change motion and had no dedicated internal resource. One Member referenced using the resources in the community;
- Some Members supported the potential use of external support to help the Council's financial gap, others were less convinced of the need. The Portfolio Holder explained that further due diligence would be undertaken;
- Members acknowledged savings made to date, and welcomed the further work being done to generate more options which will be presented in due course. A few Members believed the Council should have done more already;
- Whilst the need to deliver savings was understood, Directors explained that there were a number of very important projects to be delivered alongside that work including developing the Local Plan, implementation of new Adult Social care charging reforms, preparing for Care Quality Commission inspection of adult social care and mobilising new contracts such as waste;
- Clarification was sought on how savings in Adult and Children Services had been achieved in practice and whether this exposed the Council to risk. Directors

explained that this was not the case but Council did have access to a contingency so could scale up resources if there was a need.

- There were individual questions around business rates, armed forces work, fees and charges, cabinet structure, market sustainability etc.

15.2.2 Full minutes of Scrutiny meetings are available on the Council website including details of questions asked outside of the meetings.

15.3 Survey

15.3.1 The Council received 161 responses to its Draft Budget survey. The full results are published in Appendix 8 including anonymised comments in response to a free text question about suggestions on how the Council could increase income, reduce costs or make savings to help balance the budget.

15.3.2 The principal aims of the survey were to gather information about residents knowledge and understanding about the Council's budget and their appetite for more information. With the future funding gap in mind, residents were also to contribute ideas for the Council to consider.

15.3.3 The key issues arising from the survey can be summarised as follows:

- Vast majority of residents believe they have a good understanding of the Council's financial position, how it spends its money and where it gets its funding;
- Answers to a question around appetite for more information (e.g. how set the budget etc) and what the Council controls or does not control suggest that when you go beyond the headline messages, there is less understanding of individual issues in some areas e.g. residents believe we are in control of staff pay increases when we are not;
- Most residents support a combination of council tax rises and savings to fill the gap rather than freezing council tax and going for larger service reductions but also the Council giving more support to those on lowest incomes; and
- The Council received good support for the principles that will drive its future budget deliberations.

15.3.4 In relation to individual comments, many topics were covered. There were three recurring themes around:

- The unfairness of funding and that the Council needed to escalate its lobbying on this and potentially involve residents more;
- The perception that the Council wastes money or overpays;
- There were comments around the viability of the Council and suggestions of merger or a return to Leicestershire.

15.3.5 There were also comments about individual services but there was not one particular service that received lots of comments.

15.4 In person engagement

- 15.4.1 The in person engagement in Oakham and Uppingham was undertaken by various Members. The Portfolio Holder with responsibility for Finance has summarised the feedback as follows:

“In addition to the on-line budget consultation, four face-to-face sessions were held with our residents allowing them to ask questions and talk to RCC Councillors in Uppinham and Oakham Market Places on market days. These events were communicated through the RCC website, social media, e-mail and 3 local radio interviews with the Portfolio Holder. The online consultation closes on 9th February.

More than 500 leaflets were handed directly to residents we talked to, some didn't take one as they had seen the on-line communication consequently I estimate we must have spoken to over 600 residents. Additionally, we spoke to many people who were visitors from outside Rutland who regularly attended the market and enjoyed making their visit a day out in our towns, many expressed a desire to live in our lovely county.

Rutland residents used the opportunity to discuss a wide range of issues with Councillors, pavements, broadband, hedges, doctors' surgeries and the state of Oakham High Street to name but a few topics. Many people commented that Rutland is a great place to bring up children with good quality of life and schooling in a safe community.

As far as the budget is concerned there were positive and negative comments, many compliments were received regarding the effective way we deliver Adults and Childrens Social Services, which is good news.

The area of greatest concern coming out in the face -to-face conversation was the disparity in the percentage of Council Tax Rutland must contribute to its overall income, in Rutland this is 80%, the average in other unitary authorities is 60% which many residents felt was grossly unfair and frustrating. Rutland County Council is obviously not happy with this fact and is already working with our MP to understand why this is and what might be done to rectify this imbalance. In light of consultation conversations and the strength of feeling demonstrated, we will escalate this further through the Leader and Deputy Leader to the MP”.

15.5 Summary and next steps

- 15.5.1 The Portfolio Holder with responsibility for Finance has stated that the Council will now take time to consider its next steps in relation to its engagement objectives and how it will pick up the comments made in feedback received:

“Once the results of the on-line consultation have been fully digested and we have the full picture of what our residents understand regarding what the council can and cannot control financially, we will decide what next steps we need to take and what regular dialogue we need to have with our residents.

This was a useful exercise that allowed residents an in person forum in which to discuss a wide range of issues, not just the budget and the Council will consider holding more such 'Open' events in the future.

The message regarding unfair funding has been heard loudly and clearly and we have meetings with Minister and our MP to put our case forward shortly.”

16 ALTERNATIVE OPTIONS

16.1 There are four key areas where the Council has choices: revenue savings/pressures, the capital programme, council tax funding and reserve levels. These are considered separately.

16.2 Revenue savings/pressures

16.2.1 Option 1 - In terms of revenue savings/pressures Members could approve all savings/pressures for consultation – this is the recommended option. Where savings have been put forward Officers are of the view that these are achievable without impacting on front line services. The budget includes service pressures most of which arise from a need to respond to statutory requirements and/or unavoidable circumstances such as demand and the need to make in year savings.

16.2.2 Option 2 - Members could reject all savings/pressures – this would mean that in those areas where savings have been put forward officers would revert back to original spending plans. In light of the future funding outlook this is not advisable. In terms of pressures, then where these are included to respond to statutory requirements, Officers would need to find alternative savings either before the budget was set or in-year; otherwise it is likely that the budget would be overspent. The rejection of all proposals is not recommended.

16.2.3 Option 3 - Members could approve savings/pressures with amendments. Members would need to be mindful of the financial implications of doing this on the overall financial position.

16.2.4 In light of the ongoing financial gap, the Council is also seeking approval for the Chief Executive/s151 Officer in consultation with the Portfolio Holder with responsibility for Finance to continue discussions with cost reduction consultants and spend up to £100k on a viable project (8.3.7). The Council can choose whether to proceed with this option or not. Failure to bring in external support may restrict ideas, in particular those which have been successful elsewhere and limit the Council's ability to deliver meaningful organisational change beyond varying the individual service offer.

16.3 Capital programme

16.3.1 The capital programme for 22/23 includes projects already approved by Cabinet/Council. Some additions/deletions are proposed and Members could choose whether to proceed or not with these.

16.4 Funding

16.4.1 The MTFP includes funding assumptions. The majority are based on the professional judgement of officers taking into consideration the settlement allocation and all other available information. The one key funding decision that Full Council has to make is around Council tax levels.

16.4.2 The budget assumes a 2% Council Tax increase with a further 2.99% precept for Adult Social Care effectively giving a rise of 4.99%. The impact of not making this decision is set out in Section 10. Given the financial gap already projected, Council is advised to consider the risks highlighted by the Section 151 Officer and the comments made in Section 3.

16.5 Reserve levels

- 16.5.1 As the Councils Section 151 Officer, I am recommending that the minimum General Fund reserve level is maintained at £3m. More detail is given in Section 9.1. Members could choose to set the recommended level at a different rate.
- 16.5.2 In terms of earmarked reserves, the Council is proposing some changes as per 9.2. Council could choose to take an alternative course of action.

17 FINANCIAL IMPLICATIONS

- 17.1 The budget as presented relies on a contribution from the General Fund and earmarked reserves totalling £6k.

18 LEGAL AND GOVERNANCE CONSIDERATIONS

- 18.1 The Council is on course to agree its budget and set its Council Tax for 2021/22 within the timetable required by statute and the constitution as per the table below.

Requirement	Status
<i>Statutory requirements under Local Government Finance Act 1992:</i>	
To levy and collect council tax	To be approved at Council in February 2022
To calculate budget requirements and levels of council tax	To be approved at Council in February 2022
To consult representatives of persons subject to non-domestic rates about proposals for expenditure	Covered in consultation (section 15)
To approve the budget and set Council Tax by 11th March in each year	To be approved at Council in February 2022
The Council is also required by the Local Authorities (Funds)(England) Regulations 1992 in exercise of the powers under section 99(3) of the Local Government Finance Act 1988, to make an estimate on 15 January of the amount of the deficit or surplus on the Collection Fund as at 31st March 2018. This report sets out an estimated figure.	Section 10.3
<i>Statutory requirements under Local Government Act 2003:</i>	

Requirement	Status
Under section 25 of the Local Government Act 2003 the Section 151 Officer is required to report to the Council on the robustness of the estimates made for the purpose of setting the Council Tax and the adequacy of the proposed financial reserves.	Section 11.6
<i>Constitution</i>	
The Council is required to consult on the budget for a minimum of 3 weeks.	Section 15 covers consultation plans.

19 EQUALITY IMPACT ASSESSMENT (EIA)

- 19.1 In the exercise of its functions, the Council must have due regard to the Council's duty to eliminate discrimination, to advance equality of opportunity for protected groups and to foster good relations between protected groups and others.
- 19.2 The Council has completed Equalities Impact Assessment (EIA) screening for all savings proposals and for the proposed tax increase. There are no proposals or decisions on specific courses of action that could have an impact on different groups of people and therefore full EIAs are not required. Some of the analysis relating to the Council tax increase is shown below:

Proposal
A Band D Council Tax increase of 4.99%, including the Adult Social Care Precept of 3% taking Band D Council Tax from £1,826.41 to £1,917.36 (Rutland County Council only). This proposal is linked to one aspect of local government funding where the Council has some discretion to raise additional funds by increases to Council Tax. The Council Tax rules in place that limit the extent of any Council Tax increases before a referendum is required, the limit for Rutland for 2022/23 is 4.99%.
Initial impact
This increase will be applied to all bands of council tax. This will impact on all residents who are eligible to pay Council Tax. The average increase cost per week on a Band D property is £1.75.
Since Council Tax is applicable to all properties it is not considered that the increase targets any one particular group; rather it is an increase that is applied across the board. At the same time because the increase is applied to all properties it is not possible to exempt any particular groups. By increasing Council tax, the Council is able to prevent further reductions in services to local residents and in so doing continue can mitigate adverse impacts facing individual households.

Actions take to mitigate impact

The risk is mitigated through various support offered: Local Council Tax Support, additional Hardship award, a Discretionary Fund and Advice.

The Council operates a Local Council Tax Support scheme which offers up to 75% discount for those on low incomes – those that are eligible for the full discount will see an increase of just 44p per week.

The Council will use its remaining hardship grant to apply up to £100 discount to most vulnerable residents at billing.

On top of the 75% discount, the Council continues to offer further support to those who can demonstrate financial hardship. It has funds of £20k set aside and is prepared to increase this amount should the need arise.

The Council also provides some budgeting and financial advice and has a contract with Citizens Advice Rutland to provide more specialist support if needed.

20 COMMUNITY SAFETY IMPLICATIONS

20.1 There are no community safety implications.

21 DATA PROTECTION

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

22 HEALTH AND WELLBEING IMPLICATIONS

22.1 There are no health and wellbeing implications.

23 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

23.1 The Council is required to set a balanced budget and agree the level of Council tax for 22/23.

23.2 The final budget is affordable within the context of the MTFP and only relies on a small contribution from reserves. The Council will aim to reduce any reliance on reserves in the medium term.

24 BACKGROUND PAPERS

24.1 There are no additional background papers to the report.

25 APPENDICES

Appendix 1	Medium Term Financial Plan
Appendix 2	Pressure / Savings
Appendix 3	Earmarked Reserves
Appendix 4	People Directorate budget 22/23
Appendix 5	Places Directorate budget 22/23

Appendix 6	Resources Directorate budget 22/23
Appendix 7	Capital
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APPENDIX 1 – MEDIUM TERM FINANCIAL PLAN

	2021/22 Revised Budget £	2021/22 Q2 Forecast Outturn £	2022/23 Proposed £	2023/24 Proposed £	2024/25 Proposed £	2025/26 Proposed £	2026/27 Proposed £	2027/28 Proposed £
People	20,116,100	19,308,000	19,806,800	20,429,300	21,089,700	21,766,300	22,466,500	23,193,100
Places	14,799,700	14,528,000	14,701,000	15,140,500	15,843,000	15,844,700	16,194,200	16,552,600
Resources	7,184,200	7,053,000	7,667,200	7,775,300	7,834,200	7,956,300	8,081,300	8,269,000
Covid Position	218,100	(279,000)	0	0	0	0	0	0
Pay Inflation Contingency	100,000	280,000	673,600	1,023,600	1,377,000	1,736,000	2,097,300	2,464,500
Demand Led Contingency	273,900		428,500	872,200	1,333,600	1,806,600	2,295,000	2,799,800
Net Cost of Services	42,692,000	40,890,000	43,277,100	45,240,900	47,477,500	49,109,900	51,134,300	53,279,000
Capital financing and related items	(994,357)	(849,357)	(931,400)	(981,400)	(1,071,400)	(1,071,400)	(1,071,400)	(1,071,400)
Net spending	41,697,643	40,040,643	42,345,700	44,259,500	46,406,100	48,038,500	50,062,900	52,207,600
Other Income	(945,871)	(1,501,871)	(1,604,500)	(1,604,500)	(1,604,500)	(1,604,500)	(1,604,500)	(1,604,500)
New Homes Bonus	(518,178)	(518,178)	(461,300)	0	0	0	0	0
Better Care Fund	(2,705,500)	(2,705,500)	(2,712,300)	(2,712,300)	(2,712,300)	(2,712,300)	(2,712,300)	(2,712,300)
Social Care In Prisons	(74,128)	(74,128)	(74,100)	(74,100)	(74,100)	(74,100)	(74,100)	(74,100)
Rural Delivery Grant	(890,396)	(890,396)	(890,400)	(890,400)	(890,400)	(890,400)	(890,400)	(890,400)
Spending Power Adjustment	0		0	719,100	927,000	1,152,900	1,397,600	1,662,000
Retained Business Rates Funding*	(5,638,278)	(5,638,278)	(3,562,200)	(5,990,900)	(6,215,000)	(6,448,900)	(6,448,900)	(6,448,900)
Government funding subtotal	(10,772,351)	(11,328,351)	(9,204,800)	(10,553,100)	(10,569,300)	(10,577,300)	(10,332,600)	(10,068,200)
Council Tax/Social care precept	(28,585,226)	(28,585,226)	(30,292,100)	(31,424,600)	(32,597,600)	(33,812,800)	(35,071,400)	(36,375,100)
Collection fund Deficit/(Surplus)	160,000	160,000	(159,000)	0	0	0	0	0
Total available Resources	(39,197,577)	(39,753,577)	(39,655,900)	(41,977,700)	(43,166,900)	(44,390,100)	(45,404,000)	(46,443,300)
Earmarked Reserve*	(2,208,000)	(1,787,000)	(2,683,000)	(70,000)	0	0	0	0
Use of General Fund Balances	292,066	(1,499,934)	6,800	2,211,800	3,239,200	3,648,400	4,658,900	5,764,300
Balance brought forward	(11,509,805)	(11,509,805)	(11,464,739)	(11,459,139)	(9,247,339)	(6,008,139)	(2,359,739)	2,259,739
Local Plan	1,545,000	1,545,000	0	0	0	0	0	0
Balance carried forward	(9,672,739)	(11,464,739)	(11,459,139)	(9,247,339)	(6,008,139)	(2,359,739)	2,259,739	8,063,461

*The total business rates funding of £5.776m is made up if £3.562m shown as business rates funding and £2.134m shown in reserves. This is as a result of the timing differences in the accounting treatment of business rates.

APPENDIX 2 – PRESSURES / SAVINGS

The table below shows the detailed pressures split between different categories of pressures

	Resources £000	Places £000	People £000	Total £000	Comments
Demand Pressures					
Care Leavers	0	0	40	40	The service has seen a rise in the number of Care Leavers being supporting. The current number of Care Leavers is 41 compared to 34 in April a rise of 21%.
Health Funding	0	0	73	73	The Council has seen a number of cases where Health Funding has ceased in the year. There are regular review points and it is difficult to predict the outcome of the reviews.
Out of County Contributions (Daycare)	0	0	64	64	The number of out of county service users accessing the Council services has dropped out completely. In year this has been partially mitigated by staffing vacancies. These vacancies have been removed as part of the end to end Adults review saving.
Commissioned Transport	0	172	0	172	The Council has a statutory obligation to provide a Home to School transport service and cannot charge parents for this. The service have looked at all alternative models to seek to optimise costs. The service has advised based on current assumptions it will need an additional £172k to deliver the statutory school transport services, this is in line with the forecast for 21/22. The position was mitigated in 21/22 as an additional £100k budget was allocated due to inflated costs as a result of social distancing required on school transport.
Total Demand Pressures	0	172	177	349	
One Off Pressures					
Insurance retender	10	0	0	10	The Council has to re-tender its insurance contract which is c£340k pa. This is a specialist area and to ensure the Council gets best value from the contract it will require specialist support.
Interim Monitoring Officer	11	0	0	11	Additional costs of the Interim Monitoring Officer for 3 months.

	Resources £000	Places £000	People £000	Total £000	Comments
Civica – Revenues and Benefits system	30	0	0	30	Estimated costs of moving the system to a cloud based solution (still waiting for confirmation of costs) but this is an important element of the Council's cyber response plan. As per 5.1.18 additional Cyber funding is expected.
Highways Staffing	0	64	0	64	Additional costs of arrangements for covering maternity in the Highways team. Highways Manager £32k (Full time until August), Highways Engineer £32k (2 days per week for 12 months)
Waste Management		15	0	15	Compactor at the Householders Waste Recycling Centre is at end of life and requiring regular repairs. The replacement will form part of the Waste Contract Procurement and cost to replace not deemed feasible under the recent extensions.
Building Control		27		27	Report 180/2021 requested set up costs to join the Leicestershire Building Control Partnership as part of this report an additional £27k was approved to fund the set up costs associated with joining the partnership. The timing of this will be determined once all partners have approval to proceed. It is expected to be 22/23 but the may be some expenditure in 21/22. The budget will be reduced if this happens.
Places Senior Management	0	32	0	32	The Places Senior Management Structure has been revised and currently posts are filled by interims until permanent recruitment is completed and in post. It is likely that the interim arrangements will be in place for the first quarter in 22/23
Total One Off Pressures	0	138	0	189	
Funded Pressures					
Market Sustainability	0	0	92	92	The Council received an additional grant for Social Care Market Sustainability. The Government requires the Council to do some market place analysis to obtain future funding in 23/24.
Local Plan	0	139	0	139	Additional pressures as a result of not having a local plan. This pressure is funded from the local plan reserve and will fund the staffing requirements has per report 105/2021. There are already emerging pressures on the Local Plan budget.

	Resources £000	Places £000	People £000	Total £000	Comments
					Additional planning applications from significant developments such as Mallard Pass will mean additional resource will be needed. We will aim to negotiate a Planning Performance agreement to try and cover costs.
Total Funded Pressures	0	139	92	231	
Non-Demand Pressures					
Armed Forces Covenant	0	0	5	5	The original armed forces officer supports various district and one district has removed support. For 22/23, the Council does have grant to compensate for this, but at present this is not continuing beyond 22/23
Bank Fees	14	0	0	14	The Councils costs of processing card payments has increased and greater volume of transactions. The true pressure is £21k and has been partially mitigated by offsetting reduction in costs e.g. Cash Collection Contract. This process has increased efficiencies in the Finance and other areas e.g. CST. Savings had already been taken in these areas.
Educational Psychology Contract	0	0	85	85	Cabinet approved report 160/2021 for the rendering of this contract and the associated pressure.
Grounds Maintenance	0	10	0	10	Additional rural cut – this was required in 21/22 when an additional cut was commissioned in September based on road safety requirements. This pressure is expected to continue into 22/23.
Public Transport	0	50	0	50	Continuation of Subsidy for route 9 (Oakham to Stamford). Centrebus has advised it is not commercially viable to run this route. The Council are not able to stop routes presently as all committed resources must be maintained as part of the Bus Service Improvement Plan to maintain and improve provision. This is one of the conditions of new funding.
Waste	0	193	0	193	Increase in Tonnages and higher than expected inflation costs on waste disposal costs (£54k). The Council recognises that one of the keys to reducing cost is producing much less waste. Various

	Resources £000	Places £000	People £000	Total £000	Comments
					initiatives will be launched in early 2022. Cabinet approved report 143/2020 for the extension of all waste contracts, the additional costs for Biffa only applied from 22/23, this accounts for £139k of the pressure.
Climate Change Officer	0	45	0	45	Costs for a new Climate Change Officer. The Carbon Trust is completing a baseline assessment for the Council in the New Year. This post will consider our strategy and plans and determine where our interventions might be. One of the priorities will be to deliver a payback in the long term.
Other	11	25	16	52	Various small pressures. No Individual pressure above £10k.
Total non demand pressures	25	323	106	454	

The table below shows the detailed savings split between different categories of savings

	Resources £000	Places £000	People £000	Total £000	Comments
Budget Review Savings					
Extension to one off Savings	(73)	(60)	(23)	(156)	Extension to admin savings £41k, Public Rights of Way capitalisation £60k, £30k Revenues staffing and £25k Training budget reduction
Mobile Phones	(18)	0	0	(18)	The Council to look at a new mobile phone policy to reduce the number of contracts/handsets in use.
Computer Hardware	(15)	0	0	(15)	Reduce computer hardware
Printing	(5)	0	0	(5)	Further reduction to the printing budget. This change reflects current usage.
Childrens Offer Review	0	0	(300)	(300)	£174k of this has been delivered through reductions in service users. There is a risk that this element could be reversed if the Council see additional demand. The Childrens Team having been working differently with the aim of keeping families together (where

	Resources £000	Places £000	People £000	Total £000	Comments
					it is safe to do so) which has resulted in this saving being possible. The other £126k is as a result of vacant posts being removed from the structure.
Adults End to End Review	0	0	(400)	(400)	The saving has been delivered across various parts of the Adults service, including; <ul style="list-style-type: none"> • £48k is from removal of vacant posts; • £55k from delivering day care services differently; • £40k from Carers Support; and • £257k from demand led budgets. There is a risk that this element could be reversed if the Council see additional demand.
Community Prevention and Wellness Contract	0	0	(25)	(25)	Support to be prioritised for the most vulnerable and ease pressure on statutory services.
Cultural Offer	0	(10)	0	(10)	High level review of budgets reduced ahead of the wider options appraisal of how the service can be delivered differently.
Highways Capitalisation	0	(70)	0	(70)	As per 21/22 extra capitalisation of the highways works.
Registrars Fees	0	(5)	0	(5)	Review of expected income from fees and charges
Green Waste	0	(60)	0	(60)	Increase in green waste collection charge as per report 89/2021
Oakham Hopper	0	(8)	0	(8)	Additional savings to reflect full year impact of bringing the service in house. Total saving is £58k
Oakham Cemetery	0	(5)	0	(5)	Reduction of hours of staffing during the winter months.
Total Budget Review Savings	(111)	(218)	(748)	(1,077)	
Other Savings					
Adult Social Care Demand	0	0	(81)	(81)	Reflect changes in demand
Armed Forces Covenant	0	0	(12)	(12)	Additional one off grant to support service provision
Insurance Recharges	(30)	0	0	(30)	Amount of Policy recharged to Commercial Properties and schools has increased.

	Resources £000	Places £000	People £000	Total £000	Comments
Early Intervention	0	0	(46)	(46)	A new way of working has led to a vacant post being able to be removed from the structure
Digital Rutland	0	(22)	0	(22)	Change in delivery method of project due to the stage the project is at. 1 day consultant rather than dedicated project officer
Conservation Officer	0	(18)	0	(18)	Current conservation officer is retiring and the additional resource from the new Local Plan will be used to offset the loss of this post.
Other	(11)	(17)	0	(28)	Various small savings. No individual saving above £10k.
Total Budget Review Savings	(111)	(60)	(748)	(919)	

APPENDIX 3 – EARMARKED RESERVES

Reserve	Balance 31/03/21	Transfer (21/22 Budget Report 17/2021)	Usage/(Top Up) 21/22	Usage 22/23	Usage 23/24	Proposed Transfer 22/23	Uncommitted Reserve Balance
Public Health	(394,121)		100,000				(294,121)
Tourism	(31,136)						(31,136)
Better Care Fund	(954,100)		97,000	200,000			(657,100)
Commuted Sums	(437,379)		20,000	20,000			(397,379)
Developer Contributions	(4,753,455)		34,600				(4,718,855)
Local Plan	0		(1,545,000)				(1,545,000)
Oakham North	(3,212,524)						(3,212,524)
Total Ring Fenced Reserves	(9,782,715)	0	(1,293,400)	220,000	0	0	(10,856,115)
Invest to Save	(172,721)						(172,721)
Internal Audit	(20,000)	20,000					0
Training	(75,144)						(75,144)
Repairs	(341,000)						(341,000)
Highways	(493,438)	100,000	30,000	30,000	30,000		(303,438)
Brexit	(266,000)					266,000	0
Digital Rutland	(25,775)					25,775	0
National Non Domestic Rates	(2,772,850)			2,314,000			(458,850)
Social Care Reserve	(1,337,596)		200,000			(344,375)	(1,481,971)
Legal & Insurance	(180,000)	80,000					(100,000)
Welfare Reserve	(161,774)		40,000	40,000	40,000		(41,774)
Pressure Reserve	(475,000)	300,000	175,000				0
Ash Die Back	0	(500,000)					(500,000)
Budget Carry Forward	(647,900)		445,300			202,600	0
CST Improvements	0					(150,000)	(150,000)
Rutland Adult Learning	(40,000)						(40,000)
Covid	(1,488,100)		1,066,100	79,000			(343,000)
Neighbourhood Plans	(12,000)						(12,000)
Culture Reserve	(6,200)						(6,200)
Total Non-Ring-Fenced Reserve	(8,515,498)	0	1,956,400	2,463,000	70,000	0	(4,026,098)
Total Earmarked Reserves	(18,298,213)	0	663,000	2,683,000	70,000	0	(14,882,213)

APPENDIX 4 – PEOPLE DIRECTORATE 2022/23 BUDGET

Function	Restated Budget 2021/22	Pressures	Savings	Pay and Inflation	Transfers	Budget 2022/23
Public Health	52,200	0	(5,500)	1,800	4,000	52,500
BCF Programme Support	122,500	0	0	1,800	0	124,300
BCF Unified Prevention	438,800	0	0	(1,200)	(30,000)	407,600
BCF Holistic Management of Health & Wellbeing	909,200	0	0	(2,100)	30,000	937,100
BCF Hospital Flows	1,235,000	0	0	8,700	0	1,243,700
Adults and Health (Ringfenced)	2,757,700	0	(5,500)	9,000	4,000	2,765,200
Adults Directorate Management	740,300	0	0	20,200	0	760,500
Non BCF Contract & Procurement	465,300	91,600	(25,000)	13,000	(83,000)	461,900
ASC Community Inclusion	1,023,100	137,400	(48,400)	22,100	0	1,134,200
ASC Prevention & Safeguarding	149,400	(7,400)	(40,000)	12,200	(18,500)	95,700
ASC Prevention & Safeguarding - Staffing	278,300	0	0	8,400	(67,000)	219,700
ASC Housing	149,700	1,000	0	4,200	79,000	233,900
ASC Support & Review - Daycare	201,600	0	(55,000)	4,000	(46,600)	104,000
ASC Support & Review - Direct Payments	1,013,200	0	0	57,000	344,400	1,414,600
ASC Support & Review - Homecare	1,869,700	0	0	88,800	(42,900)	1,915,600
ASC Community Income	(380,000)	0	0	0	(45,000)	(425,000)
ASC Support & Review - Other	324,100	15,600	0	8,600	9,500	357,800
ASC Support & Review - Residential & Nursing	4,063,900	0	(331,500)	187,600	(199,900)	3,720,100
ASC Support & Review - Staffing	518,200	0	0	6,700	(72,900)	452,000
ASC Hospital & Reablement	467,600	0	(6,000)	16,400	138,900	616,900

Function	Restated Budget 2021/22	Pressures	Savings	Pay and Inflation	Transfers	Budget 2022/23
Adults and Health (Non Ringfenced)	10,884,400	238,200	(505,900)	449,200	(4,000)	11,061,900
Total Adult Services	13,642,100	238,200	(5,478)	458,200	0	13,827,100
Childrens Directorate Management	943,900	0	(6,800)	41,100	(152,500)	825,700
Business Intelligence	225,700	0	0	0	(225,700)	0
Safeguarding	351,500	0	0	10,400	0	361,900
Referral, Assessment and Intervention Service	256,400	0	(20,000)	4,500	0	240,900
Permanency and Protection Service	623,900	0	(74,900)	13,100	(48,700)	513,400
Fostering, Adoption and Care Leaver Service	1,934,500	40,000	(96,750)	37,600	48,700	1,964,050
Early Intervention - Targeted Intervention	1,164,400	0	(106,350)	30,300	0	1,088,350
Early Intervention - SEND & Inclusion	430,400	85,500	0	15,400	23,000	554,300
Early Intervention - Universal and Partnership	319,200	0	(53,300)	11,600	(23,000)	254,500
Schools & Early Years	175,400	0	(8,500)	12,200	0	179,100
Rutland Adult Learning & Skills Service (RALSS)	(4,900)	0	0	2,400	0	(2,500)
Total Childrens Services	6,420,400	125,500	(366,600)	178,600	(378,200)	5,979,700
Total People	20,062,500	363,700	(372,078)	636,800	(378,200)	19,806,800

APPENDIX 5 – PLACES DIRECTORATE 2022/23 BUDGET

Function	Restated Budget 2021/22	Pressures	Savings	Pay and Inflation	Transfers	Budget 2022/23
Directorate Management	388,200	32,000	0	1,300	0	421,500
Development Control	141,100	93,500	(17,800)	16,500	0	233,300
Drainage & Structures	169,900	0	0	3,400	0	173,300
Emergency Planning	35,900	0	0	700	0	36,600
Crime Prevention	115,500	0	0	1,400	0	116,900
Environmental Maintenance	1,343,000	10,000	(4,600)	49,900	19,800	1,418,100
Forestry Maintenance	105,500	0	0	2,200	0	107,700
Highways Capital Charges	1,828,400	0	0	0	0	1,828,400
Highways Management	270,700	108,800	(35,000)	17,300	0	361,800
Commissioned Transport	1,782,600	171,600	0	36,700	0	1,990,900
Lights Barriers Traffic Signals	147,200	0	0	6,600	0	153,800
Parking	(236,000)	0	0	6,700	1,500	(227,800)
Pool Cars & Car Hire	104,000	0	0	2,600	0	106,600
Public Protection	402,900	0	(1,000)	14,400	0	416,300
Public Rights of Way	92,900	0	(60,000)	1,800	0	34,700
Public Transport	751,100	50,000	(7,600)	40,700	0	834,200
Road Maintenance	366,600	0	(35,000)	7,800	0	339,400
Transport Management	369,800	0	0	14,700	0	384,500
Waste Management	2,831,600	207,500	(60,000)	97,000	(900)	3,075,200
Winter Maintenance	274,100	0	0	5,500	0	279,600
Planning Policy	324,100	45,200	0	6,200	0	375,500
Tourism	0	0	(500)	500	0	0
Health & Safety	39,900	0	0	1,600	0	41,500
Property Services	1,093,700	0	(9,300)	17,600	(7,100)	1,094,900
Building Control	18,000	0	(6,300)	3,500	0	15,200
Commercial & Industrial Properties	(272,600)	5,300	0	17,500	1,300	(248,500)
Economic Development	163,500	10,000	(21,900)	1,900	0	153,500
Culture & Registration Services	114,800	10,000	(5,200)	8,000	0	127,600
Libraries	478,000	0	(9,300)	5,200	(24,100)	449,800
Museum Services	418,100	0	0	7,200	10,400	435,700

Function	Restated Budget 2021/22	Pressures	Savings	Pay and Inflation	Transfers	Budget 2022/23
Sports & Leisure Services	166,000	0	0	5,700	(900)	170,800
Total Places	13,828,500	743,900	(273,500)	402,100	0	14,701,000

APPENDIX 6 – RESOURCES DIRECTORATE 2022/23 BUDGET

Function	Restated Budget 2021/22	Pressures	Savings	Pay and Inflation	Transfers	Budget 2022/23
Chief Executives Office	180,800	0	(3,800)	5,100	84,800	266,900
Directorate Management	308,100	11,100	(2,000)	2,700	0	319,900
Communications	192,700	0	0	(800)	0	191,900
Corporate Costs	161,000	7,500	0	4,000	0	172,500
Pensions	906,380	0	(1,600)	140,200	0	1,044,800
Audit Services	193,000	2,000	0	3,900	0	198,900
Insurance	271,000	10,000	(30,000)	7,200	0	258,200
Accountancy & Finance	630,100	14,000	(900)	12,200	0	655,400
Information Technology	1,519,900	0	(44,300)	32,300	0	1,507,900
Business Support Services	775,000	0	(6,900)	19,100	0	787,200
Members Services	289,000	0	(5,100)	5,800	0	289,700
Customer Services Team	184,100	1,000	(300)	(500)	0	184,300
Elections	122,600	0	0	1,300	0	123,900
Legal & Governance	573,900	0	(500)	9,100	0	582,500
Human Resources	477,320	0	(14,700)	3,080	0	465,700
Business Intelligence	0	0	0	(6,700)	225,700	219,000
Revenues & Benefits	362,900	30,000	(37,400)	3,000	0	358,500
Financial Support	40,000	0	(400)	400	0	40,000
Total Resources Directorate	7,187,800	75,600	(147,900)	241,380	310,500	7,667,200

APPENDIX 7 - CAPITAL PROGRAMME

Project	Project Description	Total Project Budget at Q2	Approval Sought	Total Project Budget	Prior Year's Outturn	Estimated spend for 2022/23	Estimated Project Outturn for future years	Total Estimated Project Outturn
Investment Properties	The capital project was to support commercial investments to generate income towards RCC current level of service delivery (Report 6/2018)	10,000	(10,000)	0	0	0	0	0
Schools Maintenance	The capital project is to address maintenance issues in maintained schools and to support the smooth transition to Academy Status (Report 184/2017)	36	0	36	16	0	20	36
Schools Capital Expansion Project – Catmose Project	The capital programme enables the local authority to meet its statutory obligation to provide sufficient secondary school places within Rutland (Report 38/2021)	5,400	0	5,400	3,380	1,500	520	5,400
Brightways Move (Expansion Project)	The capital project is to relocate Brightways from Catmose College. The project is part of the expansion project to create more school places within Rutland (Report 38/2021)	107	0	107	107	0	0	107
Highways Capital Projects	The highways capital project is for the permanent repair of carriageways, footways, surface dressing and bridges in Rutland (Report 65/2021)	2,660	0	2,660	2,660	0	0	2,660

Project	Project Description	Total Project Budget at Q2	Approval Sought	Total Project Budget	Prior Year's Outturn	Estimated spend for 2022/23	Estimated Project Outturn for future years	Total Estimated Project Outturn
Integrated Transport Block	The capital project is for the improvement of new transport schemes within Rutland (Report 25/2021)	1,207	0	1,207	515	450	242	1,207
Emergency Active Travel Project	The project is to support the installation of temporary projects for the COVID-19 pandemic (Ring Fenced Funding)	31	0	31	31	0	0	31
Oakham Town Centre	The capital project is to support the future generation of Oakham Town Centre (Report 19/2017)	428	(86)	342	342	0	0	342
St Eabbass Close	The capital project is to improve existing infrastructure at St Eabbass Close, Ryhall. (Delegated Approval)	4	0	4	4	0	0	4
ITCP 2019/42 Barlethorpe Roundabout	The capital project is to provide a formal pedestrian crossing at the Barleythorpe roundabout. (Delegated Approval)	45	0	45	45	0	0	45
Future Maintenance Requirement	The project was to support the development of a robust programme of works and development of costs for future maintenance on operational properties. (Report 193/2018)	85	(85)	0	0	0	0	0
Devolved Formula Capital	The funding is passed directly to schools to use for capital improvements to buildings and other facilities. (Ring- fenced funding)	12	12	24	12	12	0	24

Project	Project Description	Total Project Budget at Q2	Approval Sought	Total Project Budget	Prior Year's Outturn	Estimated spend for 2022/23	Estimated Project Outturn for future years	Total Estimated Project Outturn
Disabled Facilities Grants	The project supports disabled people to live more independently and safely in their own homes by providing home adaptations. (Ring- fenced funding)	410	238	648	410	238	0	648
Changing Place at Active Rutland Hub	The project is to provide fully accessibility to the Day Opportunities Service at Active Rutland Hub (Budget Setting 21/22 & Partnership Board)	56	0	56	56	0	0	56
SEND	The project provides Rutland with the opportunity for additional local education places to improve outcomes for children and young people with Special Educational Needs and Disabilities (SEND) and assist them as they mature into independence. (Report 86/2018)	1,549	0	1,549	727	200	622	1,549
Sports Grants	The project allowed communities to bid for funds relating to sports, recreation, leisure and community facilities (Report 80/2015)	500	(82)	418	343	0	75	418
Greetham Community Centre	The project is to support with the Greetham Community Centre refurbishment (Delegated Approval)	28	0	28	28	0	0	28

Project	Project Description	Total Project Budget at Q2	Approval Sought	Total Project Budget	Prior Year's Outturn	Estimated spend for 2022/23	Estimated Project Outturn for future years	Total Estimated Project Outturn
Oakham Castle Restoration	Funding was awarded by heritage lottery, the project saw a 12th century curtain wall restored and improved, as well as works to the Great Hall. It also included a varied programme of events and family activities bringing alive the history of the castle. (Report 229/2014)	2,411	0	2,411	2,411	0	0	2,411
Library Home Delivery Services van	The funding will be used to purchase a mobile library for the home delivery service (Ring Fenced)	18	0	18	18	0	0	18
Digital Rutland Full Fibre	The project supports the connecting of homes and businesses within Rutland to a faster broadband (Report 159/2019)	2,229	0	2,229	2,229	0	0	2,229
Oakham C of E Car Park	The project will contribute towards the expansion of the disabled car parking areas at the school (Delegated Approval)	15	0	15	15	0	0	15
Great Casterton C of E Primary (S106)	The project is for extension works to provide wheelchair friendly access to a cloakroom and classroom. (Delegated Approval)	43	0	43	43	0	0	43
Ketton Centre	The project is to acquire the freehold of land that adjoins the Ketton Centre to provide	7	0	7	7	0	0	7

Project	Project Description	Total Project Budget at Q2	Approval Sought	Total Project Budget	Prior Year's Outturn	Estimated spend for 2022/23	Estimated Project Outturn for future years	Total Estimated Project Outturn
	additional parking spaces (Report 187/2019)							
SMSJ Fire Exit and Emergency Lighting	The project will contribute towards the fire exit and emergency lighting works needed at the school (Delegated Approval)	17	0	17	17	0	0	17
UCC Performing Arts Facilities	The project will contribute towards the purchase of tiered seating, that will improve the Performance of Arts Services (Delegated Approval)	9	0	9	9	0	0	9
Derwent Drive, Oakham	The affordable housing project is subject to Planning and the satisfactory funding agreement for Derwent Drive, Oakham (Report 133/2020)	80	0	80	0	0	80	80
Cottesmore Road, Uppingham	The affordable Housing project is subject to Planning and the satisfactory funding agreement for Cottesmore Road, Oakham (Report 133/2020)	50	0	50	0	0	50	50
Affordable Housing, Brooke Road, Oakham	The project is a grant award to Platform Housing Group for the development of the former allotments at Brooke Road, Oakham (Report 03/2021)	650	0	650	0	0	650	650
Oakham Enterprise Park - Unit 2 and 4	The capital project for Oakham Enterprise Park is to develop the site to maximise the return on the asset (Report 75/2019)	110	0	110	66	0	44	110

Project	Project Description	Total Project Budget at Q2	Approval Sought	Total Project Budget	Prior Year's Outturn	Estimated spend for 2022/23	Estimated Project Outturn for future years	Total Estimated Project Outturn
IT Projects	The allocation will support a number of IT capital projects within the council (Delegated Approval required)	103	0	103	64	39	0	103

APPENDIX 8 – CONSULTATION

UNDERSTANDING OF COUNCIL FINANCES

- 1 Rutland must set a balanced budget each year – the amount we spend on local services can't be greater than the total amount of money we get from the government, Council Tax, and fees and charges.

We have more funding this year but this alone is not enough to balance our budget. We've had to make savings of £1.2m because costs have gone up. We can't afford to run services in the same way and carry out new responsibilities given to councils by the government.

As we look to 2023/24 and beyond, we predict we will have a budget gap. In previous years, we've closed this kind of gap by making savings and using reserve funding (money we've saved in the bank for emergencies) but this is getting harder and harder to do. We must find other ways to make savings because of the financial pressure we are under.

Do you understand our current financial position?

I fully understand	122 (76.7%)
I understand some of this	29 (18.2%)
I don't understand it at all	8 (5%)

- 2 We don't have complete control over our budget. The law says there are services that we must provide and we have other duties we have to fulfil, like caring for adults and children. We must spend money to meet our responsibilities.

Around half of our budget each year is spent on caring for adults and children. We also need to spend money on road maintenance and waste/recycling services. We fund local transport, including school transport for children, and travel assistance for people with special educational needs and disabilities. We also fund street cleaning, grounds maintenance and community safety.

Did you know that this is where the council spends its funding?

Yes	131 (81.9%)
A bit	27 (16.9%)
Not at all	2 (1.3%)

- 3 Rutland County council has three main sources of funding which we use to run local services – money given to us by the government, fees and charges, and your council tax.**

Rutland gets significantly less government funding per household (£329 less) than other councils with our same responsibilities. Because of this, we rely heavily on your council tax to fund local services.

The way councils in England are funded is unfair and particularly unfair on Rutland.

Do you understand where the Council’s funding comes from?

Yes **145 (90.6%)**

A bit 12 (7.5%)

Not at all 3 (1.9%)

- 4 What else would you like to know about the Council’s financial position and how we spend public money?**

Nothing 24

How it sets its budget 47

How much Government funding it gets 54

How staff pay is decided 66

How much is spent on specific services **84**

Other (please list) 25

- 5 Which of these things do you think is in the Council’s control?**

(tick box for each Yes - the Council controls, Partially – the Council has some control, No – the Council has no control)

	No control	Partially Control	Controls
Amount of funding we receive from Government	108	44	4
Council tax powers	8	98	49
Pay increases for staff	19	71	68
Employers national contribution rates	130	14	11

	No control	Partially Control	Controls
Amount we can ask people to contribute towards their care	43	78	29
Pension fund contributions	80	49	25
Housing benefit payments to pensioners	79	48	27
Concessionary travel reimbursements	27	85	44
Social care levy	53	68	28
Fees and charges	15	72	54
Amount paid to Schools	39	85	30
Apprenticeship levy	55	74	20

COUNCIL TAX

6 Do you understand why the council is proposing to raise council tax this year?

Yes **116 (73.4%)**

A bit 28 (17.7%)

Not at all 14 (8.9%)

7 What would you prefer the council did to balance its budget?

Freeze Council Tax for the next 5 years and reduce or cut services by 10-12%

24 (15.4%)

Go with the maximum council tax increases (5% in 22/23 and 3% thereafter – this is the current maximum) and reduce or cut services by 5-6%

77 (49.4%)

Go with 1% council tax increases every year and reduce or cut services by 8-9%

55 (35.3%)

8 Do you agree that the council should offer a further discount on council tax to the most financially vulnerable?

Yes 91 (57.2%)

Not sure 34 (21.4%)

No 34 (21.4%)

SAVINGS

9 We need you to understand the financial position we are in as we get ready to set our budget because we may need to make some hard decisions for 2023/24 about how much money we can spend on certain services and where we make savings.

How much do you now feel you understand about why the council must make total savings of almost £2.2m by 2023/24?

I understand the reasons **120 (76.9%)**

I am not sure 24 (15.4%)

I do not understand the reasons at all 12 (7.7%)

10 The Council has listed some operating principles which will guide its future work? Which ones do you agree with?

	Disagree	Not sure	Agree
We will help our communities to do more for themselves	10	38	107
We will work with others who are better placed do certain things	10	28	119
We will fund initiatives that help to deliver long term savings	7	28	121
We will invest in assets (like our road network) to reduce future running costs, if possible	10	19	129
We will focus our services on those in greatest need of help and support	10	42	108
We will stop delivering services that don't help or support people in a meaningful way	9	30	120

	Disagree	Not sure	Agree
We will identify services that that can be run commercially (this means they make money to pay for themselves and break-even, at a minimum)	13	38	107
We will focus ring-fenced / grant funding on prevention	10	70	74
We will charge for services where we can	23	55	79
We will provide information, guidance, and advice to help people self-serve.	10	22	123

11 Do you have any other suggestions on how the Council could increase income, reduce costs or make savings to help us balance the budget?

Any salary over £50k, eliminate and redeploy Merge all council services with Leicestershire or Cambridgeshire. Close down Rutland Council. You give grants to people sending their children to private school, with overseas holidays. Identify waste. Stop assuming the public have an unlimited purse. We are all under pressure but can't just magic up maximum council tax increases.

Stop using Council tax money to fill staff pension pots for a start. Also review all staff roles within the council, including awarding higher than average pay increases. Getting better value for money for outside services. Making sure that department s communicate better for example the hedgerows near the park on Cold Overton road were cut twice in the space of three weeks total waste of money. I also wonder why the increase is so high when the council is getting more and more income from the new houses being built, when there is no extra infrastructure to pay for. I would like to see a full detailed expenditure list for every penny spent by council tax revenue, as we only see a rough guide to where it actually goes. This constant rise in council tax every year will eventually become untenable, as it needs to be replaced with a fairer tax not based on property values.

Continue to work from home and provide / maintain smaller premises to serve those that have no other option to visiting the council for a service. Sell services to local businesses - waste collection / tips access for example. Sell advertisement space on council website to vetted / appropriate businesses. Apply for specific pots of grant funding you may be eligible for in terms of developing new solutions to services. Go fully digital! Dont over complicate accessing services. You cite investing in certain 'things' now so they are cheaper in the long term - this is vital!

Leisure and culture services account for the smallest share of the budget which is a huge shame! How can council spend 3 times more on waste collection services than on sport, culture and leisure?? If this sector doesn't get financial support, the council will spend even more on medical, mental health and social care services in the future. There is no swimming pool in Oakham - the biggest town in the county! There is no police station

either. Why are people missing out on such essential services while paying one of highest council taxes in the country??

Don't give up on getting your fair share from central government. Whilst savings are needed, the uk gov still needs to offer fair budgets. This should be publicly debated and pressure mounted on Alicia Kearns to support you.

No.. but this is a sleepy town with nothing for our youngsters to do.. lit areas and football goals for our children are needed !!!

1 We need to be lobbying Government constantly on the perceived unfairness vs other "like" Councils. 2 We need to be painstakingly stringent where budget increase proposals are concerned. Everyone wants more in their little patch. It mustn't be about who shouts loudest. Criteria are needed when setting individual/departmental budgets. The public needs much fuller information upon request; some may be able to offer more constructive suggestions. Budgeting is not easy. We know that.

Less funding on roads, and more funding on arts, culture and healthy travel. Whatever the budget situation, don't close the libraries! Healthy starts in life reduce the burden in later years, and don't pay an auditing company loads of money - release more newsletters telling your residents what the challenges are.

Unfortunately social care funding is a budget that has to be met by County councils but also a budget that care home operators can take advantage of. Close scrutiny of residential homes for vulnerable and how they actually spend their budgets should be given close attention.

I do not agree with the 3% increase on adult and social care. As taxpayers we are being taxed twice with the additional 1.25% NI from April. With the increase on council tax a band b property eg a 3 bed semi will be over £2k. How is this affordable for hard working taxpayers who aren't eligible for financial support?

Adult social services needs to be looked at as it seems to be consuming an ever increasing portion of the budget. Consideration should be given to whether RCC can continue in the long term as an independent entity. Perhaps it should be merged once more with Leicestershire so that economies of scale can be brought to bear.

rather not say what i think, as coucil messed me over and i still paying for their mess up

Keep up pressure for 5 yearly settlements and giving councils the opportunity to make, and keep, savings from year to year. Limits on amounts could be set ie no more than x% of y which does not need to be a whole budget area Also Central Government needs to positively examine the current (and failed) means of calculating central government grants in aid. There needs to be more opportunity for neighbouring council areas to co-operate on provision of some services eg waste disposal. one area, not necessarily a whole authority could provide the sites/disposal methods so that advantage may taken of "scale". Get rid of the 'its mine and you are not having any of it "attitude that is still stifling real progress and the honest appraisal of new thinking (blue sky if it must have a label).

Do not add to the Police budget when we have no policing in Oakham.

I suspect as a civic authority you have little idea about cost control or purchasing well. After all tax payers money is unlimited and you don't have any competition. We have only been here 6 years but you seem to be gritting the roads in a 3 year cycle, this in the long run has to be more expensive than tarmac. It also damages cars. Do you earn any money of the decent recycling we do? We are a fundamentally wealthy county so there should be relatively little demand on your social services and yet are you proud that our council tax is the highest in the UK!! It's cheaper to live in Mayfair. That cannot be right. There are few civic amenities to maintain and little demand. There are probably too many primary schools and not enough secondary. I really don't think I get value for money on my council tax at all. I appreciate the below inflation rise. But the tax is already far too high. Especially considering it comes out of already heavily taxed income.

Stronger lobbying of central government for better funding through our MP

Apply for levelling up funding to support capital spending. Actively apply for as much Government, Nation Heritage Lottery funding, Arts Council funding, National lottery funding, sports funding as possible. Lobby government and our MP for equality in government funding per capita. Provide core services at the best quality for the best negotiated price. Be creative in raising commercial revenue ie from property we own ie museum charge fees, visiting exhibition fees, commercial rent policies (ie rent increases every 2 years instead of. Encourage commercial businesses to come to Rutland. Use capital reserves wisely to invest in our future.

Reduce costs by cutting out non essential staff and functions. Need to get rid of 'non jobs' and concentrate on key roles. Stop staff from working from home immediately.

Rutland county council building at Catmos should be sold! For all of the pandemic the offices have been closed. I am suggesting either move operations to the enterprise park or an amalgamation with Leicestershire. Rutland county council duplicate high salary chief administrative roles for the smallest county in England. We would benefit being part of a larger council, financially and with better facilities. We don't even have access to a swimming pool! Which is a life saving facility for children to learn to swim. We are seeing maintenance of our roads, pavements, street cleaning, grass verges all neglected. Bus services cut to only day time. Rutland has become an embarrassment! Look forward to hear your response.

Need to ensure government funding/income is not only maximised but also seek a fairer basis. Better decision making to prevent wasting large sums on major projects, St. George's barracks, and Structure Plan revision. These are large sums and very significant percentage of budget.

This remains the highest or one of the highest (depending on the criteria used) rated areas in the country. If lobbying the Government for fairer distribution is unsuccessful other means of reducing the burden will be needed. At a time of unprecedented increases in energy bills and the highest rate of general inflation for decades the Council needs to make economies wherever possible and be less sanguine about seeking the maximum increase possible.

Not sure what "prevention" means in Q10 above. In general, investing to reduce future costs (e.g. capital funding to reduce road maintenance) is good.

Provide residents with more information regarding refuse disposal. Stop charging for the removal of bulk items from homes. We pay our council tax for refuse disposal so why should we pay twice. Stop paying people to cut the grass and trim the road side. Yes we have had Covid but that did not prevent council workers from working outside in the fresh air. They have been payed in the past and not done the job. In general we are paying for services that we are supposed to receive and we do not see any of the benefits. Oakham looks a mess, rubbish left on the side of the road out of Oakham has been there for over three weeks. Police presence is absent, speeding cars on the by pass never dealt with. Holes in the roads are not being repaired. Get a grip with the Government to treat Rutland as an equal county and not make residents pay the 20% difference. In general we should become part of Leicestershire to reduce or tax. In general I have never felt more dissillusioned with Rutland County Council as I am now.

Sell council assets. Make quicker decisions. le stop wasting time. Dont agree to massive building projects without infrastructure as net net become cost centres. Work with eg Anglian Water to build a swimming pool. Get our MP to get extra funding from government. Seems a continuous failure of incumbents. Sort out paving on Baines Corner don't just tarmac .If you want to work with eg health providers fix trip hazards as a fall from a pensioner could result in council being sued !!

Why not re-merge with Leicester and also with South Kestevan to save all duplication of central expert roles and senior management?

The Council needs to debate and agree with the newly formed Integrated Care System to ensure that there is a fair distribution of NHS funding in LLR delivered to Rutland to provide care closer to home as Leicester General Hospital is closed and services moved to Leicester Royal and Glenfield.

Be more transparent Answer the question as to why council tax in Rutland per household is amongst the highest in England

None

These questions are absurdly vague to the point of being misleading. Of course, help people to help themselves, but this is not always appropriate. Charging depends on who, and how much. Funding long term initiatives depends on what they are. As ever, the whole way

RCC operates is via deception.

Why is it we have one of the most expensive council taxes in England yet the services provided are limited and not value

MP should lobby harder to ensure that per capita grant from government equates to other parts of the country - levelling up means that people in London (Westminster) should not have Council Tax lower than people in Rutland. Drive for efficiencies in some areas - merge school / public transport.

Partnership with upcycling projects to raise income from reuseable refuse.

Explain exactly why Rutland receives less funding than other counties and how we are lobbying government to change this.

Doesn't do email or text can we please communicate by letter
Stop outsourcing work, hire people instead if there is regular work. Same for the Christmas Market etc, ask for volunteers to help support it rather than paying an event planner.

No council tax increase at all. Ordinary people have to make do without pay rises. Merge all council functions with neighbouring authorities. Close down Rutland Council. Stop employing managers on huge salaries. Stop giving money away as grants to people who send children to private School. Imagine how that looks to other parts of the country.

Divest from fossil fuels as there will be losses long term to the council's pension funds and other investments

Too little detail provided to answer questions meaningfully. Eg " We will stop delivering services that don't help or support people in a meaningful way". How do you define helping people in a meaningful way? Does a cycle lane do this (only if done properly)? Does reducing carbon emissions do this?(yes).etc. The answers you get are meaningless because participants will respond differently depending how they interpret them. And you can interpret them any way you like where questions are vague.

Where is your money going? The local transport network is poor at best, roads are not repaired, maintenance or upgrades for properties are not completed well, nothing planned to help the environment. Rutland should never have been reestablished as an authority, all I got my council tax is bin collection.

Reduce the chief executive and other execs pay. How can the RCC chief earn more than he PM? Stop wasting money on hair brained schemes. For example wilding of verges. People on more or less fixed incomes cannot be continually squeezed again and again to pay for RCC excesses. Get a grip and stop the waste, it's what you are paid for! Having said all that it's a forgone conclusion that regardless of any surveys you will do exactly what you want to do.

I think the Council does a remarkably good job in the light of government ineptitude and blindness to reality. We are fortunate.

Stop missing out on monies/income that you could have received and wasting money. I would like to understand the structure of RCC more.

At a time when inflation is going up and families are starting to feel the pinch maybe the council should consider reducing the tax increase for this year at list. Appreciate being able to comment but not really sure of the situation. Feel unable to make suggestions about savings. However, as the council Tax is so high I feel the services seem minimal already.

Merge with Leicestershire and get rid of officers/roles duplicated in the merger. Reduce the number of councillors and sell the council building. This retains Rutland as a county with services run as a merger rather than a 'take over' and significant savings in pay, pensions and other staff costs, Must spend within your income. Must not employ personnel on non core jobs. for example 'Principle Operations Manager' HR diversity support.

Pay less to Leicestershire

Funding for preschool and playgroups and other organisations and institutions.
Road maintenance in Rutland is to a very high standard. Perhaps we might adopt a lesser standard and save money. Involve residents in a campaign to pressure central government to offer a financial settlement closer to the national average per household.

Reduce staff wages in some cases. The staff who run the front desk in the council offices should be paid less as the lunch breaks etc. get even longer. Make Rutland a 50 mph zone and all fines come back to Rutland. Cut down on some of the needless signs in the county so reducing the department that makes them. Maybe some of the street lights can be reduced as they do in Germany, thus reducing costs and helping light pollution.

You put services out to tender, especially care, without caring about the level of support provided by private companies. You'll spend money looking into various options, without coming to a decision but doesn't matter your not spending your money but ours

I am unable to say because this form is far too generic, how can I answer sensibly a question like 'we will help our communities to do more for themselves' when I have no idea what you mean by that, what sort of things and to what degree? or 'We will stop delivering services that don't help or support people in a meaningful way' – who decides what is 'meaningful' and how do they make those choices? As for 'we will identify services that can be run commercially (this means they make money and break even, at a minimum) is just a leading question clearly designed so that most people will say they agree, but you fail to state how those 'commercialised' services will be run, if they will be floated on the stock market and have shareholders then their bottom line will be making money for their shareholders (those well off enough to buy shares), how, in the long term will this aid those less well off in our communities? Or do you mean to run some services commercially but still within the Council, thus keeping control of all the profits? If you want people to contribute and you truly want to listen as you say then you must do so in a way that allows people a proper voice.

Yes. Do a better job of getting our Govt grant increased to a fair level. Apply far more political pressure. Stop building houses to raise tax which just ruins Rutland to balance your budgets-which is totally crazy. Insist we have police on our streets for our police levy.

Balance the challenge of growth v sustainability. The absence of a Local Development Plan has left the county vulnerable to housing development which is not sustainable i.e insufficient infrastructure to support it & the developments are not environmentally friendly.

Yes I believe that employing 3 traffic wardens is a waste of time and is detrimental to the high street economy. Having traffic wardens who patrol Oakham in pairs, shows that this is completely wasteful, when obviously only one is actually needed. The way they patrol and the alacrity with which they ostentatiously note your number plate the minute you arrive, is extremely unwelcoming and does not set the right tone in terms of trying to attract visitors to the town. Moreover, we must return to two hour parking asap as currently one hour onstreet parking is a real disincentive to spending money here. Stamford has two hour on-street parking with a much better array of shops, so too Uppingham, but this is Rutland's County Town, so all efforts should be made to make Oakham the place where people want to come to eat, shop and be entertained (no possibility of the latter with the arts & culture budget as it is!).

Get back in touch with the local residents.....and all will become clear!!!!

Crypto

Stop laying blame with those vulnerable people/children/families who you make it sound are a drain to services and who, by providing what you should by law to, are the cause for such large expenditure. I'm actually quite disgusted by how this has all been worded. There has been no accountability throughout this survey. Just lots of its not our fault we've no money, and it's not fair. Stop wasting money. There's a good start for you. And do something about the difference in what the government gives Rutland vs other areas. Stop crying about how it's not fair and it's not your fault you make Rutlanders pay so much for their council tax in return for sub standard provisions. We're bored of the whining to be honest.

Sell the council buildings in Oakham

Look at your own wastage - are you operating as efficiently as you could be - i.e. expenses, wages, unnecessary spending on non essential items The questionnaire could benefit from a column headed Don't Know i.e. what does We will focus ring-fenced/grant funded on prevention mean !

I would really like to understand why Rutland is apparently treated 'less fairly' in government funding allocation than other comparable councils and what is being done to lobby - very strongly and loudly - for this to be changed. It would appear that remedying this could go a long way towards resolving deficit and reducing the amount of future increases required.

I'm not sure how to answer this question but would ask an item to be considered. The Hopper bus serving the Alsthorpe Road area was cut leaving at least eight people I know of who have lost out by these cuts. Would it be possible to re-instate that bus service

Look at staffing model/structure I.e get rid of the chief executive, there's a DsPH for Leicestershire & Rutland, so why can other senior roles be shared. Reduce expenses for councillors, look at salary costs for senior roles. Utilise the voluntary sector, work with the community instead of against it.

1. Hold a referendum on increasing Council Tax by more than 5%.
2. Identify opportunities to obtain funding from specific Government funding pots (e.g. fund to increase safe cycling).
3. Work with other local authorities to deliver economies of scale through joint purchasing an/or joint provision of services.
4. Political pressure on Government to alter local authority funding model.

School transport, £2.468,000 - this is a luxury, whilst most families these days have cars or friends with cars where car share is an option. Home to school at nearly 1.2 million and post 16 transport at £124,000 doesn't seem appropriate. Those who can contribute to the cost of these services should be asked to do so. Especially given the exceptionally small £246,000 given towards mental health - I'm sure many families would prefer more money could be diverted to this over school transport.

Over a million pounds spent on corporate support - what exactly does this entail?
£111,000 on pool cars - who is using this service and can they truly justify this cost, which is more than road safety and nearly as more as the carers payment or crime and disorder.

Rutland has a very poor sport and leisure provision, which could improve mental and physical health, fitness and provide employment.

Thank you!

I can only speak of my own experience with the RCC. I have been a general builder in Rutland for 35 years. I approached the council about repairing the church wall in Lyddington where I was born. Briefly a company from Leicester did the work and it was appalling. I complained to the person in charge but obviously nothing was done about it. I have since seen this company working at your offices.

Get a fairer share of the Government funds.

Council tax in Rutland is far too high in proportion to other counties. Something needs to be done about this and the proposed increase will drive people away from Rutland as it does not offer adequate services as it is Freeze pay rises for officers who get paid 1.5x the median pay rate. Re-merge core administrative duties with LCC to remove unnecessary duplication.

The Council must be careful not to focus too much attention on those who are financially vulnerable as this could ostracise others, making them feel 'put upon' which could drive people to move away, thus compounding the problems. Fairness is extremely important amongst all Rutland Residents.

Surely it is time Rutland was given a fair contribution from the government, how hard is our MP working on this problem. It is so unfair.

Try and get fair share of funds from government why do we get less

It seems like there may be too many staff in administrative roles in RCC so a productivity drive would seem appropriate. Extend the working week to 40 hours and review management structures to streamline the number of more expensive managers would increase efficiency and reduce the payroll cost.

A longer term approach to maintaining roads and street cleaning will lead to savings in the long term. The "leave it" or "don't clean it" approach will cost more in the long run as roads will need to be reconstructed due to break-up through not being looked after properly in the short term.

Look at opportunities to provide services jointly with neighbouring councils - economies of scale.

Consider proper scrutiny and joined-up thinking across departments / within departments. As a member of the public I see waste of money everywhere....e.g. last year some road painting (lines etc) was done on a small stretch of road in Uppingham, then, two weeks later that section was resurfaced!

I like many others are and have been on a small fixed income for many years. Every time the council demands (I use the word because they never ask) more tax we have, our spending power reduces accordingly. Remember, because of continuing inflation, many older people may be property rich but their income may be very low. Council tax should be

based on number of working adults per household and not the value of the property. This way, council income and spending per person could level the responsibility.

I have several questions for you:

1. Why are you so generous with pensions?
2. Why is the Chief Executive paid a ridiculous amount of money (too much)?
3. Why does Rutland only get 60% of funding compared to 80% nationally? May be Mr. Hemsley should change political sides or better still, resign after the St Georges costly fiasco which we are all paying. Mr Hemsley vanity project.
4. Your IT expenditure: £25,500 a week, may I ask why?

Better policy communication. Significant transport improvement pressure on network rail to sort the level crossing

Rutland is too small in terms of number of residents to fund all the services Councils are obliged to provide and the salaries and benefits of those who manage the services. I was surprised that RCC is advertising for a Compliance Officer at a salary of circa £70k - how many other high salary managers is the council obliged to employ because it is a unitary authority? What can the council do to lobby Central Government in order to receive funding at the same level as other councils?

By outsourcing services the Council may find they are paying more overall to contractors. The Council is too small for departments to become Traded Services - this has not worked very well with Leicestershire CC. The Council need to ensure it has an efficient and effective workforce and work collaboratively with other Councils in certain areas

There has to be other ways, nearly £2000 per year for a D rate property even with 25% discount for single occupancy on a pension is extortionate, as many are just above the bracket for extra help, which never seems to be considered, pensioners have been hit hard enough this year

As we are new to the county, suggestions are thin on the ground but we do have questions. I realise this is not the forum for those questions, however, could it be explained why Rutland is the most expensive county in England and why does Rutland receive less government funding than other comparable counties? We are tenants not property owners - and yet still responsible for council tax, water and sewerage, which in other countries are not the tenants' responsibility. Given the current energy price hikes and the obvious increases yet to be announced regarding water and sewerage for example, the estimated CT increase of at least £100 per month will have a very unpleasant impact and put us and I'm sure many other families in Rutland into dire straits unnecessarily. The small village we live in has no facilities aside from the telephone box with defibrillator, the recycling center and the garage on the A47. Perhaps one suggestion could be: the smaller villages - especially those with no facilities - have a lesser CT increase than the larger ones? Thank you.

Spend less money on traffic wardens! Scrap the Covid marshals and stop paying to keep a huge amount of space for Covid testing! As we all know it's a waste of money! Sort the roads out! People's cars are being destroyed! Then they can't afford to live as all their money goes on fixing the vehicles!

Seem to be doing a good job.

Study the leaflet 50 ways to save Examples of sensible savings in local government

Department for Communities and Local Government

Use common sense and apply joined up thinking.

Charge less for parking which would encourage more people to come to oakham instead elsewhere. Also sort out public baths for locals to use.

Be more transparent about what can and can't be afforded. Speak to rutland residents like adults. Be more trustworthy. Don't carry out expensive assessment work if you have no intention of delivering something (eg pedestrian crossing in Langham).

I completely disagree with Rutland residents paying Council Tax higher than most of the country. Where the council can't provide services then alternative sources should be found...we as residents do not deserve an attitude where you will do the minimum and serve the needy and everyone else pays and gets nothing. You have the responsibility to provide services to the county and it's not acceptable to say you are cutting back...it's a problem for you to solve not us, it is what you are paid to do and if you can't do it properly then you should let someone else do the job.

With all these new developments around Oakham this is obviously bringing in a lot more council tax, how can we continue to have a shortfall even with this added income? The developers and the residents have been paying for the management of the estates for a number of years so surely the council must be making money.

Keep tighter reigns on social services monies. They seem to have an endless pot of money that is replenished when ever they want.

Consider more carefully before entering into grandiose vanity projects like the enterprise park at Ashwell. Is this a profit making enterprise? Is this the sort of project a small county like Rutland should be involved in?

Be more open about expenditure e.g. the new local plan - nothing to show for it except the countless hours expended by volunteers. Whatever happened to the neighbourhood plan and its report? I believe that the paid facilitator received about £35k (apologies if I have this wrong) and we have nothing to show for it except, again the time and effort expended by local volunteers, So much wasted effort and so much cynicism and disillusionment!

How much is wasted on the fees for consultants and so-called experts, frequently resulting in no action on their reports, as above?

Make developers pay upfront, and far more, for all infrastructure improvements involved to developing green field sites and increase charges to help pay for the new facilities, e.g. medical centre, schools.

Get rid of the Council offices and move to a cheaper to run, smaller more efficient building with more staff working in a hybrid fashion - part home working and part office based; having fixed days in office for meetings so that two or more departments could use the same space - hot desking . Surely, if the pandemic has taught us nothing else, it has taught us that this is a feasible solution. Do you really need to employ a consultant to work this out?

Infuriating is to see the traffic enforcement officers (formerly traffic wardens) leisurely strolling round the town, often in pairs, or chatting on street corners. Why not give them

additional duties, e.g. asking motorists to turn off their engines when stationary, thus helping to reduce pollution. Taking a longer view, this might help to reduce the need for social care as fewer people will have chest related illnesses. Perhaps a change to the bye-laws is needed?

Finally providing food caddies - a short term cost for a long term gain. Landfill requirements would be reduced. Either the Council, or preferably, a private contractor could either collect and compost this waste or use it to generate power. I am just one Council Tax payer in Rutland and difficult times require innovative solutions, with the use of as few expensive consultants and so-called experts as possible.

buy in more services from neighbouring authorities where this is cheaper

Don't cut the grass in communal areas (ie the park) when cutting is not required (ie when in drought periods) or when raining, as the later is a waste of money as it can not be cut properly. Also sweeping of the roads in summer, not necessary but not done in late Autumn when required because of fallen leaves.

What are you doing with all the extra revenue you are getting from all the new houses that are being built?

Please STOP overbuilding, you are spoiling a beautiful market town.

Please re-open the swimming pool. Many people of all ages use that pool, it is a waste to leave it closed. A new leisure centre is being proposed, how can you think to propose that when you are short of money and where would it be built, there are not going to be any green fields left. At least use the present one and not waste resources we already have.

Empty shops - make landlords drop their rent if the premises are empty for longer than 3 months. Also do not give them any reductions for their property being empty. Landlords should be made to keep the outside of their premises in good repair.

The lamp standards especially on Glen Drive are a disgrace and need painting, surely not such a difficult task to complete.

I am not sure how much the Council can influence the Medical Centre situation, but something urgent needs to be done. We have lost so many good doctors - why? The system is appalling, it doesn't work, and where are the doctors?

Thankyou for the Christmas lights that you extended down Mill Street, it was very festive and a joy to see.

The town is clean and well looked after, the market is great and whilst things have to change for very good reasons at times, please don't change for changing sake. Small is beautiful and the town is friendly and people are helpful, too large and it will lose its personality.

ENDS

COUNCIL

28 February 2022

COUNCIL TAX 2022/23

Report of the Portfolio Holder for Finance, Governance and Performance, Change and Transformation

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
Contact Officer(s):	Saverio Della Rocca, Strategic Director for Resources (s.151 Officer)	01572 758159 sdrocca@rutland.gov.uk
	Andrea Grinney, Revenue and Benefits Manager	01572 758227 agrinney@rutland.gov.uk
Ward Councillors	All	

DECISION RECOMMENDATIONS

That Council:

1. Approves the formal Council Tax resolution shown at Appendix A including a 4.99% Council tax increase for Rutland County Council;
2. Notes no changes to the Local Council Tax Support Scheme (LCTS) for 2022/23;
3. Notes no changes to the empty homes discount from 2022/23;
4. Notes no changes to the long-term empty homes premium from 2022/23.

1 PURPOSE OF THE REPORT

- 1.1 This report enables the Council to calculate and set the level of Council Tax for 2022/23 in accordance with legislative requirements.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Background and Referendum limits

- 2.1.1 The Localism Act 2011 has made significant changes to the Local Government

Finance Act 1992 (“the 1992 Act”), and now requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.

2.1.2 Under section 52ZBa of the 1992 Act, each billing authority must determine whether its relevant basic amount of Council Tax for a financial year (“the year under consideration”) is excessive. If an authority’s basic amount of Council Tax is excessive a referendum must be held in relation to that amount.

2.1.3 For 2022/23, the relevant basic amount of Council Tax for Rutland is excessive if the amount of Council Tax is 5%, or more than 5%, greater than its relevant basic amount of Council Tax for 2021/22 (subject to the restriction referenced in 2.1.4.)

2.1.4 The Government has set the general Council Tax referendum limit at 2%. Councils will be able to levy an Adult Social Care precept of an additional 1% for 2022/23. This is in addition to Councils being able to include the unused flexibility from the Adult Social Care Precept 2021/22 in 2022/23. There is flexibility in that the Council can levy the 3% Adult Social Care Precept 2021/22 over two years. The Council used 1 per cent of that flexibility in 2021/22 so can use 2 per cent in 2022/23.

2.2 *Council tax energy rebate*

2.2.1 The government has announced measures to help protect millions of households from rising energy costs. This includes a £150 council tax energy rebate.

2.2.2 The Government will provide funding for billing authorities to give all households in England whose primary residence is valued in council tax bands A – D a one-off council tax energy rebate payment of £150. This payment will operate outside of the council tax system, using council tax lists to identify eligible households.

2.2.3 Billing authorities will also be given funding to operate a discretionary fund for households in need who would not otherwise be eligible. This could include for example individuals on low incomes who live in properties valued in bands E – H.

2.2.4 The calculation of bills and the presentation of charges will not be impacted i.e. the £150 rebate will not be deducted from council tax bills.

2.3 *Billing and the notice to taxpayers*

2.3.1 Taxpayers must be informed on the face of the Council Tax bill and in the information supplied with it about the part of the increase that is being used to fund adult social care. The Council Tax (Demand notices) regulations 2017 require:

- A narrative statement on the front of the demand notice highlighting the Council tax increases attributable to the funding of adult social care, and signposting to further information; and
- Further information about the Council Tax increase and spending on adult social care to be provided in the “information supplied with the demand notice”.

2.3.2 For the Council tax energy rebate, we will also be required to add a reference to the scheme on the face of the demand notice and in the accompanying council tax leaflet. The requirements will apply to bills issued in respect of the 2022/23 financial year only.

2.4 *Local Council Tax Support scheme*

- 2.4.1 The Council operates a Local Council Tax Support scheme (LCTS) which gives those eligible taxpayers a discount on the amount of Council Tax they are required to pay. The scheme was originally approved on 7th January 2013 (Report 2/2013). Cabinet reviewed the scheme again on 20th August 2019 (Report 115/2019) and decided to continue with the existing LCTS scheme and to continue to adjust it annually for inflation.
- 2.4.2 The Government will also lay regulations to require that council tax energy rebate payments must be disregarded as income for the purposes of calculating eligibility for both working-age and pensioner local council tax support schemes in 2022/23.
- 2.4.3 There are no other changes proposed for this year.
- 2.5 *Empty home charges and the long term empty home premium*
- 2.5.1 From 1st April 2013 the Government introduced new powers under the 1992 Act allowing local authorities to reduce the adverse impact of empty homes on communities by permitting Council Tax charges. The discounts (and long term empty home premium) were reviewed by Cabinet on 17th October 2017 (Report 165/2017) and approved by Council on 13th November 2017 as follows:
- The discount for uninhabitable homes was removed and full Council Tax charged from 1st April 2018; and
 - The discount for empty homes was removed and full Council Tax charged from 1st April 2018.
- 2.5.2 The premium for long term empty homes was reviewed by Cabinet on 15th October 2019 (Report 152/2019) and various changes were approved by Council on 20th January 2020, with effect from 1st April 2020 as follows:
- 100% for properties that have been empty for more than two years;
 - 200% for properties that have been empty for more than five years; and
 - From 2021/22 onwards, 300% for properties that have been empty for at least ten years.
- 2.5.3 There are no changes proposed to the above discounts/premiums for this year.

3 PRECEPT LEVEL

3.1 Parish Councils

3.1.1 The Parish Councils precepts for 2022/23 total £792,388.73. The decrease in the average Band D Council Tax for parish councils is 1.68% and results in an average Band D Council Tax figure of £50.15 for 2022/23. Parish Councils are not subject to the requirements of the referendum.

3.2 Leicester, Leicestershire and Rutland Combined Fire Authority

3.2.1 The Combined Fire Authority met on 9th February 2022 and set their precept at £1,173,698. This represents a 7.22% increase in Council Tax, which results in a Band D Council Tax of £74.29.

3.3 *The Office of the Leicestershire and Rutland Police and Crime Commissioner*

3.3.1 At the Leicester, Leicestershire and Rutland Police and Crime Panel meeting on 2nd February 2022, the Panel resolved to support the Police and Crime Commissioner's proposal to set their precept at £4,079,753. This represents a 4.03% increase, which results in a Band D Council Tax of £258.23.

4 **SUMMARY**

4.1 To reflect the Cabinet recommendation of 15th February 2022 (to increase the Council Tax by 4.99%) the following amounts for the year 2022/23 are calculated in accordance with the regulations made under section 31B of the 1992 Act, as amended by the Localism Act 2011.

4.2 If the formal Council tax resolution at Appendix A is approved, the total Band D Council Tax is as follows:

	2021/22 Band D	2022/23 Band D	Increase %
Rutland County Council*	£1,826.23	£1,917.36	4.99%
Add: Parish Precept (average)	£51.01	£50.15	-1.68%
Add: Police Commissioner	£248.23	£258.23	4.03%
Add: Fire Authority	£69.29	£74.29	7.22%
Average Band D**	£2,194.76	£2,300.03	4.79%

*this includes the adult social care precept of 3%

**Rounded to 2 decimal places

5 **CONSULTATION**

5.1 The Council is required to consult on its budget as set out in Section 15 of the Draft 2022/23 Revenue and Capital Budget (Report 01/2022). The outcome of the consultation was reported to Cabinet on 15th February 2022 (Report 09/2022) to enable consideration of views expressed prior to the final budget approval.

6 **ALTERNATIVE OPTIONS**

6.1 The 4.99% increase is recommended by Cabinet in the context of the Medium Term Financial Plan (MTFP). Any decision to increase the Council Tax by less than 4.99% would increase the Council's funding gap over the medium term and is not recommended. The budget report (09/2022) includes the financial impact- section 16 – of taking alternative decisions.

7 **FINANCIAL IMPLICATIONS**

7.1 The financial implications of setting Council tax at 4.99% are set out in the Budget Report (09/2022). Any decision to set Council Tax at lower levels will have an adverse impact on the MTFP.

8 **LEGAL AND GOVERNANCE CONSIDERATIONS**

8.1 In accordance with the 1992 Act, the Council is required to set Council Tax by 11th March each year.

8.2 As set out in 2.1.4, the Council can raise Council Tax by up to 1.99% without the need for a referendum. By levying an adult social care precept of 3% the Council must comply with the requirement set out in 2.1.4. and 2.2.1.

9 DATA PROTECTION IMPLICATIONS

9.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks or issues that affect the rights and freedoms of natural persons.

10 EQUALITY IMPACT ASSESSMENT

10.1 An Equality Impact Assessment careening has been completed for the Council Tax increase (see section 19.2 of Report 09/2022). There are no proposals for a decision on a specific course of action that could have an impact on different groups of people therefore a full EIA is not required.

11 COMMUNITY SAFETY IMPLICATIONS

11.1 There are no community safety implications.

12 HEALTH AND WELLBEING IMPLICATIONS

12.1 There are no health and wellbeing implications.

13 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

13.1 The report enables the Council to calculate and set the level of Council Tax for 2022/23 in accordance with legislative requirements.

14 BACKGROUND PAPERS

14.1 Revenue and Capital Budget 2022/23 and the Medium Term Financial Plan (Report 09/2022)

15 APPENDICES

15.1 Appendix A- Council Tax Resolution

15.2 Appendix B – Council Tax Requirement Calculation

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

Appendix A. Council Tax Resolution

RUTLAND COUNTY COUNCIL

28 February 2022

2022/23 COUNCIL TAX RESOLUTION

This resolution sets the total budget for the purpose of setting the Council Tax. It includes the budget for the Council's own activities plus precepts from parish councils. The Council is asked to formally resolve as follows:

1 COUNCIL TAX BASE

That it be noted that at the Cabinet meeting on 18 January 2022 the Council calculated the following amounts for the year 2022/23 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992; as amended by the Local Government Act 2003.

(a) 15,798.87 being the amount calculated by the Council in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as its Council Tax Base for the year.

(b) For each part of the Council's area the Band D equivalents are as follows:

PARISH	COUNCIL TAX BASE (Band D equivalents)
Ashwell	138.14
Ayston	25.08
Barleythorpe	826.13
Barrow	43.50
Barrowden	267.51
Beaumont Chase	1.43
Belton-In-Rutland	181.28
Bisbrooke	109.34
Braunston- In-Rutland	210.85
Brooke	40.37
Burley	122.91
Caldecott	120.57
Clipsham	74.58
Cottesmore	739.28
Edith Weston	331.54
Egleton	53.49
Empingham	428.93
Essendine	166.74
Exton And Horn	246.54
Glaston	94.41
Great Casterton	177.31
Greetham	321.62
Gunthorpe	12.35
Hambleton	93.41
Ketton	776.41
Langham	627.12
Leighfield	3.52
Little Casterton	108.75
Lyddington	206.43
Lyndon	45.23

PARISH	COUNCIL TAX BASE (Band D equivalents)
Manton	173.76
Market Overton	206.37
Martinsthorpe	0.53
Morcott	186.73
Normanton	15.07
North Luffenham	323.87
Oakham	4181.88
Pickworth	30.88
Pilton	20.19
Preston	101.03
Ridlington	96.00
Ryhall	610.58
Seaton	111.08
South Luffenham	220.55
Stoke Dry	18.53
Stretton	126.53
Teigh	31.90
Thistleton	49.53
Thorpe By Water	35.80
Tickencote	41.23
Tinwell	116.76
Tixover	62.39
Uppingham	1655.99
Wardley	18.18
Whissendine	581.11
Whitwell	36.30
Wing	151.35

being the amounts calculated by the Council in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

2 COUNCIL TAX REQUIREMENT

That the 2022/23 Council Tax Requirement in respect of the Council's own budget (excluding Parish Precepts) be approved at £30,292,100.

3 BASIC AMOUNT OF COUNCIL TAX

This resolution sets the Basic Amount of Council Tax for each part of the Council's area. These amounts are based on precepts from parish councils in addition to the budget for the Council's own activities and hence the Basic Amount of Council Tax differs between parts of the Council's area.

That the following amounts be now calculated by the Council for the year 2022/23 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (as amended):

- (a) £66,679,389 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (e) of the Act taking into account all precepts issued to it by Parish Councils. (Gross expenditure)
- (b) £35,594,900 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. (Revenue Income)

- (c) £31,084,489 being the amount by which the aggregate at 3(a) exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its Council Tax Requirement for the year. (Item R in the formula in Section 31B of the Act).
- (d) £1,967.51 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £792,389 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per Appendix C)
- (f) £1,917.36 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

Part of the Council's area	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Ashwell	1,299.95	1,516.61	1,733.27	1,949.93	2,383.25	2,816.57	3,249.88	3,899.86
Ayston	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Barleythorpe	1,292.79	1,508.25	1,723.72	1,939.18	2,370.11	2,801.04	3,231.97	3,878.36
Barrow	1,281.61	1,495.22	1,708.82	1,922.42	2,349.62	2,776.83	3,204.03	3,844.84
Barrowden	1,315.00	1,534.17	1,753.33	1,972.50	2,410.83	2,849.17	3,287.50	3,945.00
Beaumont Chase	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Belton-In-Rutland	1,306.97	1,524.79	1,742.62	1,960.45	2,396.11	2,831.76	3,267.42	3,920.90
Bisbrooke	1,282.97	1,496.79	1,710.62	1,924.45	2,352.11	2,779.76	3,207.42	3,848.90
Braunston- In-Rutland	1,311.44	1,530.01	1,748.59	1,967.16	2,404.31	2,841.45	3,278.60	3,934.32
Brooke	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Burley	1,278.73	1,491.85	1,704.97	1,918.09	2,344.33	2,770.57	3,196.82	3,836.18
Caldecott	1,312.73	1,531.51	1,750.30	1,969.09	2,406.67	2,844.24	3,281.82	3,938.18
Clipsham	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Cottesmore	1,305.61	1,523.21	1,740.81	1,958.41	2,393.61	2,828.81	3,264.02	3,916.82
Edith Weston	1,321.69	1,541.97	1,762.25	1,982.53	2,423.09	2,863.65	3,304.22	3,965.06
Egleton	1,291.33	1,506.55	1,721.77	1,936.99	2,367.43	2,797.87	3,228.32	3,873.98
Empingham	1,286.01	1,500.35	1,714.68	1,929.02	2,357.69	2,786.36	3,215.03	3,858.04
Essendine	1,335.38	1,557.94	1,780.51	2,003.07	2,448.20	2,893.32	3,338.45	4,006.14
Exton And Horn	1,313.18	1,532.04	1,750.91	1,969.77	2,407.50	2,845.22	3,282.95	3,939.54
Glaston	1,278.73	1,491.86	1,704.98	1,918.10	2,344.34	2,770.59	3,196.83	3,836.20
Great Casterton	1,299.49	1,516.07	1,732.65	1,949.23	2,382.39	2,815.55	3,248.72	3,898.46
Greetham	1,307.26	1,525.14	1,743.01	1,960.89	2,396.64	2,832.40	3,268.15	3,921.78
Gunthorpe	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Hambleton	1,305.95	1,523.60	1,741.26	1,958.92	2,394.24	2,829.55	3,264.87	3,917.84
Ketton	1,324.49	1,545.23	1,765.98	1,986.73	2,428.23	2,869.72	3,311.22	3,973.46
Langham	1,303.81	1,521.11	1,738.41	1,955.71	2,390.31	2,824.91	3,259.52	3,911.42
Leighfield	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Little Casterton	1,292.95	1,508.45	1,723.94	1,939.43	2,370.41	2,801.40	3,232.38	3,878.86
Lyddington	1,312.15	1,530.84	1,749.53	1,968.22	2,405.60	2,842.98	3,280.37	3,936.44
Lyndon	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Manton	1,339.63	1,562.90	1,786.17	2,009.44	2,455.98	2,902.52	3,349.07	4,018.88
Market Overton	1,305.86	1,523.50	1,741.15	1,958.79	2,394.08	2,829.36	3,264.65	3,917.58
Martinsthorpe	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Morcott	1,303.79	1,521.08	1,738.38	1,955.68	2,390.28	2,824.87	3,259.47	3,911.36
Normanton	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
North Luffenham	1,312.21	1,530.91	1,749.61	1,968.31	2,405.71	2,843.11	3,280.52	3,936.62

Oakham	1,314.59	1,533.68	1,752.78	1,971.88	2,410.08	2,848.27	3,286.47	3,943.76
Pickworth	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Pilton	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Preston	1,288.14	1,502.83	1,717.52	1,932.21	2,361.59	2,790.97	3,220.35	3,864.42
Ridlington	1,308.38	1,526.44	1,744.51	1,962.57	2,398.70	2,834.82	3,270.95	3,925.14
Ryhall	1,315.90	1,535.22	1,754.53	1,973.85	2,412.48	2,851.12	3,289.75	3,947.70
Seaton	1,304.05	1,521.39	1,738.73	1,956.07	2,390.75	2,825.43	3,260.12	3,912.14
South Luffenham	1,324.49	1,545.23	1,765.98	1,986.73	2,428.23	2,869.72	3,311.22	3,973.46
Stoke Dry	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Stretton	1,326.33	1,547.38	1,768.44	1,989.49	2,431.60	2,873.71	3,315.82	3,978.98
Teigh	1,279.70	1,492.98	1,706.27	1,919.55	2,346.12	2,772.68	3,199.25	3,839.10
Thistleton	1,280.26	1,493.64	1,707.01	1,920.39	2,347.14	2,773.90	3,200.65	3,840.78
Thorpe By Water	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Tickencote	1,282.28	1,495.99	1,709.71	1,923.42	2,350.85	2,778.27	3,205.70	3,846.84
Tinwell	1,284.63	1,498.74	1,712.84	1,926.95	2,355.16	2,783.37	3,211.58	3,853.90
Tixover	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Uppingham	1,334.60	1,557.03	1,779.47	2,001.90	2,446.77	2,891.63	3,336.50	4,003.80
Wardley	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Whissendine	1,314.23	1,533.26	1,752.30	1,971.34	2,409.42	2,847.49	3,285.57	3,942.68
Whitwell	1,278.24	1,491.28	1,704.32	1,917.36	2,343.44	2,769.52	3,195.60	3,834.72
Wing	1,329.48	1,551.06	1,772.64	1,994.22	2,437.38	2,880.54	3,323.70	3,988.44

Being the amounts given by multiplying the amount at 3(e) above by the number which, is the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings in different valuation bands.

4 LEICESTER, LEICESTERSHIRE & RUTLAND COMBINED FIRE AUTHORITY

That it be noted that for 2022/23 the Leicester, Leicestershire & Rutland Combined Fire Authority have stated the following amounts in a precept issued to the Council, in accordance with Section 40 of the Local Government Act 2003 for each of the categories of dwellings as shown below:

VALUATION BAND	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Combined Fire Authority	49.53	57.78	66.04	74.29	90.80	107.31	123.82	148.58

5 OFFICE FOR THE LEICESTERSHIRE POLICE AND CRIME COMMISSIONER

That it be noted that for 2022/23 the Office for the Leicestershire Police and Crime Commissioner have stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

VALUATION BAND	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Leicestershire Police	172.15	200.85	229.54	258.23	315.61	373.00	430.38	516.46

6 COUNCIL TAX 2022/23

That having calculated the aggregate in each case of the amounts at 3(h) and 4 & 5 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2022/23 for each of the categories of dwellings shown below:

Part of the Council's area	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Ashwell	1,521.63	1,775.24	2,028.85	2,282.45	2,789.66	3,296.88	3,804.08	4,564.90
Ayston	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Barleythorpe	1,514.47	1,766.88	2,019.30	2,271.70	2,776.52	3,281.35	3,786.17	4,543.40
Barrow	1,503.29	1,753.85	2,004.40	2,254.94	2,756.03	3,257.14	3,758.23	4,509.88
Barrowden	1,536.68	1,792.80	2,048.91	2,305.02	2,817.24	3,329.48	3,841.70	4,610.04
Beaumont Chase	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Belton-In-Rutland	1,528.65	1,783.42	2,038.20	2,292.97	2,802.52	3,312.07	3,821.62	4,585.94
Bisbrooke	1,504.65	1,755.42	2,006.20	2,256.97	2,758.52	3,260.07	3,761.62	4,513.94
Braunston- In-Rutland	1,533.12	1,788.64	2,044.17	2,299.68	2,810.72	3,321.76	3,832.80	4,599.36
Brooke	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Burley	1,500.41	1,750.48	2,000.55	2,250.61	2,750.74	3,250.88	3,751.02	4,501.22
Caldecott	1,534.41	1,790.14	2,045.88	2,301.61	2,813.08	3,324.55	3,836.02	4,603.22
Clipsham	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Cottesmore	1,527.29	1,781.84	2,036.39	2,290.93	2,800.02	3,309.12	3,818.22	4,581.86
Edith Weston	1,543.37	1,800.60	2,057.83	2,315.05	2,829.50	3,343.96	3,858.42	4,630.10
Egleton	1,513.01	1,765.18	2,017.35	2,269.51	2,773.84	3,278.18	3,782.52	4,539.02
Empingham	1,507.69	1,758.98	2,010.26	2,261.54	2,764.10	3,266.67	3,769.23	4,523.08
Essendine	1,557.06	1,816.57	2,076.09	2,335.59	2,854.61	3,373.63	3,892.65	4,671.18
Exton And Horn	1,534.86	1,790.67	2,046.49	2,302.29	2,813.91	3,325.53	3,837.15	4,604.58
Glaston	1,500.41	1,750.49	2,000.56	2,250.62	2,750.75	3,250.90	3,751.03	4,501.24
Great Casterton	1,521.17	1,774.70	2,028.23	2,281.75	2,788.80	3,295.86	3,802.92	4,563.50
Greetham	1,528.94	1,783.77	2,038.59	2,293.41	2,803.05	3,312.71	3,822.35	4,586.82
Gunthorpe	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Hambleton	1,527.63	1,782.23	2,036.84	2,291.44	2,800.65	3,309.86	3,819.07	4,582.88
Ketton	1,546.17	1,803.86	2,061.56	2,319.25	2,834.64	3,350.03	3,865.42	4,638.50
Langham	1,525.49	1,779.74	2,033.99	2,288.23	2,796.72	3,305.22	3,813.72	4,576.46
Leighfield	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Little Casterton	1,514.63	1,767.08	2,019.52	2,271.95	2,776.82	3,281.71	3,786.58	4,543.90
Lyddington	1,533.83	1,789.47	2,045.11	2,300.74	2,812.01	3,323.29	3,834.57	4,601.48
Lyndon	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Manton	1,561.31	1,821.53	2,081.75	2,341.96	2,862.39	3,382.83	3,903.27	4,683.92
Market Overton	1,527.54	1,782.13	2,036.73	2,291.31	2,800.49	3,309.67	3,818.85	4,582.62
Martinsthorpe	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Morcott	1,525.47	1,779.71	2,033.96	2,288.20	2,796.69	3,305.18	3,813.67	4,576.40
Normanton	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
North Luffenham	1,533.89	1,789.54	2,045.19	2,300.83	2,812.12	3,323.42	3,834.72	4,601.66
Oakhham	1,536.27	1,792.31	2,048.36	2,304.40	2,816.49	3,328.58	3,840.67	4,608.80
Pickworth	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Pilton	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Preston	1,509.82	1,761.46	2,013.10	2,264.73	2,768.00	3,271.28	3,774.55	4,529.46
Ridlington	1,530.06	1,785.07	2,040.09	2,295.09	2,805.11	3,315.13	3,825.15	4,590.18
Ryhall	1,537.58	1,793.85	2,050.11	2,306.37	2,818.89	3,331.43	3,843.95	4,612.74
Seaton	1,525.73	1,780.02	2,034.31	2,288.59	2,797.16	3,305.74	3,814.32	4,577.18
South Luffenham	1,546.17	1,803.86	2,061.56	2,319.25	2,834.64	3,350.03	3,865.42	4,638.50
Stoke Dry	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Stretton	1,548.01	1,806.01	2,064.02	2,322.01	2,838.01	3,354.02	3,870.02	4,644.02
Teigh	1,501.38	1,751.61	2,001.85	2,252.07	2,752.53	3,252.99	3,753.45	4,504.14
Thistleton	1,501.94	1,752.27	2,002.59	2,252.91	2,753.55	3,254.21	3,754.85	4,505.82
Thorpe By Water	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Tickencote	1,503.96	1,754.62	2,005.29	2,255.94	2,757.26	3,258.58	3,759.90	4,511.88
Tinwell	1,506.31	1,757.37	2,008.42	2,259.47	2,761.57	3,263.68	3,765.78	4,518.94

Tixover	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Uppingham	1,556.28	1,815.66	2,075.05	2,334.42	2,853.18	3,371.94	3,890.70	4,668.84
Wardley	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Whissendine	1,535.91	1,791.89	2,047.88	2,303.86	2,815.83	3,327.80	3,839.77	4,607.72
Whitwell	1,499.92	1,749.91	1,999.90	2,249.88	2,749.85	3,249.83	3,749.80	4,499.76
Wing	1,551.16	1,809.69	2,068.22	2,326.74	2,843.79	3,360.85	3,877.90	4,653.48

7 COUNCIL TAX 2022/23 - SECTION 30 OF THE LOCAL GOVERNMENT FINANCE ACT

It should be noted that the amounts in respect of Council taxes set in accordance with Section 30 of the Act are amounts which given administration and enforcement demand notice requirements are rounded to two decimal places.

8 COUNCIL TAX 2022/23 - SECTION 52ZB OF THE LOCAL GOVERNMENT FINANCE ACT 1992

The Council determines that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the basic amount of its council tax for 2022/23 is not excessive.

Appendix B. Budget Requirement and Council Tax Requirement Calculation

The table below shows the council tax requirement for 2022/23 and how figures reconcile to the MTFP

Directorate Costs	Expenditure £	Income	Total £	Reference as per Report 09/2022
People	24,722,000	(4,915,200)	19,806,800	Appendix 4
Dedicated Schools Grant	8,276,300	(8,276,300)	0	Appendix 2 Budget Report
Places	18,936,200	(4,235,200)	14,701,000	Appendix 5
Resources	11,579,300	(3,912,100)	7,667,200	Appendix 6
Total Directorate Costs	63,513,800	(21,338,800)	42,175,000	
Other Costs				
Pay Inflation Contingency	673,600	-	673,600	Appendix 1
Needs Management	428,500	-	428,500	Appendix 1
Payment to Parishes	792,389	-	792,389	Expenditure supported through Parish Precept
Capital Financing	1,646,900	-	1,646,900	Appendix 1
Reversal of Depn	-	(2,478,300)	(2,478,300)	Appendix 1
Total Other Costs	3,541,389	(2,478,300)	1,063,089	
Other Income				
Interest Receivable	-	(100,000)	(100,000)	Appendix 1
Total Other Income	0	(100,000)	(100,000)	
Budget Requirement	67,055,189	(23,917,100)	43,138,089	
Funded By				
Other Income	-	(1,678,600)	(1,678,600)	Appendix 1
New Homes Bonus	-	(461,300)	(461,300)	Appendix 1
Better Care Fund	-	(2,712,300)	(2,712,300)	Appendix 1
Rural Delivery Grant	-	(890,400)	(890,400)	Appendix 1
Retained Business Rates Funding	-	(3,462,200)	(3,462,200)	Appendix 1
Collection Fund Surplus	-	(159,000)	(159,000)	Appendix 1
Transfer from General Fund Reserve	(6,800)	-	(6,800)	Appendix 1
Transfers from Earmarked Reserves	(369,000)	(2,314,000)	(2,683,000)	Appendix 1
Council Tax Requirement	66,679,389	(35,594,900)	31,084,489	Includes council tax and adult social care precept