

Rutland County Council

Catmose, Oakham, Rutland, LE15 6HP

Telephone 01572 722577 Email: governance@rutland.gov.uk

Meeting: CABINET

Date and Time: Thursday, 12 January 2023 at 10.00 am

Venue: Council Chamber, Catmose, Oakham, LE15 6HP

Governance support Officer to contact: David Ebbage 01572 720972
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A G E N D A

- 1) **APOLOGIES FOR ABSENCE**
- 2) **ANNOUNCEMENTS FROM THE CHAIRMAN AND/OR HEAD OF THE PAID SERVICE**

- 3) **DECLARATIONS OF INTEREST**

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

- 4) **MINUTES**

To confirm the Minutes and Decisions made at the meeting of the Cabinet held on 13th December 2022.

(Pages 5 - 12)

5) ITEMS RAISED BY SCRUTINY

To receive items raised by members of scrutiny which have been submitted to the Leader and Chief Executive.

6) RECOMMISSIONING OF PUBLIC HEALTH FUNDED SEXUAL HEALTH SERVICES

To receive Report No.06/2023 from the Portfolio Holder for Health Wellbeing and Adult Care.

(Pages 13 - 32)

7) RUTLAND LOCAL PLAN - UPDATE AND ISSUES & OPTIONS CONSULTATION OUTPUTS

To receive Report No.07/2023 from the Portfolio Holder for Planning, Highways and Transport.

(Pages 33 - 130)

8) TREASURY MANAGEMENT STRATEGY AND CAPITAL INVESTMENT STRATEGY

To receive Report No.01/2023 from the Portfolio Holder for Finance, Governance and Performance, Change and Transformation.

(Pages 131 - 202)

9) DRAFT REVENUE AND CAPITAL BUDGET 2023/24

To receive Report No.02/2023 from the Portfolio Holder for Finance, Governance and Performance, Change and Transformation.

(Pages 203 - 296)

10) REVENUE BUDGET MONITORING 22/23 - PERIOD 8

To receive Report No.03/2023 from the Portfolio Holder for Finance, Governance and Performance, Change and Transformation.

(Pages 297 - 306)

11) EXCLUSION OF THE PRESS AND PUBLIC

Cabinet is recommended to determine whether the public and press be excluded from the meeting in accordance with Section 100(A)(4) of the Local Government Act 1972, as amended, and in accordance with the Access to Information provisions of Procedure Rule 239, as the following item of business is likely to involve the disclosure of exempt information as defined in Paragraph 2 of Part 1 of Schedule 12A of the Act.

Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

12) CATMOSE SPORTS LEISURE CONTRACT

To receive Report No.08/2023 from the Portfolio Holder for Communities, Environment and Climate Change.
(Pages 307 - 326)

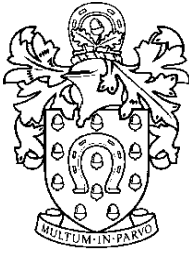
13) ANY ITEMS OF URGENT BUSINESS

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

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MEMBERS OF THE CABINET: Councillor L Stephenson (Chair)
Councillor R Powell (Vice-Chair)
Councillor S Harvey
Councillor M Oxley
Councillor K Payne
Councillor D Wilby

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Rutland County Council

Catmose Oakham Rutland LE15 6HP

Telephone 01572 722577 Email: governance@rutland.gov.uk

Minutes of a **MEETING of the CABINET** held in the Council Chamber, Catmose, Oakham, Rutland, LE15 6HP on Tuesday, 13th December 2022 at 10:00am

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PRESENT: Councillor L Stephenson (Chair) Councillor R Powell (Vice-Chair)
Councillor S Harvey Councillor M Oxley
Councillor K Payne Councillor D Wilby

OFFICERS PRESENT: Mark Andrews Chief Executive
Saverio Della Rocca Strategic Director for Resources
Dawn Godfrey Strategic Director of Children's Services
Penny Sharp Strategic Director for Places
John Morley Strategic Director for Adults and Health
Angela Wakefield Director of Legal & Governance,
(Monitoring Officer)
David Ebbage Governance Officer

1 APOLOGIES FOR ABSENCE

There were no apologies for absence.

2 ANNOUNCEMENTS FROM THE CHAIRMAN AND/OR HEAD OF THE PAID SERVICE

Mark Andrews, Chief Executive updated Cabinet on the successful investment plan for the UK Shared Prosperity Fund. He informed Members that the Council was ready to sign the memorandum of understanding that was related to that grant and that the MOU agreed no more than the existing investment plan and the MOU was not legally binding. Members were told that the document would be signed moving to draw down the funding to begin the programme.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 MINUTES

Consideration was given to the record of decisions made following the meeting of Cabinet on 15 November.

RESOLVED

- a) That the record of decisions made at the meeting of the Cabinet held on 15 November 2022 be **APPROVED**.

5 ITEMS RAISED BY SCRUTINY

No items received.

6 RUTLAND ADULT AND COMMUNITY LEARNING SUB-CONTRACT PROVISION

Report No.196/2022 was introduced by Councillor David Wilby, Portfolio Holder for Education and Children's Services.

The report set out the process and proposed award criteria for the procurement of a sub-contractor to deliver the adult education skills provision.

As a result of internal and external influences, including changes to subcontracting rules, the Council's current provider (Inspire Education Group) could no longer offer the same level of provision as originally planned.

The new sub-contracting partner would need to establish and deliver a high quality, inclusive learning and skills offer for the County, which considered the requirements of rural locations and training requirements.

Councillor Wilby also went on to explain the contract value would be set at up to £99,000 per year, potentially totalling £495,000 over its lifetime. Since the previous report to Cabinet, a new sub-contracting standard had been introduced by the ESFA. This required every subcontract over £100,000 to be externally audited before being granted a three-year subcontracting licence. As the service was already extensively audited, the Council decided the most efficient and effective approach for the Council would be to retain £20,000 of our £119,000 funding allocation and deliver this in-house.

The Leader welcomed this paper and highlighted that a lot of work had been done across the county looking at key data and the importance of education and highlighted that lifelong learning was important to improve social mobility.

It was proposed by Councillor D Wilby that the recommendations of report No. 196/2022 be agreed, this was seconded and upon being put to the vote the motion was unanimously agreed.

RESOLVED

That Cabinet:

- a) **APPROVED** the procurement model and award criteria for Adult and Community Learning.
- b) **AUTHORISED** the Strategic Director Children and Families, in consultation with the Cabinet Member with responsibility for Education and Children's Services, to award the contract(s) resulting from this procurement in line with the Award Criteria.

7 LLR CARERS STRATEGY

Report No.185/2022 was introduced by Councillor Samantha Harvey, Portfolio Holder for Health, Wellbeing and Adult Care.

The strategy was to ensure that carers across Leicester, Leicestershire & Rutland have access to support that promotes their physical and emotional wellbeing.

The LLR Joint Carers Strategy 2018–2021 set out eight key strategic priorities relating to unpaid carers of all ages, and was developed jointly by Leicester City, Leicestershire County and Rutland County Councils (LLR) and the CCGs (now the Integrated Care Board [ICB]) across the LLR area.

The priorities were built upon feedback of carers across the LLR area. The LLR Carer's Delivery group agreed that the refresh would continue with the same 8 priorities especially as the impact of Covid had exacerbated the priorities as well as significantly increasing the numbers of unpaid carers.

Only one of the priorities received a minor adjustment. This was Priority 6, "Carers and the impact of technology products and the living space". The wealth of technology available and RCC's need to create more digital solutions for our carers, all organisations were keen to see this priority continue to be represented and the alternative priority title 'Care with Confidence' is based around using technology and skills to support carers.

Councillor K Payne asked if any costs were to come from the digitisations mentioned within the report. John Morley, Strategic Director for Adult Services and Health confirmed that they would be no additional costs.

It was also confirmed to Councillor Payne that the action plan attached to the report would be owned by the Team Manager for Social Care who would oversee the delivery of the plan.

Members welcomed the report and particularly within the strategy the voice of carers and the wider definition of who carers are.

It was proposed by Councillor S Harvey that the recommendations of report No. 185/2022 be agreed, this was seconded and upon being put to the vote the motion was unanimously agreed.

RESOLVED

That Cabinet:

- a) **APPROVED** the LLR Joint Carers Strategy Refresh 2022-2025.
- b) **APPROVED** the associated Rutland County Council Carers Delivery Plan.

8 HOUSING ALLOCATION POLICY - REVISION DUE TO STATUTORY CHANGES

Report No.188/2022 was introduced by Councillor Rosemary Powell, Portfolio Holder for Planning, Highways and Transport.

Councillor Powell explained that the Council's current Housing Allocation Policy (HAP) was produced in January 2021. Since then, the Armed Forces Act 2021 and the Domestic Abuse Act 2021 had received Royal Assent. The Armed Forces Act - and the associated Regulations and Statutory Guidance which are in draft at the time of writing – would shortly come into force.

This widened the group of family members that the Council must have due regard to under the Armed Forces Covenant when allocating housing. It also made clear that councils may provide preferential treatment for people in the Armed Forces taking account of their sacrifices, as opposed to merely removing any disadvantages that there may have been with the HAP.

It was proposed by Councillor R Powell that the recommendations of report No. 188/2022 be agreed, this was seconded and upon being put to the vote the motion was unanimously agreed.

RESOLVED

That Cabinet:

- a) **APPROVED** the Housing Allocation Policy - Consultation Draft set out in Appendix B for public consultation.
- b) **AUTHORISED** the Strategic Director for Places to approve the outcome of the consultation and the final policy in consultation with the Portfolio Holders with responsibility for Housing and Adult Services.

9 INDICATIVE CAPITAL ALLOCATIONS INCLUDING DEVELOPER CONTRIBUTIONS

Report No.197/2022 was introduced by Councillor Rosemary Powell, Portfolio Holder for Planning, Highways and Transport.

The report set out the Capital funds currently held by the Council and proposed indicative allocations for investing the monies, including developer contributions (Community Infrastructure Levy (CIL), Section 106 monies and Oakham North Local Funding Agreement).

The Council held various uncommitted Capital Funds as set out in Appendix 1 of the report and as of 31st August 2022 totalled £13.039m. These funds come from various sources, such as, ring-fenced Government Grants, (e.g. Disabled Facilities Grant); non-ringfenced Government Grants (e.g. Highways Capital Maintenance), capital receipts; and developer contributions (Community Infrastructure Levy [CIL], s106 and the Oakham North Local Funding Agreement).

The report also sought to align the capital resources to the Council's strategic priorities that were set out in the Corporate Strategy.

Councillor Powell highlighted the need of investment in health facilities. In particular, the struggles around accessing GP appointments which came to light in the evidence report that the Scrutiny Task and Finish Group had produced on primary care. This investment must increase provision and not just upgrade or maintain existing

provision. The County's health services were under pressure and additional development meant further investment was required to support local residents.

Members were reassured that there was a process in place for the dates and times of the funds to be reviewed and checked to ensure no money was to go adrift due to it not being spent in time.

The Leader thanked Councillor Powell for the comprehensive report which showed care and consideration on the impact on residents. It was underscored that within Future Rutland, residents told the Council very clearly what was important to them, and it had been reflected very clearly within the Corporate Strategy and the Leader was pleased to see it come through in this report also.

It was proposed by Councillor R Powell that the recommendations of report No. 197/2022 be agreed, this was seconded and upon being put to the vote the motion was unanimously agreed.

RESOLVED

That Cabinet:

1. **APPROVED** the proposed indicative allocations of the Council's uncommitted capital funds as detailed in Appendix 1 of the report.
2. **APPROVED** the proposed process for administering Developer Contributions expenditure to ensure alignment to strategic priorities for the Council and County.

10 CONTRACT UTILITIES PROCUREMENT

Report No.195/2022 was introduced by the Leader and Portfolio Holder for Policy, Strategy, Partnerships and Economy.

The report set out the background, process and proposed award options for the procurement of electricity, gas and water supply contracts by the Council along with recommendations for approval and delegation of final awards.

The Leader pointed out that recent geopolitical pressures had created volatility in pricing with a significant impact on budgets. 2022/23 gas energy unit rates had increased approximately 70% and electricity unit rates by 100 – 120%. These expected increases were applicable across all procurement solutions and impact all energy utility users.

The report presented the most common sense approach to getting the best value for money in an incredibly difficult market.

It was pointed out that any savings that the framework makes when the energy is bought for 12 months, would be passed onto the Council as part of the contract.

A question was asked around the assets the Council had and the effects of the consumption of energy if the assets were to change or the Council was acquire new assets. The Leader responded by saying the Council was charged for the units used

for energy, any change to the Council's estate, we would still only be charged for the units of consumption.

Councillor Harvey raised a question on 100% green supply which attracted a premium and what that premium was for the benefit of residents. Penny Sharp responded by saying the premium on the pure green electricity contract rose from 0.075p per kwh to 0.56p per kwh, this worked out at a 750% increase.

It was proposed by Councillor L Stephenson that the recommendations of report No. 195/2022 be agreed, this was seconded and upon being put to the vote the motion was unanimously agreed.

RESOLVED

That Cabinet:

- a) **APPROVED** the procurement of electricity energy contracts via both the ESPO Standard Total Energies Fuel Mix and CCS Zero Carbon for Business L6 frameworks direct award arrangement.
- b) **APPROVED** the procurement of gas energy contracts via the ESPO framework direct award arrangement.
- c) **APPROVED** the procurement of water services utility contracts via ESPO framework direct award arrangements.
- d) **AUTHORISED** the Strategic Director for Places, in consultation with the Portfolio Holder for Property, to award the contracts resulting from these framework agreements.
- e) **APPROVED** the £249k additional budget as a result of the Procurement as per section 10.

11 EXCLUSION OF THE PRESS AND PUBLIC

It was moved by the Chair that the meeting remain in a public session as it was felt Cabinet would be able to consider Report No.194/2022 without divulging the contents of the confidential appendices to the reports. This was seconded and upon being put to the vote the motion was unanimously carried.

12 PROPERTY CLEANING SERVICES PROCUREMENT

Report No.194/2022 was introduced by the Leader and Portfolio Holder for Policy, Strategy and Economy.

The report sets out the process undertaken for the Property Services Cleaning Procurement and requested authorisation of the final award.

The Council currently had a hybrid solution of cleaning support. Some libraries were cleaned by directly employed part-time cleaning staff. The majority of Council buildings were cleaned by a 3rd party supplier who also provided absence cover for Council staff. The current contract expired in March 2023, having been extended to that date with Cabinet approval.

The proposed contract would be delivered as a single lot arrangement under management of the Property Services to ensure consistency of service provision for cost, quality and customer satisfaction. The proposed contract length was 3 years with the option to extend for a further 1 year subject to satisfactory performance.

It was clarified that the additional costs of £24k would be carried forward in the Medium Term Financial Plan for the years after 2023/24 budget.

A question was raised around the Council's assets which were listed within the appendices, the contract had the ability to decrease in size and therefore was an agile contract. There would be no additional cost if the size of the contract changed.

It was proposed by Councillor L Stephenson that the recommendations of report No. 194/2022 be agreed, this was seconded and upon being put to the vote the motion was unanimously agreed.

RESOLVED

That Cabinet:

- a) **AUTHORISED** the award of the cleaning services contract resulting from this procurement.
- b) **APPROVED** the increased cost of £24k per year being included in the 2023/24 budget.

13 ANY ITEMS OF URGENT BUSINESS

There were no items of urgent business.

14 DATE OF THE NEXT MEETING

Thursday, 12th January 2023

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The Chairman declared the meeting closed at 10.55am.

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CABINET

12 January 2023

RECOMMISSIONING OF PUBLIC HEALTH FUNDED SEXUAL HEALTH SERVICES

Report of the Portfolio Holder for Health Wellbeing and Adult Care

Strategic Aim:	Healthy and well A county for everyone	
Key Decision: No	Forward Plan Reference: FP/091222	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor Samantha Harvey, Portfolio Holder for Health Wellbeing and Adult Care	
Contact Officer(s):	Adrian Allen, Interim Public Health Assistant Director – Delivery	0116 305 Adrian.allen@leics.gov.uk
	Susan-Louise Hope, Public Health Strategic Lead – Rutland Commissioning	0116 3052683 Susan-louise.hope@leics.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the preferred option to re-commission service in conjunction with Leicestershire County Council.
2. Approves the model for consultation as detailed in this report.
3. Approves commencement of public consultation on the future sexual health services in Rutland and Leicestershire
4. Agrees to receive further reports on the outcome of the consultation and presenting the final model and procure process this is likely to be in April or May of 2023.

1 PURPOSE OF THE REPORT

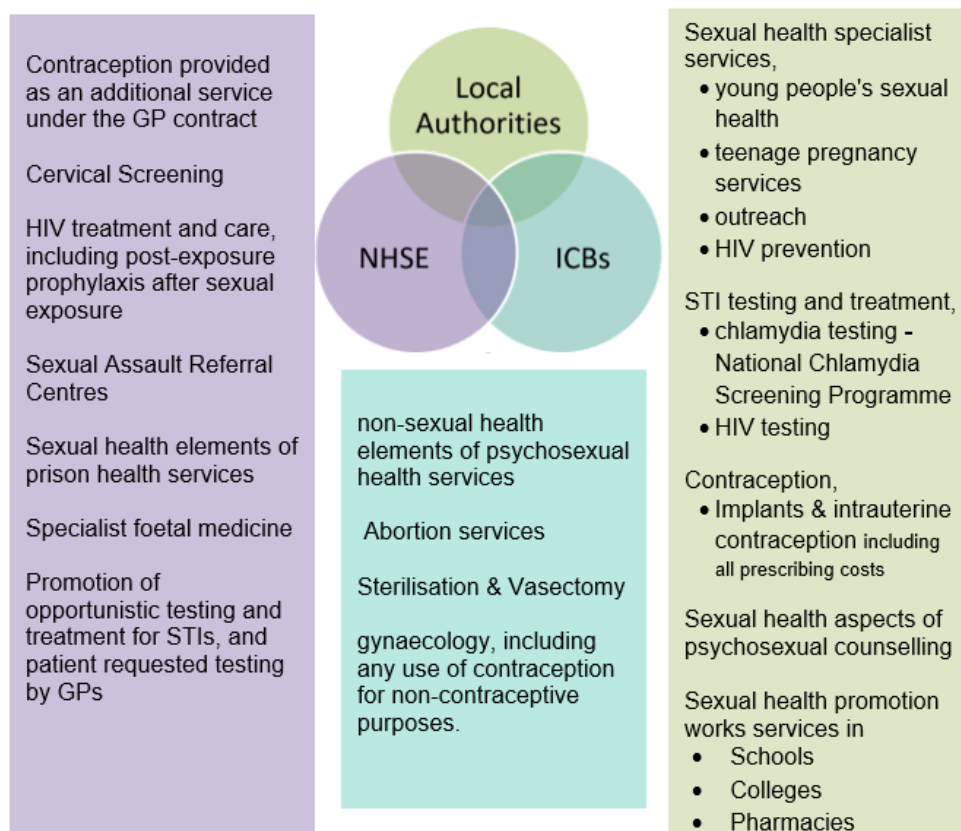
- 1.1 The purpose of this report is to inform members of the current situation with sexual health services and the work to date to inform future commissioning.

- 1.2 To seek the approval for the commissioning intension and to open public consultation.

2 BACKGROUND AND MAIN CONSIDERATIONS (MANDATORY)

The commissioning responsibilities of local government, Integrated Care Boards (ICBs) and NHS England (NHSE) are set out in the Health and Social Care Act 2012. Additionally, local government responsibilities for commissioning most sexual health services and interventions are mandated by the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013. This instructs local authorities to commission confidential, open access services for Sexually Transmitted Infections (STIs) and contraception as well as reasonable access to all methods of contraception and advice on preventing unintended pregnancy.

- 2.1 The commissioning responsibilities for Sexual Health, Reproductive Health and HIV (Human Immunodeficiency Virus) are organised as below.



- 2.2 The commissioning of open access sexual health services is a mandatory responsibility of Public Health within the Local Authority.

- 2.3 Current configuration in Rutland is a specialist integrated sexual health service (ISHS) providing the services detailed in the box in point 2.2. This service has been provided by Midland Partnership Trust (MPFT) since January 2019. Clinic provision in Rutland is delivered at the Rutland Memorial Hospital a dedicated clinic for service personnel at Kendrew Barracks. Rutland residents access the hub locations in Leicester and Loughborough. The online offer is sub-contracted by MPFT to SH 24. Additionally Public Health commission community based services (CBS) with

General Practice and Pharmacies in Rutland. All services are due to terminate on 31st March 2024.

2.4 Historically sexual health services have been commissioned across Leicester, Leicestershire and Rutland since Public Health moved into the local authorities they have gone through transformations. Firstly the integration of contraception and sexually transmitted infection services in to one combined service and secondly, in the most recent procurement in 2018 to achieve a channel shift in workforce skill mix and movement to increased usage and broadened remit of online provision.

2.5 The Coronavirus pandemic had a significant effect on the delivery of sexual health services. Control measures such as lockdowns, social distancing and cleaning regimes decreased the activity within clinic settings. At the same time it accelerated the move to online provision. Out of area activity also reduced during this time. Clinic activity has not returned to pre-pandemic levels however online continues to increase.

3 REVIEW OF RUTLAND PROVISION AND NEED

PROVISION- ISHS

3.1 Rutland residents utilise the ISHS predominantly for STI related services.

% Rutland Residents activity				
	STI	Contraception	Sexual Health	HIV
18/19	50%	46%	2%	1%
19/20	50%	47%	2%	1%
20/21	71%	24%	3%	2%
21/22	58%	38%	3%	1%

3.2 Usage data for the current service shows that the levels of county residents accessing clinic services has reduced dramatically, alongside a marked increase in the use of online sexual health services.

% Rutland Residents access point					
	County Clinic	City Clinic	Rutland Clinic	Online Provision	C Card
18/19	3%	34%	17%	13%	32%
19/20	3%	24%	17%	19%	34%
20/21	1%	32%	4%	53%	8%
21/22	1%	31%	5%	39%	21%

3.3 CBS

	Q1 2021- 22	Q2 2021- 22	Q3 2021- 22	Q4 2021- 22	Q1 2022- 23	Q2 2022- 23
IUD/S Fittings	24	21	28	25	36	45
Implant Insertions	36	24	26	35	31	20
Implant Removals	37	22	20	33	30	21
EHC Consultations	13	22	13	13	23	14
Total	110	89	87	106	120	100

- 3.4 Rutland remain higher than national average for GP prescribed Long Acting Reproductive Contraception (LARC) (excluding injections) despite the slight decline in residents' uptake of LARC within GP surgeries. Post pandemic numbers are beginning to rise again however they are still considerably lower than previous years.
- 3.5 The numbers of women accessing EHC via pharmacies remains significantly lower than pre-pandemic numbers.
- 3.6 It is likely that these numbers have been impacted by the availability of online EHC, unlike LARC where face to face appointments are required. The online growth in this area means EHC activity in pharmacies may never recover to pre-pandemic numbers.
- 3.7 It is widely recognised that circumstances in 2020/21 have been exceptional as a result of the COVID-19 pandemic, which impacted significantly on service delivery and activity during year 2 of the contract.
- 3.8 Whilst national guidance on social distancing, and walk-in services arising from the pandemic have now eased, Rutland has not seen a shift back to accessing clinic services as they were before the pandemic. It is essential that this shift in activity is reflected within the service redesign.
- 3.9 Data for the financial year 2020/21 is an anomaly which has posed challenges in identification of trends in usage of the service. The pandemic has also changed the way people live their lives, which means pre-pandemic data may not be as useful in predicting future activity levels. Examples of changes include:
- More people now working from home,
 - An increase in the use of online services
 - Current cost of living crisis - reduction in unnecessary travel
- 3.10 These factors all contribute to less footfall in our town centres, meaning it is less convenient to use a clinic-based service. A proportion of those who have accessed services online during the pandemic are likely to continue with this option out of convenience or are likely to look for more local provisions.

NEED

- 3.11 Rutland perform well for many public health indicators relating to sexual health. This is evidenced by continuing lower rates of new sexually transmitted infections (STIs), under 18 conceptions and newly diagnosed Human Immunodeficiency Virus (HIV).
- 3.12 Chlamydia detection rates in 15–24-year-olds in Rutland are below the national benchmarking goal and the trend shows that the detection rate is decreasing significantly. The proportion of the 15-24 population screened is also significantly below the national average and the screening percentages have been significantly decreasing in Rutland over the last five years.
- 3.13 At a national and regional level, new HIV diagnosis from persons diagnosed in the UK have seen a significantly declining trend. Rutland remains a low HIV prevalent area, so numbers of diagnosis are small, however, the local trend has shown no significant change.
- 3.14 The impact of the COVID-19 pandemic resulted in significant service reduction. In response, face to face services were limited and the delivery model changed to increase provision of services online and via telephone consultation. The learnings from the COVID-19 pandemic showed online services being favoured for STI screening and contraception, however access has reduced for some sub-populations (e.g., 15-24 year old's).
- 3.15 General Practice (GP) nationally continues to be the most preferred place to obtain contraception, with around 80% of women choosing to access their contraception from GPs. The GP prescribed LARC excluding injections rate has remained significantly higher than the national rate in Rutland since 2011. The impact of the COVID-19 pandemic has seen a decline in LARC provision between 2019 and 2020 in GPs and Sexual Health Services to be on par with the national rate. Preliminary analysis reveals demand for LARCs have not reached pre-COVID levels in GP settings and the predicted activity has not fully shifted to the Sexual Health service.

4 PROPOSED NEW MODEL FOR SEXUAL HEALTH SERVICES

- 4.1 Good access to sexual health services can have a positive impact on local communities through:
- Reduced unplanned pregnancies.
 - Reduction in STI's that are often asymptomatic and can therefore lead to further transmission. New STI diagnoses are higher in more deprived populations.
 - Reduction in teenage pregnancies. Teenage pregnancies are significantly higher in more deprived areas and contribute to their own health inequalities such as continued risk of living in poverty and poor mental health.¹
- 4.2 Based on the review of existing provision and a review of need, the principles of the future model are:
- Continued expansion of digital services

¹ Sexual and reproductive health and HIV: applying All Our Health

- Reduction in out-of-area activity in the long-term
- Increased access to commonly used services e.g., contraception
- Better value for money, addressing inefficiencies and duplication
- Improved coordination of sexual health services across the system
- Enhancing and joining up targeted sexual health services e.g., chlamydia screening, contraception services, C-card etc.

4.3 The table below summarises the current model, challenges with the current provision and the proposed new model.

Current provision	Challenges with current provision	Proposed new model
ISHS – as described in section 2 and 3	Due to workforce shortages, there have been multiple occasions when the hub and spoke clinics across Leicestershire have had to close to service the Haymarket hub.	Having a Leicestershire and Rutland service would ensure we have a dedicated workforce for the proposed hub and spoke model, therefore minimising disruption to service provision.
	Some activity undertaken through the ISHS is non-complex and could be delivered through more cost effective channels e.g. through a community based model and through self-managed care	Expand the community sexual health service and self-managed care offer to enable the ISHS to focus on more complex cases.
Online sexual health (sub contract of ISHS)	Online sexual health services are sub-contracted by the existing provider leaving little autonomy for the commissioner to influence the delivery model. Performance data is not detailed enough to provide meaningful analysis of how the service is performing. Requests for additional data have to be made through the ISHS which is time consuming.	Commission the online sexual health service as a separate lot to the ISHS.
CBS LARC services – as described in sections 2 and 3	The current provision is delivered via a combination of individual GP practices or through a GP federation with some settings holding specific LARC clinics while others do not. Also, some settings offer LARC to registered patients only, while others offer LARC to any eligible resident. There have also been challenges in securing enough trained staff to provide LARC services across all GP practices resulting in: <ul style="list-style-type: none"> - Differences in service availability across Leicestershire - reliance on the ISHS to provide LARC services (not cost-effective) 	Commission 1 provider to provide LARC services in accessible community settings across Leicestershire. This will also provide an opportunity to promote uptake of chlamydia screening. N.B Leicester City Council is not looking to retender this service as part of this recommissioning project

	- residents having to travel across Leicestershire to access LARC services	
CBS EHC services – as described in sections 2 and 3	Reduction in uptake of EHC within pharmacies, predominantly due to a channel shift to online provision	Expand current model N.B Leicester City Council is not looking to retender this service as part of this recommissioning project

- 4.4 Early discussions with Leicester City Council indicate that they are not intending to make significant changes to the current offer. The existing provision is not meeting the needs of Rutland residents (as described in the table above) and therefore commissioning the service as it is, is not a viable option for Rutland.
- 4.5 While the discussions with Leicester City Council are ongoing, the current proposal is to jointly commission sexual health Community Based Services (CBS), the Integrated Sexual Health Service (ISHS) and online sexual health services with Leicestershire County Council (subject to its agreement) either under 1 lot or up to 4 separate lots (ISHS, online sexual health services, Community Based Services – LARC provision, Community Based Services – EHC provision). This is subject to the outcomes of soft market testing and consultation.
- 4.6 The rurality of both authority areas, combined with the growth of online sexual health services, have changed the way residents' access sexual health services. The proposed approach will continue to provide the range of services currently offered to Rutland residents alongside improved access to spoke clinics, increased local provision of LARC, continued provision of EHC services via pharmacies, as well as an opportunity to broaden the chlamydia screening offer within local settings. This combined approach will allow the Council to strengthen pathways between primary care and the ISHS to ensure seamless transition for patients between services.
- 4.7 The current annual budgets for sexual health services are £3.5m for Leicestershire and £120,000 for Rutland. These figures do not include spend on out-of-area activity. Further consideration will be given as to how these budgets will be apportioned across the services based on identified need and outcomes of the consultation and soft market testing.
- 4.8 Details of the proposed model as it relates to Rutland are set out below:
- Hub (Leicestershire) and spoke (Rutland) model of sexual health clinic provision to be retained and delivered from suitable premises and to be based on need.
 - Expand the accessibility of chlamydia screening services.
 - Continue the condom distribution service for under 25s.
 - Continue the availability of online sexual health services. The proposed change from current provision is to procure this service under a separate lot rather than with the ISHS. This will not affect the offer available to residents.
 - Dedicated LARC provision within community settings. The current provision is delivered via a combination of individual GP practices or through a GP federation with some settings holding specific LARC clinics while others do not. Also, some settings offer LARC to registered patients only, while others offer LARC to any eligible resident. This has led to differences in service delivery across Leicestershire.

- Continue to expand EHC provision locally.

4.9 This approach will offer:

- Accessible clinic provision for residents.
- Local alternatives to clinic provision in instances where non-complex sexual health services are required. This will also support in destigmatising sexual health services.
- Dedicated staffing complement for the delivery of local sexual health services.
- Skilled LARC fitters meeting required competency levels allowing consistent clinic delivery.

5 CONSULTATION

5.1 Stakeholder engagement was conducted in August of 2022 brief results are detailed below further details are included in appendix A.

Key strengths of the existing offer were reported as follows:

- Availability of a sexual health online service
- Access to expert practitioners within the service
- Having a variety of locations for face-to-face clinics

Key areas for development were reported as follows:

- Accessibility of provision locally
- Accessibility of services in rural areas
- Service communication and engagement
- Widening the digital offer

Key gaps were reported as follows:

- Marketing and promotion of sexual health services
- Increasing outreach support
- Provision of targeted support
- Mechanism for pharmacies to provide oral contraception

Overall, the feedback highlighted the following:

- Good access is a priority for both face to face and digital service provision
- Importance of community access points
- The need to improve awareness of the service offer
- The need for education and awareness through targeted outreach to reduce stigma and/or discrimination.

5.2 Subject to cabinet approval an 8 week public consultation into the proposed model will open in January 2023

5.3 The consultation will seek the views of the general public, users of the service, service providers, commissioners of other local sexual health-related services, and stakeholders. The survey will be accessible online on the County Council's website and available as a hard copy on request. Consultation will also take place through focus groups and through approaching stakeholders directly.

- 5.4 Soft-market testing will also take place during the consultation period to specifically gauge levels of interest and views from potential providers on matters such as viability of a Leicestershire and Rutland service within the proposed financial envelope, and appetite of Providers in delivering the different elements of the proposed model.

6 ALTERNATIVE OPTIONS

- 6.1 The following options were considered by the Public Health DMT with option B agreed as the preferred option. More detail is provided in appendix B.

Options

- A:** Separately commissioned services for each local authority area
- B:** Jointly commissioned Leicestershire and Rutland service
- C:** Jointly commissioned Leicester, Leicestershire, and Rutland service
- D:** Jointly commissioning a service with other neighbouring local authorities
- E:** No directly commissioned service, only pay out of area charges

7 FINANCIAL IMPLICATIONS

- 7.1 The current financial envelope for service provision is £120,000.
- 7.2 There are no plans to change the envelope but members need to be aware of the Agenda for Change salary uplifts for NHS providers which local authorities may be required to meet.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 This Cabinet report has been shared with Legal and Governance for advice and comment prior to circulation.
- 8.2 The procurement process to be used is in accordance with the Council's Contract Procedure Rules, Public Contract Regulations 2015 and the Public Procurement Regulations 2019.
- 8.3 The standard public health contract has been updated in line with legislative requirements and guidance. This contract template has been used as the contract vehicle for other jointly procured services with input from Rutland legal services. Rutland legal services will have input into the contract development for this service.
- 8.4 Leicestershire and Rutland will each hold their own contract and collaborate on contract management to mitigate burden on the provider, benefit from economies of scale and ensure cross authority collaboration. Leicestershire Public Health Contract team will lead on the contract management administration.
- 8.5 The full ITT documentation is under development and there will be legal input from Rutland prior to this going live.

9 DATA PROTECTION IMPLICATIONS

- 9.1 A Data Protection Impact Assessments (DPIA) has not been completed as it is being completed in conjunction with Leicestershire.

10 EQUALITY IMPACT ASSESSMENT

- 10.1 An Equality Impact Assessment (EqIA) has not been completed as it is in the process of completion.

11 COMMUNITY SAFETY IMPLICATIONS

- 11.1 A community safety implication is that sexual health services prevent the onward transmission of sexually transmitted infections thereby protecting the population.

12 HEALTH AND WELLBEING IMPLICATIONS

- 12.1 Sexual health services promote safe sexual practices, flag up unhealthy sexual practices, prevent onward transmission and reduce unwanted pregnancies with effect contraception.
- 12.2 Sexual health service are linked into the Health and Wellbeing Strategy and delivery plan in particular Priority 2 Prevention and Early Intervention

13 ORGANISATIONAL IMPLICATIONS

- 13.1 Environmental implications
- 13.1.1 There are no environmental implications
- 13.2 Human Resource implications
- 13.2.1 Activities would be conducted within the existing resources of Leicestershire and Rutland councils.
- 13.3 Procurement Implications
- 13.3.1 Procurement would be led by Leicestershire County Council and would be an open procurement either with one lot or broken down into potentially 4 separate lots. A soft market test will be conducted in January 2023 that will inform the approach. This will give interested parties a clearer understanding of the sexual health system and offer choice to potential bidders.

14 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 14.1 Sexual health services are a mandated requirement on local authority Public Health.
- 14.2 All sexual health contracts are due to end on 31st March 2024 and therefore new provision needs to be commissioned for commencement on 1st April 2024.
- 14.3 Review of current provision, review of need, changes in expectations resultant from Covid are indications that a revised approach to procurement and delivery is required. Such an approach needs consultation and procurement.

15 BACKGROUND PAPERS

15.1 Internal Cabinet Briefing paper for meeting on 20th December 2022

16 APPENDICES

16.1 Appendix A Stakeholder Engagement

16.2 Appendix B Options Appraisal

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

Appendix A. Stakeholder Engagement

ISHS - Stakeholder Feedback Summary Report

Workshops

4 workshops held w/c 15th August

Attended by 33 stakeholders from the following organisations

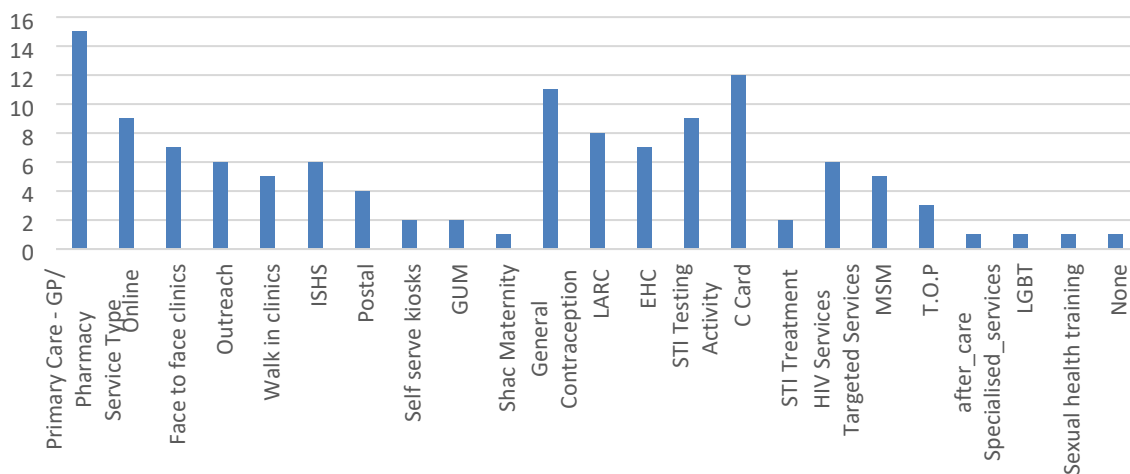
- LCC
- East Midlands Sexual Health commissioners
- Midlands Partnership Foundation Trust
- Inform Health
- Juniper Lodge
- Rutland CC
- TRADE sexual health
- Charnwood Federation
- Leicester City Council
- Nottingham City Council
- NWL Federation
- Police and Crime Commissioner's Office
- SH24

Stakeholders were asked a series of questions regarding the current and potential future provision.

There were also a number of stakeholders that provided their feedback via email. These views have been included in the feedback below each question area.

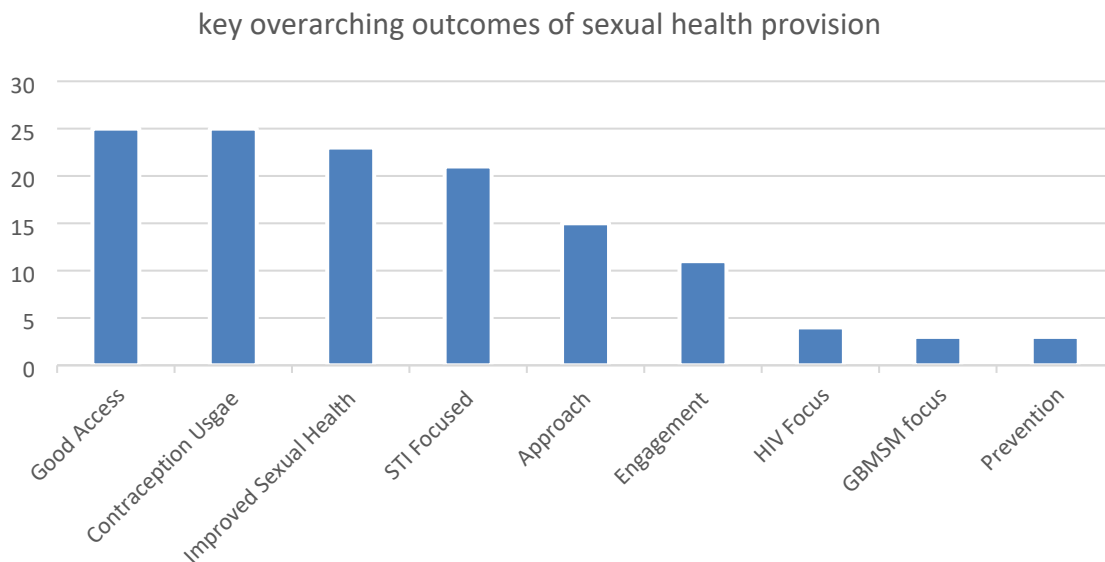
Q. Please list the current provisions/services you are aware of that are in place for sexual health across LLR.

Current provisions/services you are aware of that are in place for sexual health across LLR.



Awareness was very varied, with the most awareness around the primary care offer, the C-Cards (a card which offers free and easy access to condoms in a range of venues) and general contraception offer.

Q. In your view, what are the key overarching outcomes of sexual health provision?



Good access was a key outcome for stakeholders. This was not only regarding physical access to clinics but access to online provision. Ensuring services meet the needs of local communities providing choice with multiple access points for the diverse population and utilising clinics for complex high-risk care.

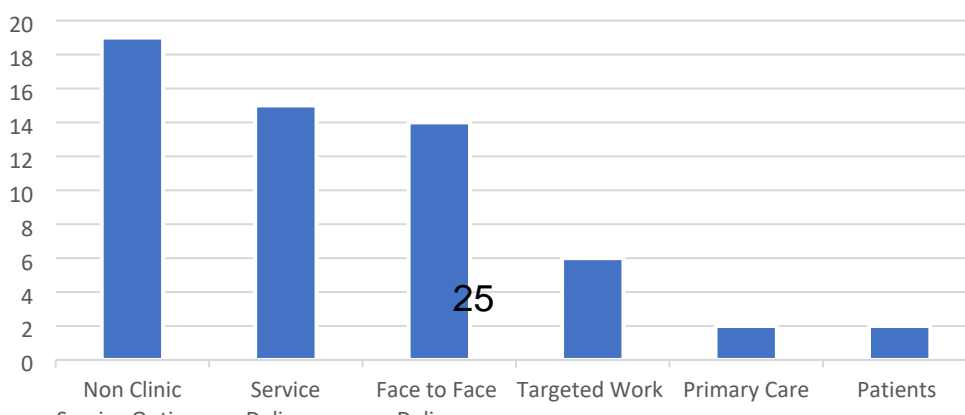
A number of comments provided around the approach were that holistic support should be delivered, efficiently in a patient centred way, ensuring cultural awareness and clinician availability

Reducing stigma and discrimination was a key outcome theme.

Overarching outcomes should be joined up across commissioning bodies, allowing for integration and work towards reducing inequalities, with a focus on prevention and self-management where appropriate

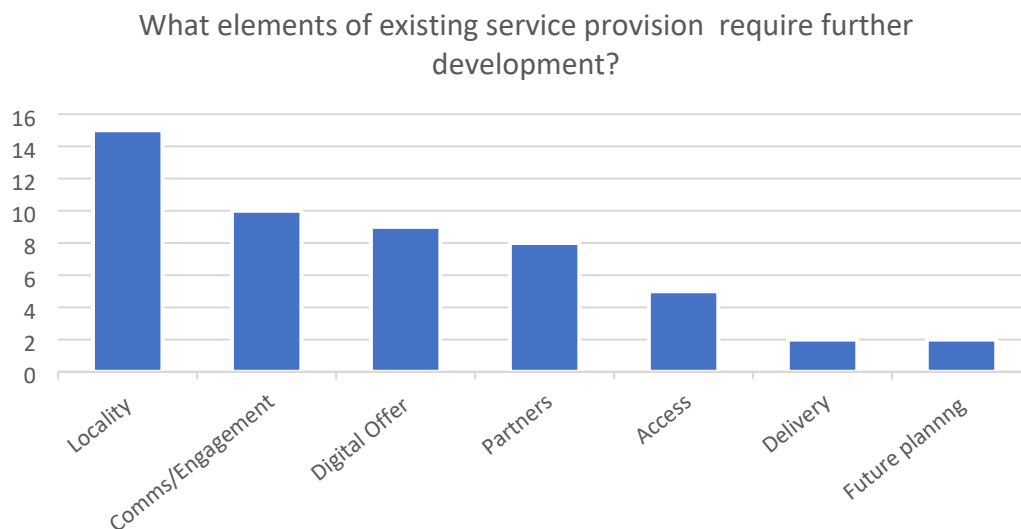
Q What elements of existing service provision are working well and why?

What elements of existing service provision are working well?



Stakeholders fed back that the online provision, access to expert practitioners within the service and a variety of locations for the face-to-face clinics are all elements of the current service that are working well.

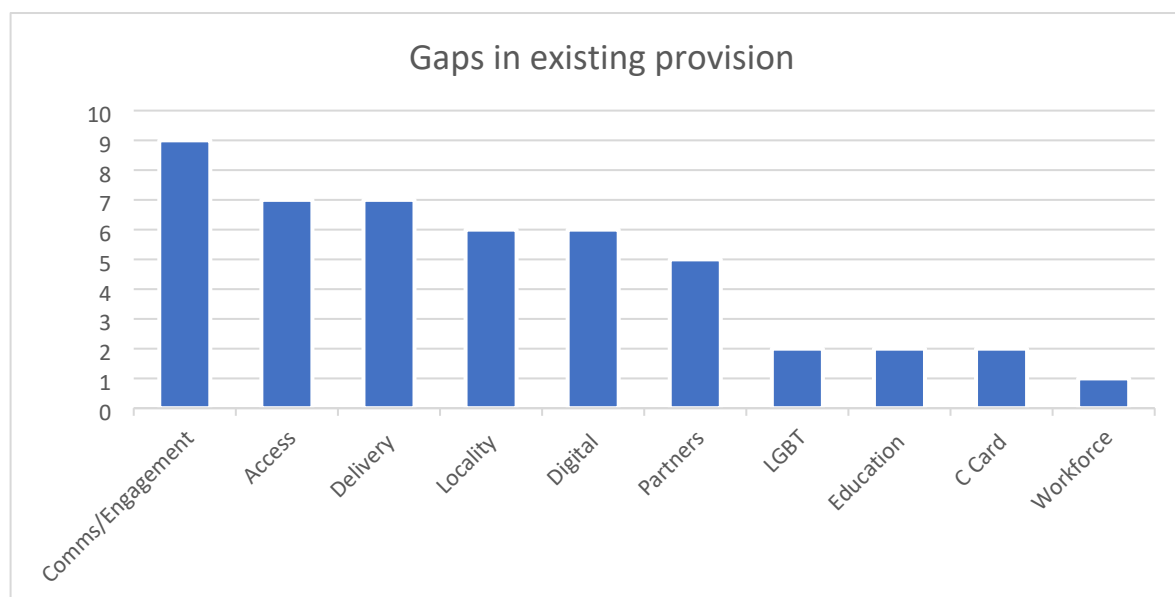
Q. What elements of existing service provision require further development and why?



There were a significant number of comments about locality of the provision, and accessibility in rural areas came through as a main concern. Service communication and engagement was another strong theme, with requests for more information on the service offer to be available and engagement with specific groups. There were also a number of comments around widening the digital offer that's available.

Increased service promotion and raising awareness of offer were key themes, particularly for young people and across district councils. Comment was also received on age parameters for EHC access as a barrier.

Q. Describe gaps in existing provision.

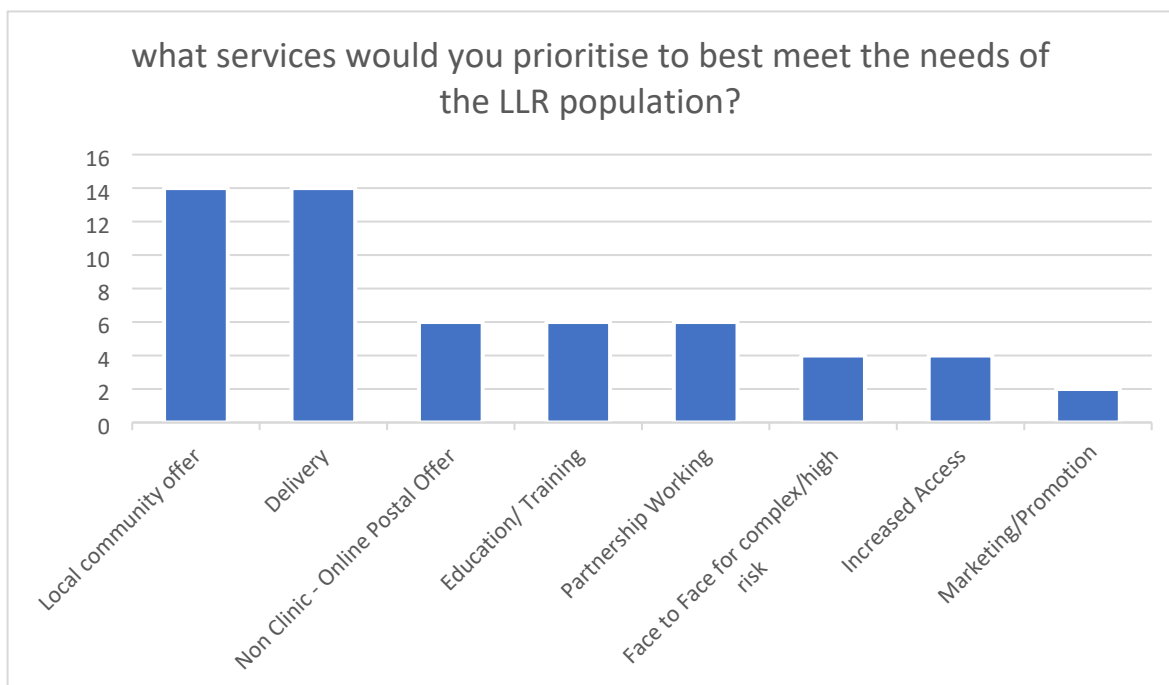


Comments were received around communication, and engagement with a focus on marketing and promotion. Access was another theme however there was no further comment on specific issues. A variety of comments were received around the theme of service delivery with increase in outreach and specific types of support around HPV awareness, Psychosexual and mental health support being mentioned specifically.

Rurality issues were evident with the majority of comments around locality being with regards to Rutland.

Pharmacies fed back that EHC patients also ask about daily contraception, which can be purchased over the counter however there were concerns that this may disadvantage those in areas of deprivation.

Q. When considering the whole sexual health offer, what services would you prioritise to best meet the needs of the LLR population?



There were a number of comments received around ensuring there is clinic time available for vulnerable complex and high-risk cases, and targeted outreach for the most vulnerable groups, with pharmacies requesting direct referral routes to the sexual health clinic. There were also comments received around increasing access to both STI testing and contraception in community settings, with consideration of utilising pathways already being accessed such as contraception availability in maternity or support via substance misuse services, alongside promotion of the C-Card. There was also a theme of ensuring there is a good balance between online and clinic functions.

Young People’s Workshop

Responses were gathered from a focused group of thirteen young people aged 13 – 19. The questions posed to the group were amended slightly from the main stakeholder group questions to aid engagement and understanding from the group. As this was a small group

and feedback was varied, the feedback has been provided as comments rather than info charts.

Q. In your view what are the main goals for sexual health provision?

The young people had a varied response to this question with some feeling it was about education, information and advice, some wanting support and others stating it was about awareness of STI's, sexual health and reduction of unplanned pregnancies.

Q. What parts of the sexual health service that we currently have do you think are working well and why?

The responses indicated that young people have an awareness of the service via their education settings, with posters and toilet adverts being mentioned. C-Cards, social media, and clear easy to use website was included in responses as things that work well.

Q. What parts of existing sexual health services need development or changes and why?

The young people voiced their concerns around the PHSE, learning for life and personal development curriculum, which they didn't feel was joined up and not working together.

They were unsure of location of service and felt there should be service delivery in places they access such as schools, education settings, youth groups, and sports groups, with a link to sexual health information or signposting from the school website to the information they need.

They voiced the need to access face to face appointments with availability everyday both in and out of school hours. They also felt passes from the service should be provided if they needed to attend an appointment in class time.

Q. Are there any gaps in the current sexual health services?

The group touched on points raised previously with comments around being unsure of service location, the need for links to sexual health provider information on social media platforms (including Tik Tok) and via school websites.

The raised the need for uncensored information and wanting people to talk to who they are familiar with such as youth workers, LSA/teaching assistants, specialist counsellors, friends.

Summary

Overall, the feedback indicates good access is a priority for both physical and online service provision. This includes community access points, with a call to access services via community settings/services that are already being utilised by individuals.

General awareness around the service offers needs improving, to ensure people know what the service offers and where they can access support. The need for education and awareness through targeted outreach to reduce stigma or discrimination both for specific groups and in general to encourage utilisation was also apparent.

Appendix B. Options Appraisal

29

Option		LA	Appraisal Score	Benefit	Risk	Mitigation
A	Separately commissioned services for each local authority area	Leicestershire	161	Autonomy over provision	Residents accessing city clinic base could become OoA (26% of all activity for Leicestershire 31% for Rutland)	Better local provision should encourage local use. (Achieved with Substance misuse provision)
				County and Rutland focus		
				Improved community provider relationships		
		Rutland	140		Continuity of care	Not viable procurement option would all go OOA
					No local access	
					Lack of contract management and oversight	

Option		LA	Appraisal Score	Benefit	Risk	Mitigation
B	Leicestershire and Rutland only	Leicestershire	151	Autonomy over provision	Market may not be prepared for change	Market engagement and soft market testing to be completed early 2023 to ensure viable market
				Aligned priorities		
				County and Rutland focus		
		Rutland	155	Improved community provider relationships		
				Streamlined commissioning and contract management		
				viable for providers lowers risk to Rutland		

Option		LA	Appraisal Score	Benefit	Risk	Mitigation
C	Leicester, Leicestershire and Rutland (current arrangement)	Leicestershire	145	Clinic staffing opportunities to service rural and urban areas	Priorities not aligned as city don't wish to make any changes to the current commissioned service offer. Whereas change is required for both county and Rutland	Joint working agreement in place prior to progressing work. Aims and objectives of service provision clearly defined for each local authority from outset.
				May be a more attractive opportunity for providers	Distanced community provider relationships	
		Rutland	150		Complicates commissioning, and contract monitoring	
					Lack of County and Rutland focus	

Option		LA	Appraisal Score	Benefit	Risk	Mitigation
D	Jointly commissioning a service with other neighbouring local authorities	Leicestershire	19	Potential benefit to Rutland due to borders with Lincs, Northants and Cambridgeshire	Majority of L&R activity takes place within LLR.	Not viable option
		Rutland	23		Risk of losing links to local health and wellbeing services	

Option		LA	Appraisal Score	Benefit	Risk	Mitigation
E	No directly commissioned ISHS, only pay out of area charges	Leicestershire	17	Save on costs of commissioning a service	Loss of autonomy over service design and loss of activity data to monitor local outcomes and trends	Not viable option
		Rutland	18			

CABINET

12 January 2023

**RUTLAND LOCAL PLAN – UPDATE AND ISSUES & OPTIONS
CONSULTATION OUTPUTS**

Report of the Portfolio Holder for Planning, Highways and Transport

Strategic Aim:	A Special Place	
Key Decision: No	Forward Plan Reference: FP/111122	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor Rosemary Powell - Portfolio Holder for Planning, Highways and Transport	
Contact Officer(s):	Penny Sharp, Strategic Director of Places	07973 854906 psharp@rutland.gov.uk
	Roger Ranson, Planning and Housing Policy Manager	01572 758278 rranson@rutland.gov.uk
Ward Councillors	All	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the revised timetable for the preparation of the Local Plan, to be incorporated into the Local Development Scheme, as set out in Appendix 1 to this report.
2. Notes the summary outcome of the Local Plan Issues and Options public consultation.
3. Notes the position on the budget and the action required.

1 PURPOSE OF THE REPORT

- 1.1 This report seeks approval of Cabinet to the timetable for the production of the Local Plan. It also seeks to advise Cabinet of the outcome of the public consultation undertaken on the Local Plan Issues and Options report as well as providing an update on the budget provision.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 Cabinet in April 2021 approved the Local Plan Issues and Options report for the purposes of public consultation. It also approved an updated Local Development Scheme which sets out the programme for the Local Plan as well as minor revisions to the Statement of Community Involvement which provides the framework for public engagement in planning matters.
- 2.2 Some minor changes are proposed for the Local Development Scheme which in effect would delay the next stage of public consultation (the “Preferred Options” Local Plan) for approximately 3 months. These changes reflect the delay in starting and the extension of the consultation period on the Issues and Options, takes account of purdah, and the potential requirement to brief newly elected members following Local Government elections in May 2023.
- 2.3 The proposed update to the timetable is set out in Appendix 1. If approved by Cabinet this will replace the appendix to the current adopted Local Development Scheme.
- 2.4 Public consultation on the Issues and Options report was undertaken between 30 June to 30 September 2022 in line with the Statement of Community Involvement.
- 2.5 The headline data from the consultation includes:
 - 2.5.1 Local Plan radio advertising reached an audience of 2,400+ listeners across two local broadcast platform.
 - 2.5.2 Paid Facebook advertising reach of 12,296 Facebook users, resulting in 706 link clicks (Average Cost Per Click: 21p);
 - 2.5.3 1,851 visitors to Local Plan Issues & Options information on the RCC corporate website;
 - 2.5.4 1,221 visitors to Local Plan Issues & Options online consultation platform;
 - 2.5.5 350+ people engaged at eight in-person information events held around the country.
 - 2.5.6 Presentation to the Rutland Parish Forum;
 - 2.5.7 320 consultation registrations (number of people who registered to use the Issues & Options online platform);
 - 2.5.8 178 active users (the number of people who started or completed the Issues & Options consultation);
 - 2.5.9 3,370 representations (the total number of questions answered by all active users);
 - 2.5.10 51 email or paper-based consultation responses; and
 - 2.5.11 229 total number of respondents to the public consultation.
- 2.6 Appendix 2 sets out further information on the conduct of the Local Plan Issues and Options public consultation.
- 2.7 Appendix 3 provides snap-shot graphics of the responses to Issues and Options together with a summary of more detailed comments made. These will all be considered in preparing the next stages of the Local Plan. Cabinet is therefore

requested to note the summary of responses made as set out in Appendix 3. Further detail on the summary of responses can be found on the Council's website.

3 CONSULTATION

- 3.1 The report above summarises the consultation process undertaken for the Issues and Options report, which is in line with the Council's adopted Statement of Community Involvement. In addition, the cross-party Member Working Group have had oversight of Issues and Options process and consultation. Following this stage of consultation, there will be at least two further stages of consultation as the Local Plan is prepared. These will be related to the "Preferred Option" Local Plan (under Regulation 18) and a "Pre-Submission" Local Plan (Regulation 19).

4 ALTERNATIVE OPTIONS

- 4.1 There are no realistic alternative options at this stage in preparing the Local Plan. An alternative option would be to choose not to develop a new Local Plan at this stage. However, this may leave the County without a 5 year housing Land supply, leaving it vulnerable to speculative development. It is also contrary to current Government requirements to have an up to date adopted Local Plan.

5 FINANCIAL IMPLICATIONS

- 5.1 The budget specifically for the production of the Local Plan approved by Council is £983k. This is based on the financial information provided to the full Council meeting held on 1st September 2021 which approved the withdrawal of the submitted Local Plan and the production of a new Local Plan. The estimated budget at that time took account of the mid-position of expected costs for the Local Plan evidence base with no provision for contingencies.
- 5.2 The current forecast for the production of the new Local Plan is £1.101m, identifying a projected overspend of £118k against budget. This is due to commissioning additional evidence on renewable energy not envisaged when the decision was made to prepare a new plan and costs for commissioned evidence being above the mid-range position provided to Council in September 2021. These additional costs partly reflect inflation costs since that date.
- 5.3 A new Local Plan was approved by Council (report 105/2021). A £1.545m reserve was created to resource the making of a new local Plan for the County, which included funding for the expected pressure of operating without a local plan. A further £172.7k was added as part of the outturn report. In addition, at outturn last year, we requested approval that any additional income received from planning application fees would be transferred to the New Local Plan budget. It is expected that for 2022/23 this will be around £75k but this will be revisited at the year end.
- 5.4 The budget for the making of a new local Plan for the County together with the funding for the expected pressure of operating without a local plan will be reviewed on a regular basis as part of budget monitoring. As the current reserve is not sufficient to cover expected costs, then it is possible that a further transfer from the General Fund will be required. By September 2023, the Executive will need to make a recommendation to Council to increase the budget if necessary. This will give time for the Portfolio Holder to consider whether any costs can be mitigated. In the short term, it is planned that a further £300k will be put into the reserve as part of

23/24 budget setting which will give time for the further review to take place.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

6.1 The National Planning Policy Framework sets out the tests that Local Plans and Spatial Strategies should meet to be considered 'sound.' Plans are 'sound' if they are:

a) Positively prepared – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;

b) Justified – an appropriate strategy, considering the reasonable alternatives, and based on proportionate evidence;

c) Effective – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and

d) Consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in this Framework and other statements of national planning policy, where relevant.

6.2 The Local Plan needs to comply with planning legislation that requires procedural fairness and the need to meet the Equality Act. The regulatory framework is provided by the Planning and Compulsory Purchase Act 2004 (as amended) and related statutory instruments. Once adopted, it will form part of the statutory development plan.

7 DATA PROTECTION IMPLICATIONS

7.1 Consultation has been undertaken in line with data protection requirements.

8 EQUALITY IMPACT ASSESSMENT

8.1 There are no direct equalities implications arising from this report but will form part of later stages of the Local Plan preparation.

9 COMMUNITY SAFETY IMPLICATIONS

9.1 There are no direct community safety implications arising from this report although the issues raised in Appendix 3 cover community safety matters with respect to planning policy.

10 HEALTH AND WELLBEING IMPLICATIONS

10.1 There are no direct health and wellbeing implications arising from this report although the issues raised in Appendix 3 cover health and well-being matters with respect to planning policy.

11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

11.1 It is important for the Council to prepare a new Local Plan in a timely fashion, particularly to enable as many people and businesses in Rutland as possible to be

engaged in shaping its future.

- 11.2 The Issues and Options report is the first stage in this process and the preparation of the Local Plan will be fully informed through all responses made to the public consultation on this report.

12 BACKGROUND PAPERS

- 12.1 None

13 APPENDICES

- 13.1 Appendix 1 – Proposed changes to the Local Development Scheme
- 13.2 Appendix 2 – Outline of the Local Plan Issues and Options public consultation
- 13.3 Appendix 3 – Summary of responses to the Local Plan Issues and Options consultation

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Rutland Local Development
Scheme
2022-2025

April 2022

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1.0 INTRODUCTION

- 1.1 Local Planning Authorities are required by legislation to prepare and maintain a Local Development Scheme (LDS) to provide a timetable for the preparation of a Local Plan and any other Local Development Documents.
- 1.2 The national Planning Practice Guidance (PPG) requires the LDS to be kept up to date and be made publicly available, so that local communities and interested parties can keep track of Local Plan progress.
- 1.3 This LDS covers the period 2022 to 2025 and sets out the documents the Council intends to prepare over this period. It replaces the previous LDS published in April 2022.

1.0 RUTLAND LOCAL PLAN

Adopted Rutland Local Plan

- 1.1 At the time at which this LDS comes into effect, Rutland County Council has adopted the following documents:
 - **Minerals Core Strategy & Development Control Policies DPD – adopted October 2010:** Provides the overall vision for future minerals development in Rutland having regard to future predicted needs up to 2026 and contains development control policies to guide decision making on planning applications for minerals development. It replaced policies in the Leicestershire Minerals Local Plan Review (May 1995).
 - **Rutland Core Strategy DPD - adopted July 2011:** This provides the overall spatial vision, objectives and spatial strategy for Rutland. It identifies the broad locations, distribution and overall scale of development up to 2026 including a strategic allocation in Oakham. It contains a range of development control policies and addresses future waste development in Rutland, having regard to future predicted needs. It replaced a number of the policies in the Rutland Local Plan (2001) and the Leicestershire, Leicester and Rutland Waste Local Plan (2002).
 - **Site Allocations and Policies DPD – adopted October 2014:** The purpose of this DPD is to identify and allocate sites for development (i.e. housing, retail, waste) and to set out more detailed policies that will be used to determine planning applications in accordance with the overarching policies in the Rutland Core Strategy. It replaced the remaining policies in the Rutland Local Plan (2001) and the Leicestershire, Leicester and Rutland Waste Local Plan (2002).
- 1.1. Work is underway on preparing a new Local Plan that will replace the above documents. The new Local Plan will contain strategic and other policies and allocations to guide development in the County for a period of at least 15 years from its adoption. Details of the timetable for this are set out in Section 4.0.

Supplementary Planning Documents (SPDs)

- 1.2. SPDs are typically produced to provide more detailed guidance on how a particular policy should be implemented or site developed. SPDs are not subject to independent examination and there is no requirement for the LDS to include a timetable for the preparation of SPDs.
- 1.1. To date the Council has adopted the following SPDs:
 1. Wind Turbine Developments SPD (adopted November 2012)

2. Ashwell Business Park SPD (adopted January 2013)
3. Extensions to Dwellings SPD (adopted March 2015)
4. Garden Extensions SPD (adopted March 2015)
5. Shop Fronts including Signs and Shop Security SPD (adopted March 2015)
6. Planning Obligations SPD (adopted January 2016)
7. Design Guide SPD (adopted May 2022)

- 1.1. The Council will also consider the possibility of producing additional SPDs if the need arises during the three year period of the LDS.
- 1.2. Information on adopted [SPDs](#) can be found on the Council's website.¹ This will also provide information on progress in preparation of the proposed SPDs.

Other Relevant Documents

Statement of Community Involvement (SCI)

- 1.1 The SCI was adopted in August 2020 and minor wording changes were made in April 2022. It sets out the standards and approach the Council takes to involving individuals, groups and organisations in preparing or revising policy documents and considering planning applications. There is no requirement in legislation for local planning authorities to consult when reviewing and updating their Statement of Community Involvement, although it is good practice for authorities to inform the public of their intentions to update this document and of the changes that have been made.

Community Infrastructure Levy (CIL)

- 1.2 The Council adopted CIL in January 2016. CIL is a locally set charge on development. It is intended to give more certainty to developers over how much their development will need to contribute to meeting the costs of infrastructure. It is intended to supplement other funding streams to ensure that new community infrastructure can be provided to support local growth and to give councils and communities more choice and flexibility in how they fund infrastructure. The CIL is supported by a detailed [Charging Schedule](#) which sets out the CIL rate for specific types of development in Rutland.²
- 1.3 Whilst there are currently no proposals to review CIL, this will be kept under consideration during the course of the preparation of the Local Plan.

Authority Monitoring Report (AMR)

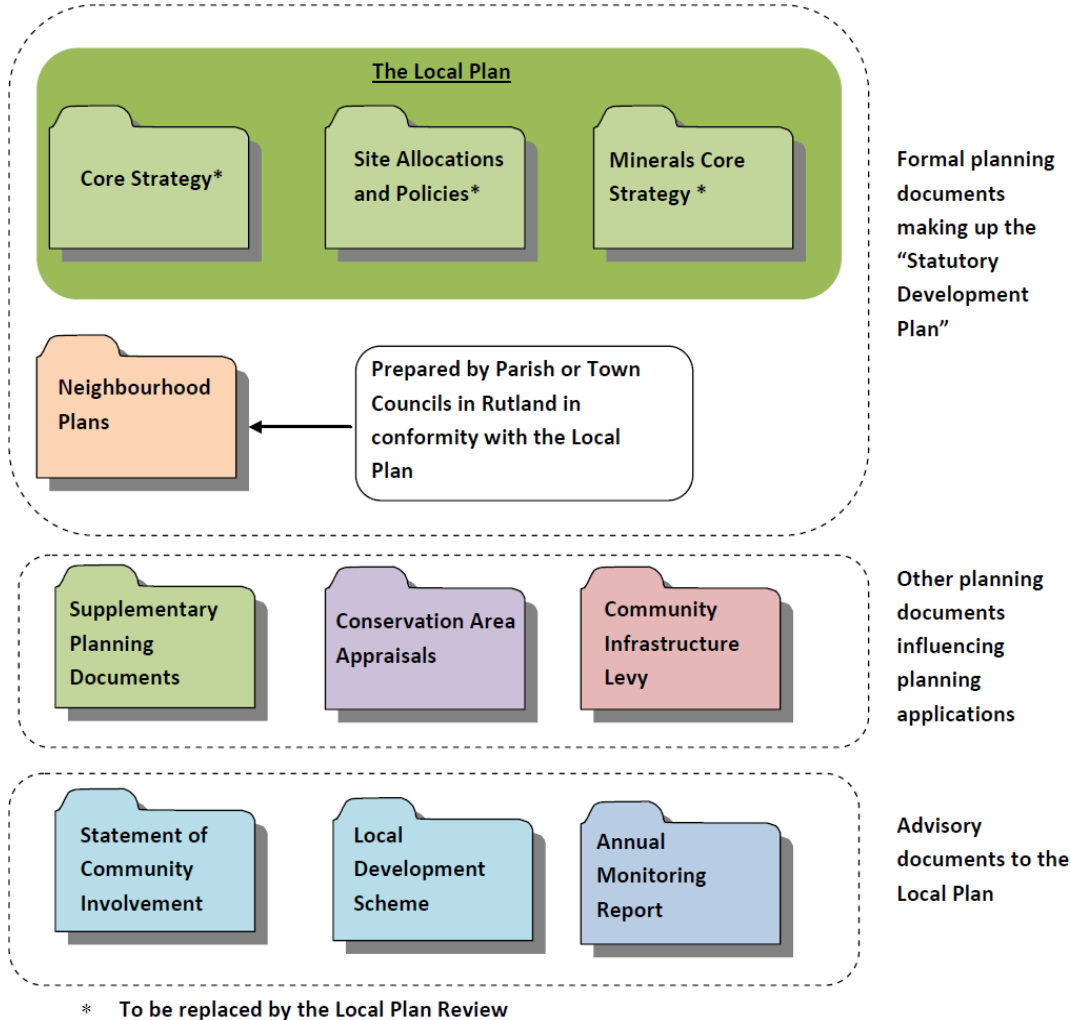
- 1.4 The purpose of an AMR is established in legislation and should provide annual updates on the following:
 - Progress on the timetable and milestones for preparation of documents set out in the LDS;
 - the progress and effectiveness of the Local Plan, including details of policies and proposals which are not being implemented and the reasons for this;
 - details of any neighbourhood plans and progress with work on the Duty to Cooperate;
 - information regarding the Community Infrastructure Levy;
 - information collected for monitoring purposes.
- 1.4 The [latest AMR](#) can be found on the Council's website.³

¹ <https://www.rutland.gov.uk/my-services/planning-and-building-control/planning/planning-policy/supplementary-planning-documents-spd/>

² <https://www.rutland.gov.uk/my-services/planning-and-building-control/planning/planning-policy/community-infrastructure-levy-cil/>

1.5 A diagram showing an overview of the different documents which currently make up the Rutland Local Plan is shown in Diagram 1.

Diagram 1: The Local Plan and Planning Policy Framework



1.0 NEIGHBOURHOOD PLANS

1.1. Neighbourhood plans provide an opportunity for local people to influence development in the areas where they live or work. Neighbourhood Plans become part of the development plan and the policies within them used in determining planning applications within the relevant Neighbourhood Plan Area. A key criteria for a neighbourhood plan is that it is general conformity with the overarching strategic policies in the Rutland Core Strategy DPD (or emerging Local Plan).

1.2. At the time this LDS comes into effect, the following Neighbourhood Plans have been ‘made’:

- Edith Weston Neighbourhood Plan – June 2014
- Uppingham Neighbourhood Plan – January 2016
- Cottesmore Neighbourhood Plan – July 2016
- Langham Neighbourhood Plan Review - December 2022
- Greetham Neighbourhood Plan – October 2017

³ <https://www.rutland.gov.uk/my-services/planning-and-building-control/planning/planning-policy/annual-monitoring-report/>

Rutland Local Development Scheme 2022-2025

- Barrowden and Wakerley Neighbourhood Plan – November 2019
- Oakham and Barleythorpe Neighbourhood Plan – May 2022

- 1.2. Uppingham and Edith Weston are reviewing their Neighbourhood Plans. In addition, Neighbourhood Plans are currently being prepared for the following designated Neighbourhood Areas: Wing, Ketton and Tinwell, Market Overton, North Luffenham and Whissendine. Further information on these plans can be found on the [Neighbourhood Planning](#) pages of the Council's website.⁴
- 1.3. As at December 2022, the Council's understanding of progress with emerging Neighbourhood Plans or ones under review is as follows:

Neighbourhood Plan	Status as at April 2020
Langham Neighbourhood Plan review	Regulation 16 consultation undertaken in August-September 2022. Examiners report receive and referendum due 15 th December 2022
Market Overton Neighbourhood Plan	Regulation 16 consultation undertaken in August-September 2022. Examiners report receive and referendum due 23 rd February 2023.
Ketton and Tinwell Neighbourhood Plan	Reg 16 Consultation undertaken November - December 2022
North Luffenham Neighbourhood Plan	Regulation 14 consultation completed, reviewing comments and preparing submission version.
Uppingham Neighbourhood Plan review	Work has begun on a review of the Neighbourhood Plan, approaching Reg 14 stage.
Wing Neighbourhood Plan	Work has begun on a review of the Neighbourhood Plan, approaching Reg 14 stage.
Edith Weston Neighbourhood Plan review	Awaiting detail on the extent of the review
Whissendine Neighbourhood Plan	Area designated. Regulation 14 due to take place Jan 2023.

1.0 RUTLAND LOCAL DEVELOPMENT PROGRAMME

- 1.3. The documents the Council will prepare over the next three years are:

Rutland Local Plan

- 1.4. The Council is preparing a new Local Plan, which when adopted will replace all existing adopted Local Plan documents. The first stage of public consultation on the preparation of the Local Plan – the Issues and Options report – will take place in May and June 2022. The consultation will involve determining the plan period but for the purposes of the LDS this is assumed to be up to 2041 to enable a period of at least 15 years from the intended adoption of the Local Plan.
- 1.5. The stages of preparing the emerging Local Plan and updated timing for key milestones is set out below (and in Appendix 1).

⁴ <https://www.rutland.gov.uk/my-services/planning-and-building-control/planning/neighbourhood-planning/>

Rutland Local Development Scheme 2022-2025

Key Milestones for Preparation of Rutland Local Plan		
	Stage of Plan Making	Timetable
Regulation 18	Consultation on Issues and Options	June – September 2022
	Public consultation on preferred options consultation document	Autumn 2023
Regulation 19	Formal public consultation on proposed submission Plan	Autumn 2024
Regulation 22	Submission to Secretary of State	January 2025
Regulation 24	Examination of Local Plan	2025
	Receipt of Inspector's Report	To be advised
Regulation 26	Adoption of Local Plan	To be advised

- 1.1. It should be noted that once the Local Plan is submitted to the Secretary of State the timing of subsequent stages is in the hands of the appointed Inspector and dependent on the need to publish and consult on Main Modifications recommended by the Inspector following the examination hearings.
- 1.2. The Local Plan is accompanied by a Policies Map, which will be updated to reflect any changes to area specific policies and site allocations.

Statement of Community Involvement

- 1.1. The SCI has been subject to some minor wording changes which were approved by Cabinet at its meeting in April 2022.

2.0 RESOURCES AND PROGRAMME MANAGEMENT

- 3.1 The lead role in the production of Local Plan documents will be taken by the Council's planning policy team. However, recognising that the Local Plan will reflect the objectives and priorities of the Council's Corporate Plan and other strategies, there will be input from various parts of the Council. Consultants will need to be engaged on specific projects which require specialist expertise.
- 3.2 Close working with a range of stakeholders and partners will also be important to the preparation of the Local Plan and other planning policy documents.
- 3.3 At Examination stage, the Council will be expected to demonstrate evidence of having effectively co-operated to plan for issues with cross boundary impacts. Details of how the Council has undertaken this engagement will be set out in a Duty to Cooperate Statement, which will be published as supporting document when the Council submits the Local Plan for examination.
- 3.4 The County Council has a good track record of working with other authorities in particular on joint evidence based work (e.g. Strategic Housing Market Assessment) and the Council's minerals waste planning service is currently provided in conjunction with North Northamptonshire Council and ecology services are provided by Leicestershire County Council.
- 3.5 The Council will keep open the possible production of joint evidence studies and if appropriate, the preparation of joint Local Plans, DPDs or SPDs.
- 3.6 The Portfolio Holder for Planning, Transport and Highways has responsibility for the Local Plan and other planning policy documents. The Growth, Infrastructure and Resources Scrutiny

Committee will consider draft policies and proposals and make recommendations to Cabinet. The approval for publication of the Local Plan (under Regulation 19) will require approval by Full Council.

3.0 RISK ASSESSMENT

3.7 The main risks to the successful progress on the preparation of the documents in the LDS are:

Risk	Impact	Mitigation
Resources Inadequate resources to undertake specific areas of work	Unable to progress work Potential impact on quality of work	Regular monitoring of resources, budgets and costings Explore opportunities for joint working and more cost effective way to deliver services
Staff turnover	Delays in document preparation	Flexibility in use of staff resources Secondment of staff or use of short term contract staff
Changes to the Planning System Government proposals are expected to reform the planning system following the publication of a White Paper in 2020, although an expected Planning Reform Bill has been delayed	Difficulty of progressing with work Key programme milestones not met	Government advice at present is to continue with the preparation of development plans
Evidence base requirements	Evidence base becomes out of date and may require reviewing, creating delays in delivery of Local Plan	Anticipate what information is required in advance so can be built into programme
Planning Inspectorate (PINS) unable to meet the timescale for examination and report	Delay to examination/reporting Key programme milestones not met	Liaise with PINS on timetable and provide early notification of anticipated submission date Close liaison with PINS to highlight any potential issues/problems at early stage
Legal Challenge/soundness	Local Plan fails tests of soundness which would significantly delay process Legal challenge to document could see Local Plan, or part of it, quashed and requirement to repeat work	Ensure procedures, Acts and Regulations are complied with Use of PAS Local Plan Toolkit and peer review Draw on external expertise where necessary to ensure evidence and approach to policy is robust

Rutland Local Development Scheme 2022-2025

Risk	Impact	Mitigation
<p>Continuation or Re-instatement of Covid19 Restrictions (or similar)</p>	<p>Regulation 35 requires a copy of the Regulation 19 Local Plan to be available for public inspection at the Council's principal Office.</p> <p>Closure of public buildings and restrictions on public access, public meetings and peoples movement</p> <p>Postponement of Local Plan Examination hearings until further notice</p>	<p>Review ways in which copies of the documents can be made available for inspection at the Council's Principal Office in a safe manner which confirms to the latest Covid19 restrictions and regulations.</p> <p>Review the SCI to remove need to use consultation methods which rely on public access and face to face contact and replace with greater use of virtual and electronic formats whilst responding to the needs of those who do not have access to the internet and a computer.</p> <p>Continue close liaison with PINS to respond to any potential issues/problems at early stage</p>

4.0 MONITORING AND REVIEW

- 4.1 Any changes in content of documents or timetable will be monitored through the AMR. In the event of work proceeding more quickly or slowly than programmed, adjustments will be highlighted in the AMR and the LDS amended as necessary.

APPENDIX 2 - Glossary

Authority Monitoring Report (AMR)	Report on how authority is performing with regard to meeting the timetables for preparation of Local Plan documents and the performance of planning policies, with the identification of any remedial action to be taken if required
Community Infrastructure Levy (CIL)	Charge that local planning authorities can impose on new developments in their area. Money can be used to support development by funding infrastructure that has been identified by the Council and the local community
Development Plan	Includes adopted local plans and neighbourhood plans that have been made. Currently comprises the Minerals Core Strategy and Development Control Policies DPD, Rutland Core Strategy DPD and Site Allocation and Policies DPD. Will be replaced on adoption by the Rutland Local Plan 2018 – 2036.
Local Development Scheme (LDS)	The Council's three-year programme for preparing Local Development Documents.
Local Plan	In law described as a Development Plan Document (DPD) can consist of either strategic or non-strategic policies, or a combination of the two. They are subject to an independent examination by a planning inspector and are prepared in consultation with the local community
Neighbourhood Plan	A plan prepared by a Town/Parish Council or neighbourhood forums for a specific neighbourhood area. They are subject to community consultation, an independent examination by an examiner and a local referendum process. Once made, these documents form part of the statutory development plan for the area
Policies Map	This is a map on an Ordnance Survey base for the whole of the local planning authority's area which shows where the policies in the Local Plan applies. The Policies Map may include inset maps for particular villages or areas to show information at a larger scale. The Policies Map may be updated each time that a Local Plan is adopted
Statement of Community Involvement (SCI)	Sets out how the Council will engage and consult with the public and other stakeholders during the production of the Local Plan and when dealing with planning applications
Supplementary Planning Document (SPD)	Expand on policies and proposals in Local Plans. They do not form part of the statutory development plan and are not subject to independent examination. SPDs are typically produced to provide more detailed guidance on how a particular policy should be implemented or site developed. Once adopted, SPDs form part of the Local Plan as non-statutory documents.

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Local Plan – Issues & Options consultation summary

Overview of key performance data for RCC Local Plan Issues & Options Consultation – 30 June to 30 September 2022.

Headline data

- Local Plan radio advertising reached an audience of 2,400+ listeners across two local broadcast platforms
- Paid Facebook advertising reached 12,296 Facebook users, resulting in 706 link clicks (Average Cost Per Click: 21p)
- 1,851 visitors to Local Plan Issues & Options information on the RCC corporate website
- 1,221 visitors to Local Plan Issues & Options online consultation platform
- 350+ people engaged at eight in-person information events held around the county
- 320 consultation registrations (number of people who registered to use the Issues & Options online platform)
- 178 active users (the number of people who started or completed the Issues & Options consultation)
- 3,370 representations (the total number of questions answered by all active users)
- 51 email or paper-based consultation responses
- 229 total number of respondents to the Local Plan Issues & Options Consultation

Overview of activity

The following activity was undertaken to achieve registrations and responses:

- Press and media
- Email
- Radio
- Social media
- Website
- Events
- Other

Press and media

Press releases issued to local and regional media:

- [Local Plan consultation to launch with commitment to evidence-led solutions](#)
- [Share your views on 12 key issues that will shape Rutland's new Local Plan](#)
- [Share your views and help shape Rutland's new Local Plan](#)
- [Last chance to help shape Rutland's new Local Plan](#)
- [Rutland County Council extends deadline for Local Plan consultation](#)

This contributed to the following coverage:

- [Council gets ready to start first stage of consultation on new Local Plan](#)
- [Greatest Hits FM radio interview with Council \(Leader\)](#)
- [Rutland and Stamford Sound radio interview \(Leader\)](#)
- [Have a say on Rutland Local Plan at Stage 1 consultation](#)
- [Public consultation launched to help develop new Rutland Local Plan](#)
- [Rutland County Council launches public consultation on Local Plan](#)
- [Residents and businesses urged to have their say before first consultation closes](#)

Email

- Pre-launch email to Local Plan mailing list (490 subscribers) – 28 June 2022
- Pre-launch email to Parish Councils – 28 June 2022
- Launch email to Local Plan mailing list – 30 June 2022
- Launch email to Parish Councils – 30 June 2022
- Launch email to RCC Elected Members – 30 June 2022
- YourRutland e-newsletter (4,600 subscribers) – 8 July 2022
- YourRutland e-newsletter – 15 July 2022
- YourRutland e-newsletter – 5 August 2022
- Reminder email to Local Plan mailing list – 15 August 2022
- Reminder email to Local Plan mailing list – 5 September 2022
- Final reminder email to Local Plan mailing list – 15 September 2022
- YourRutland e-newsletter – 23 Sep 2022

Radio advertising

Rutland & Stamford Sound: Eight-week campaign with eight adverts per day (392 ads total)

- Includes £85 for radio production and £50 for relicensing across multiple broadcasters
- Average cost of £69 per week or £1.23 per advert played

Greatest Hits FM:

- FM, digital and online
- Audience: 2,401
- Four-week campaign with five adverts per (140 ads total)
- Average cost of £350 per week or £10 per advert played

Organic social media (no cost)

Twitter			
Date	Impressions <i>(Number of times users saw a Local Plan Tweet)</i>	Engagements <i>(Total number of times users interacted with a Local Plan Tweet)</i>	Link clicks
TOTAL:	4,953	182	77

Facebook			
	Post reach <i>(Number of users saw the post at least once)</i>	Engagement <i>(Total number of times users interacted with a post)</i>	Link clicks
TOTAL:	10,890	757	155

Paid Facebook advertising

- 12,296 users reached (number of people who saw our adverts)
- 42,028 impressions (the number of times our adverts were seen on-screen)
- 706 link clicks (number of clicks on links within the ads)

Amount spent on Facebook advertising: £144.91. Average Cost Per Click: 21p (Facebook UK the average cost per click is 78p).

Age group	Number of ad views	% of total ad views	Number of ad clicks	% of total ad clicks
18-24	1,731	5%	37	7%
25-34	5,796	14%	82	12%
35-44	6,738	16%	72	10%
45-54	8,775	20%	141	20%
55-64	9,323	23%	151	22%
65+	8,945	22%	211	29%
TOTAL	41,308	53	694	

Website traffic

Traffic to key Local Plan web pages and Issues & Options consultation platform from 30 June to 30 September 2022:

- [The New Local Plan | Rutland County Council](#)
(2,502 page visits by 1,767 unique visitors)
- [Issues and Options | Rutland County Council](#)
(2,427 page visits by 1,851 unique visitors)
- [Issues and Options consultation | Opus Consult](#)
(1,221 page visits)

In-person events

Eight pop-up events held across five locations, totalling 38hrs engagement and circa 350 people met:

Event	Date
Cutts Close Party in the Park	10-Jul-22
Friday Uppingham Market	15-Jul-22
Wednesday Oakham Market	20-Jul-22
Ketton Library	03-Aug-22
Friday Uppingham Market	05-Aug-22
Saturday Oakham Market	06-Aug-22
Ryhall Library	11-Aug-22
Ketton Library	13-Aug-22

Other

- Updates in weekly briefing sent to Members, RCC staff and Parishes
- Local Plan Issues & Options toolkit shared with all Members and Parishes
- Posters sent to all Parish Councils
- Local Plan Issues & Options item at Parish Council Forum

END

Rutland's New Local Plan Planning for Rutland's Future

ISSUES & OPTIONS

CONSULTATION REPORT

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Introduction

The Issues and Options stage was the first stage of public consultation in developing the Rutland Local Plan. Residents were asked which options were the preferred for tackling a range of planning issues relating to the future development of the county. The consultation also allowed respondents to suggest alternative options and to make comments on the Issues examined within the report. Public consultation on the Issues and Options report was undertaken between 30 June to 30 September 2022.

The consultation document was made up of themed sections, setting out options for how the Plan could approach the policy. There were questions alongside each section where you could respond to the suggestions made. Some questions were specifically open ended, particularly where planning policy development is at an early stage.

This document presents the results to the multiple options questions as graphs and as numbers and summarises the main suggestions and comments made by respondents in the consultation. The report is formatted to follow the order of the Issues and Options consultation document. For further information about each question and the options suggested please refer to the Issues and Options Consultation Document (June 2022) which can be found on the website here www.rutland.gov.uk/issuesandoptions

Detailed responses to all open ended questions is presented in separate tables in the appendices to this report which are also published on the Council's website.

Local Plan Vision

Question 1: Local Plan Vision

Please indicate which option you think should be used as the basis for preparing the Local Plan

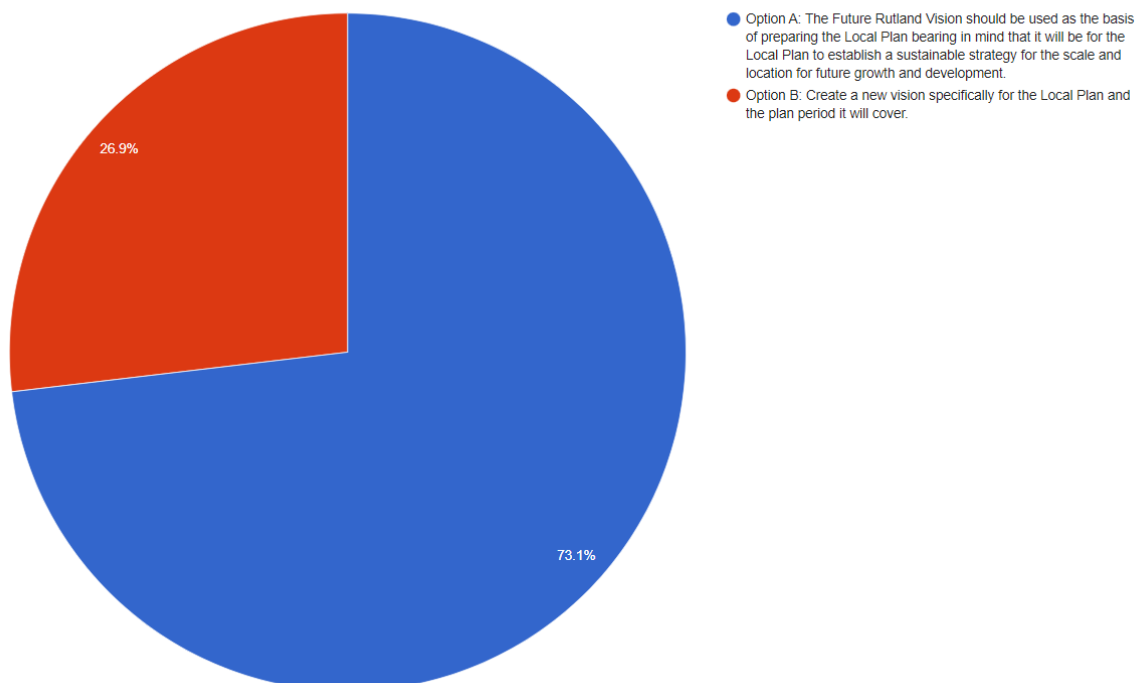
Option A:

The Future Rutland Vision should be used as the basis of preparing the Local Plan bearing in mind that it will be for the Local Plan to establish a sustainable strategy for the scale and location for future growth and development.

Option B:

Create a new vision specifically for the Local Plan and the plan period it will cover.

Question 1 - Please indicate which option you think should be used as the basis for preparing the Local Plan.



- There were 134 responses to this question.
- 98 responses (73%) supporting the proposal to use the Future Rutland Vision as the basis or preparing the Local Plan;
- 36 responses (27%) supporting the creation of a new vision specifically for the Local plan.

There were a number of comments received about the proposed vision and the key suggestions for inclusion in the vision are summarised as follows:

- Local Plan vision needs to be simpler than Future Rutland vision and targeted
- aspirational but realistic,
- Address climate crisis and recognise the role of net zero carbon development in Rutland
- encompass green/blue infrastructure, natural environment and biodiversity
- encompass heritage assets and their settings
- support health and wellbeing

- Greater emphasis on sustainable development and provide a definition of what is considered “Sustainable” and how it can be tested
- Must be up to date with government objectives and flexible to respond to national policy changes
- Locally distinctive
- Focus on ensuring the rural nature of the county, its towns and village communities are maintained and enhanced to ensure the continued sustainability of the communities.
- Include a detailed vision on renewable energy installations, such as nuclear, solar and wind
- Give certainty over what development and infrastructure will come forward over plan period and where
- Need an appropriate spatial strategy to realise the vision
- Reference to the plan period
- Delivery of all 3 objectives of sustainable development
- meeting development needs for housing, employment and other uses
- areas to be protected from development.

Next steps

It is recommended that a new Local Plan vision is prepared to sit within the context of the Future Rutland Vision.

The Local Plan vision should cover the timeframe covered by the Local Plan (see Question 4 below) it must be ambitious but realistic, focused on the things which the Local Plan can affect and ensure that it delivers sustainable development and addresses the issues of climate change. A local plan vision should also be locally distinctive and provide a spatial strategy. Overall, the vision needs to respond positively to the challenges facing Rutland over the plan period.

Strategic Objectives – as suggested in the consultation document

Draft Proposed Strategic Objectives	
Strategic Objective 1	Ensuring new development takes a proactive approach to carbon reduction and that environments and communities in Rutland are adaptable and resilient to climate change, including managing flood risks
Strategic Objective 2	Delivering sustainable development by determining an appropriate level and location of housing growth in Rutland, sited in locations where people can access jobs and services, and in delivering wider social and economic outcomes, taking account of environmental considerations
Strategic Objective 3	Meeting Rutland’s identified current and future diverse housing needs, including the affordability of housing, through the provision of high-quality new homes

Strategic Objective 4	Supporting business investment and job creation in ways which are compatible with environmental considerations in order to maintain a prosperous and resilient economy in Rutland
Strategic Objective 5	Enabling Rutland’s market towns, and their centres in particular, to be places for economic and cultural activity with good access to services; seeking to sustain a network of larger villages that serve local needs; and enabling the viability and sustainability of smaller villages and countryside – in ways which protect the County’s heritage, character and identity
Strategic Objective 6	Supporting all communities across the County to make them safer, more resilient to change and enhance community cohesion
Strategic Objective 7	Encouraging new development to deliver a high standard of design that reflects local character, contributes to local distinctiveness, contributing to cleaner, greener and safer places
Strategic Objective 8	Ensuring new development and open spaces support health and wellbeing for all, reduce health inequalities and encourage active and healthy lifestyles
Strategic Objective 9	Protecting and enhancing Rutland’s varied and high-quality environment, including its natural landscapes, green infrastructure and biodiversity, as well as its rich historic built environment and cultural assets
Strategic Objective 10	Encouraging the effective and prudent use of previously developed land and natural resources, including the efficient use of land and buildings and the use of sustainable construction techniques within new developments, as well as providing for waste management and disposal
Strategic Objective 11	Ensuring a steady and adequate supply of minerals to meet national, regional and local needs whilst taking account of impacts on environments and local communities
Strategic Objective 12	Ensuring development is supported by essential infrastructure and services (most notably: roads, schools, health facilities and utility provision) and promotes safe movement and more sustainable modes of travel by enhancing greener travel networks for walking, cycling and public transport

Local Plan Strategic Objectives

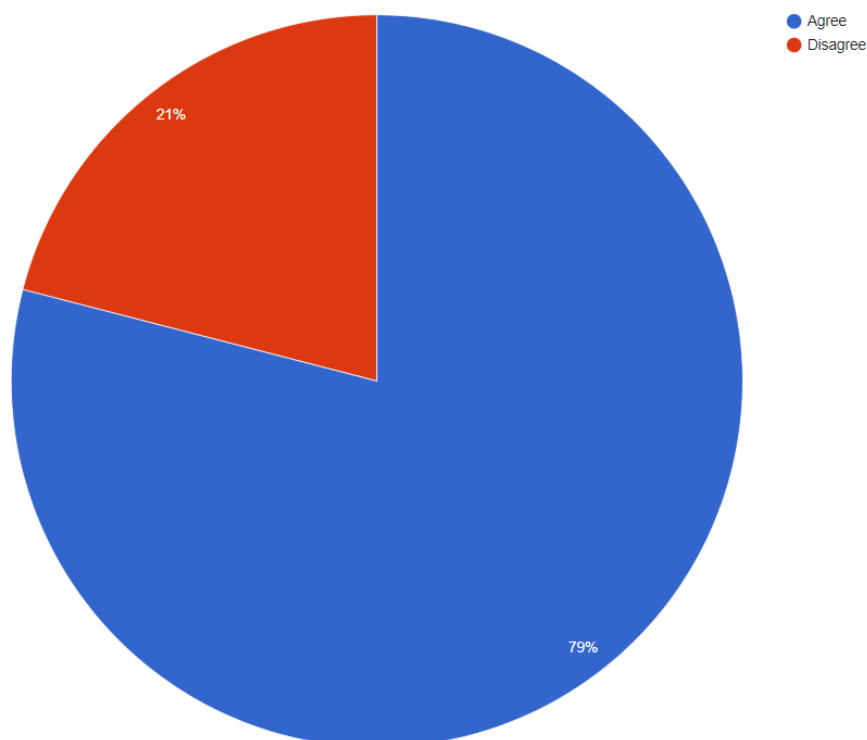
Question 2 Local Plan Strategic Objectives

Do you agree with these proposed objectives for the Local Plan Review?

Question 3

Please let us have additional suggestions you may have.

Question 2 - Do you agree with these proposed objectives for the Local Plan Review?



- There were 144 responses to this question;
- 113 responses (79%) supporting the proposed objectives for the local plan;
- 30 responses (21%) respondents disagreed with the proposal.

There were lots of detailed comments received about the wording of individual objectives, these are set out in detail in the separate schedule.

A number of comments agreed that the objectives should not be “set in stone” at this stage and that they would need to evolve as the plan develops.

A few respondents suggested that the objectives needed to be prioritized and suggested the order they thought most important.

A summary of the additional areas suggested to be covered by an objective is as follows:

- Reference to infrastructure in towns and villages as part of sustainability
- Acknowledge the role of low carbon and renewable energy projects to help address climate change
- Including leisure and tourism development which contributes to economic objectives.
- enhanced protection for farmland in view of the need to become more self-sufficient in food production nationally
- Need to build low carbon homes
- Emphasis on reducing the causes of climate change and therefore preventing any increase in commuting traffic
- Quantify the carbon reduction which the Council is seeking and prioritise those options which reduce capital and operational carbon
- Prioritise development which can utilize existing infrastructure to reduce carbon generation and increase viability
- Identity of villages are important and clear definition between settlements are necessary
- Reference to water sustainability arising from climate change and population growth
- development of renewable energy supply and storage facilities so that adequate diversity of supply can be maintained.
- Need to balance land uses so is sufficient land for housing, business/industry/retail, agriculture, energy generation, leisure/tourism, etc
- Consideration of longer term goals – what is the limit of development – it cannot be sustained indefinitely
- Maintaining and enhancing service for existing homes?
- Scale of new development is coherent with anticipated demographic changes and changes to lifestyles
- Infrastructure such as GP, health etc
- Local objectives for increasing local industry supported by local infrastructure this would develop in parallel with rebuilding local agriculture rather than re-wilding; this would form and employment plan, driving the need for any growth in housing with the aim of bringing economic benefit to Rutland
- Encourage local spend
- consider how suitably located residential growth can enhance the maintenance of local services in rural areas and should identify residential development sites accordingly.
- needs to have more emphasis on affordable housing provision with mixed

Next steps

It is recommended the Strategic Objectives are reviewed in light of the detailed comments received and to ensure they set out a clear strategy for the delivery of the new Local Plan Vision. However, it is not considered necessary or appropriate to prioritise the Strategic Objectives. This is because they should all be relevant and necessary and their relative importance will vary depending on the policy and/or proposal being considered.

Local Plan Period

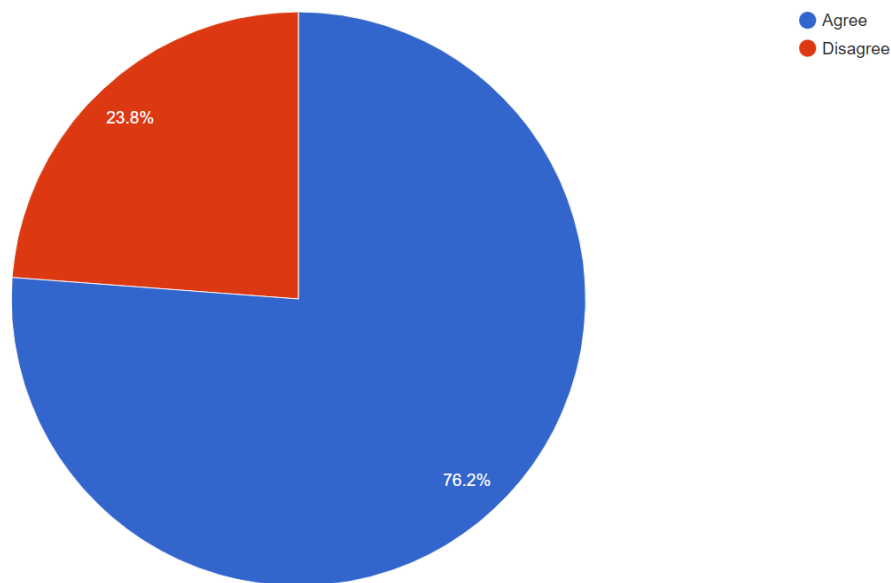
Question 4a

Do you agree with the proposed 20-year plan period (2021-2041) for the Local Plan?

Question 4b

If you disagree, please suggest the timeframe you think the plan should cover:

Question 4a- Do you agree with the proposed 20 year plan period (2021-2041) for the Local Plan?



- There were 126 responses to this question;
- 96 responses (76%) agreed with the proposed 20-year plan period for the local plan;
- 30 responses (24%) disagreed with this timescale.

A range of alternative plan periods from 5 years to 30 years were suggested as alternatives to the 20-year plan period proposed.

Next steps

It is recommended that policies and proposals in the new Local Plan cover the 20-year period 2021 to 2041. However, it is recognised that depending on the scale of development proposals included within the plan, it may need to look beyond 2041 in terms of broad areas and locations for future growth.

Local Plan Issues

The following 12 Issues were identified in the consultation document.

Identifying the Key Issues	
Issue 1	Tackling the climate crisis
Issue 2	Determining the appropriate level and location of growth
Issue 3	Meeting identified current and future housing needs
Issue 4	Enabling a prosperous and resilient economy, linked to levels of housing growth
Issue 5	Supporting vibrant town centres and a network of local centres to serve local retail and service needs
Issue 6	Enabling safer and stronger communities, supported with viable and accessible community and cultural facilities
Issue 7	Promoting sustainable and active modes of travel
Issue 8	Ensuring new development is well designed to encourage active and healthy lifestyles and address health inequalities
Issue 9	Conserving and enhancing Rutland's historic assets
Issue 10	Protecting and enhancing the County's biodiversity, wildlife habitats, green and blue infrastructure, and open spaces
Issue 11	Addressing minerals and waste requirements alongside environmental considerations
Issue 12	Ensuring development is supported by essential infrastructure and services

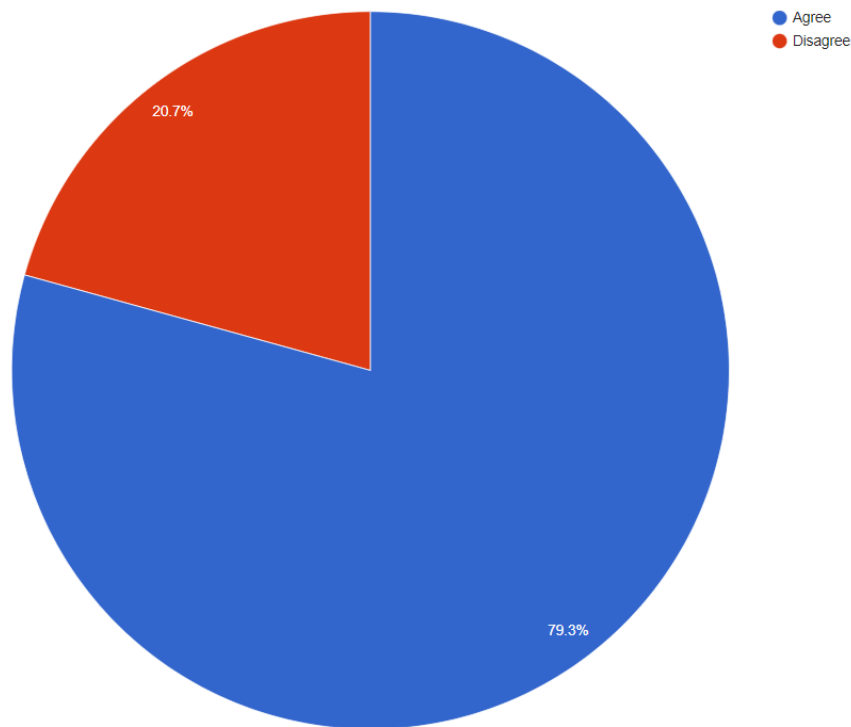
Question 5 Local Plan Issues

Do you agree with the proposed issues to be addressed through the Local Plan?

Question 6

Please let us know about other issues you think the plan should address?

Question 5- Do you agree with the proposed issues to be addressed through the Local Plan?



- There were 140 responses to this question;
- 111 responses (79%) supporting the proposed issues for the local plan;
- 29 responses (21%) respondents disagreed that not all issues had been covered.

Additional Issues identified as needing to be covered by the plan include:

- Access to GP and health care
- Need for SEN for secondary school children
- Job opportunities for young adults
- Complete By-pass around Oakham
- Loss of prime agricultural land for solar farms
- Prioritizing affordable housing, family homes and smaller homes for downsizer which remain available for local people
- Social housing rather than affordable homes
- Improved public transport and more frequent trains
- Energy efficient, carbon neutral and future proofed buildings

Next steps

- The suggestions above will be picked up within the context of the 12 Issues already identified.
- The Local Plan will need to be responsive to new issues and matters raised by the evidence and it is possible that new issues will need to be considered as the plan develops.
- To ensure the Sustainability Appraisal appraises the social, environmental, and economic effects of the emerging plan from the outset and through its various stages of production.

Issue 1: Tackling the climate crisis

Strategic Objective 1 - Ensuring new development takes a proactive approach to carbon reduction and that environments and communities in Rutland are adaptable and resilient to climate change, including managing flood risks.

Question 7 Reducing energy use and carbon emissions in new buildings

Please indicate which of the option(s) below you think should be included in the Local Plan?

Option A: Plan for net-zero carbon from the adoption of the plan

This would require all new development to be net-zero carbon upon adoption of the plan. This would be at a cost and may affect viability. As a consequence, Rutland may see less affordable housing built and maybe fewer other social and community benefits from development.

Option B: Plan towards meeting net-zero carbon from a stated future date

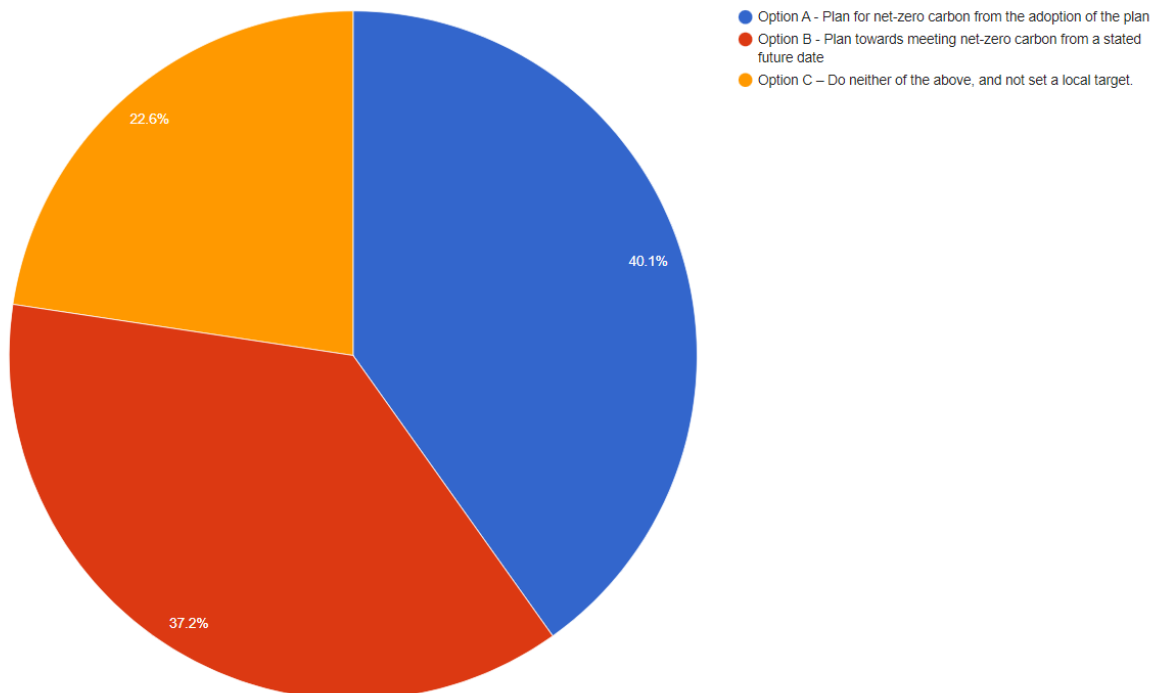
This would require all new development to achieve net zero carbon from a future date in the plan period, and which might align with the government's timetable for introducing "zero-carbon ready" development.

This could allow time for the development industry to adjust to the higher standards and may mean Rutland secures more affordable housing and community benefits from development

Option C: Do neither of the above, and not set a local target.

This would mean that new development will only have to comply with national building regulation (Part L) requirements (and any subsequent changes to them) in respect of carbon reduction in new buildings.

Question 7 Reducing energy use and carbon emissions in new buildings



- There were 137 responses to this question;

- 55 responses (40%) supporting option A: Plan for net zero from adoption of the plan;
- 51 responses (37%) supporting option B: plan towards meeting net zero from a state future date;
- 31 responses (23%) supporting option C: Do not set a local target.

Next Steps

- Continue to work with the Climate Change Advisory Group and learn from good practice and experience of other areas where policy is developing
- Commission robust evidence base to help develop a local standard and appropriate policy approach
- Commission whole plan viability evidence to cover the impact of a local requirement on viability and deliverability
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.
- To ensure the Sustainability Appraisal appraise the social, environmental, and economic effects of the emerging plan from the outset and through its various stages of production.

Low Carbon Energy

Question 8 Low Carbon and Renewable Energy Proposals

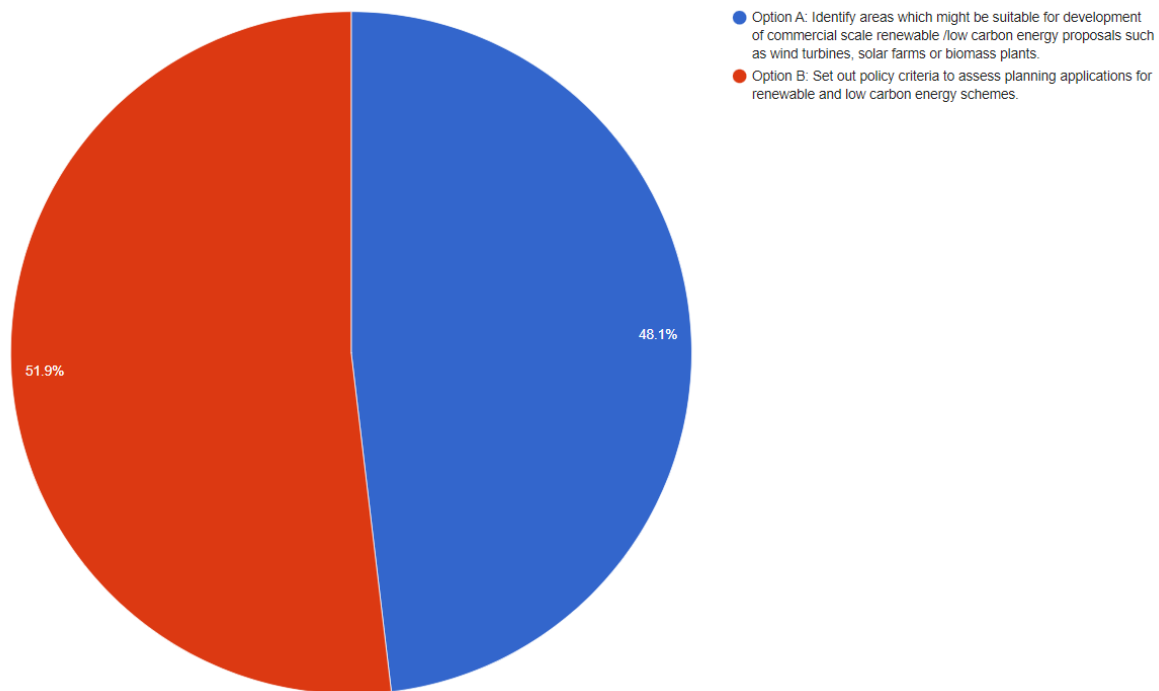
Please indicate which of the option(s) below you think should be included in the Local Plan?

Option A: Identify areas which might be suitable for development of commercial scale renewable /low carbon energy proposals such as wind turbines, solar farms, or biomass plants.

This will need to consider technology requirements, impacts on the local environment, landscape, and heritage assets (Note: Government policy requires sites for large scale wind farms to be identified in the Local Plan)

Option B: Set out policy criteria to assess planning applications for renewable and low carbon energy schemes. This will mean determining relevant applications on a case-by-case basis against the criteria instead of providing greater clarity to communities and developers by identifying potentially suitable areas.

8. Please indicate which of the option(s) below you think should be included in the Local Plan?



- There were 133 responses to this question.
- 64 responses (48%) supporting option A to identify areas suitable for large scale renewable energy proposals;
- 69 responses (52%) supporting option B set policy criteria to assess applications for renewable energy generation schemes.

A number of respondents pointed out that these options should not be mutually exclusive as a criteria-based policy would also be needed to support an area-based approach.

Reference was made to the need to develop the policy approach with the context of a renewable energy strategy for Rutland.

Next Steps

- Use new Renewable Energy evidence (commissioned) to determine the most appropriate approach and draft policies accordingly
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

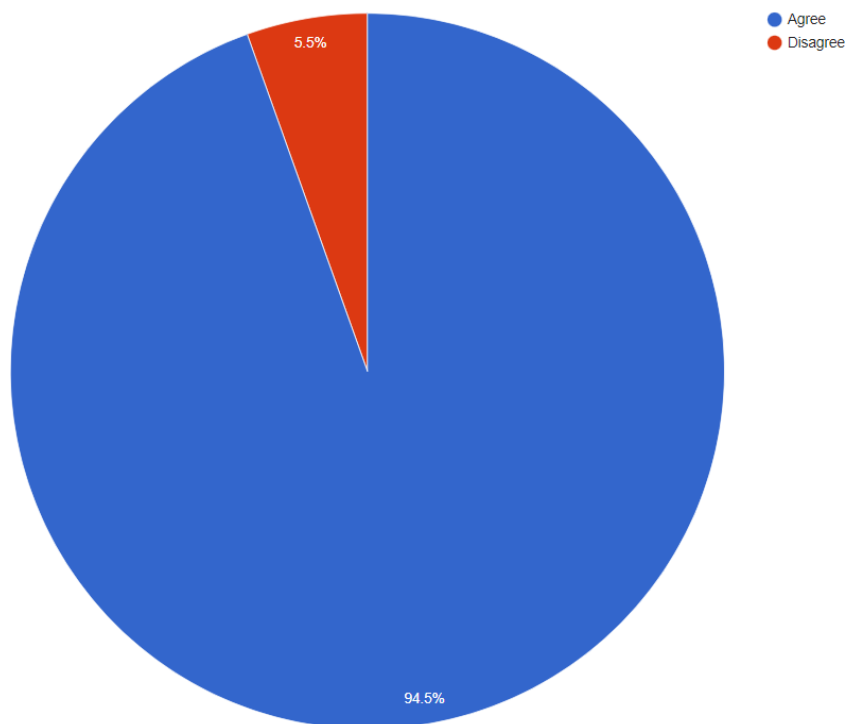
Question 9 Sustainable Urban Drainage Systems

Do you agree that the Local Plan should require the provision of Sustainable urban Drainage Systems (SuDS) in all new built development unless it is demonstrated to be technically unfeasible?

Question 10 Carbon saving and climate change suggestions

Are there other carbon saving measures or climate change related policy areas the Council should be considering in the new Local Plan?

9. Do you agree that the Local Plan should require the provision of Sustainable urban Drainage Systems (SuDS) in all new built development unless it is demonstrated to be technically unfeasible?



- There were 128 responses to this question;
- 121 (95%) respondents agreed that Suds should be required in all new built development;
- 7 (5%) disagreed with the proposal.

Next Steps

- Consultation indicates clear support for this approach

- Will need to use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.
- Particular reference to advice and policy guidance from statutory water and environment consultees
- Reference will be given to emerging Water Cycle Study and SFRA updating planned for early 2023

Question 10

Are there other carbon saving measures or climate change related policy areas the Council should be considering in the new Local Plan?

Lots of suggestions were submitted in response to this question. These have been grouped together and summarised below:

- **Nature based solutions to address multiple benefits** such as tree planting, rewilding, wildlife and habitat biodiversity net gain, carbon capture and sequestration, hedgerows rather than fencing, hedgehog holes in fencing, additional allotments, planted buffers, flood management, water efficiency, soil and water quality, health and well-being benefits
- Sustainable spatial growth strategy – concentrating development in places where existing infrastructure and jobs are already located to minimize carbon miles
- **Future proof buildings to meet Carbon zero objective** by adopting a “Fabric first” approach to new homes ensuring they can adapt to future carbon zero technologies, supporting heat retention proposal for listed buildings, supporting solar panels on existing buildings, insulating new buildings better, no gas heating solutions, orientation to maximise solar gain, air/ground source heat pumps, water efficiency targets, better internet speeds
- **Develop a renewable energy generation strategy and promote the use of renewable energy technologies** such as community renewable schemes and rainwater harvesting schemes, PV panels on all new buildings and make easier to retrofitted in conservation areas and on listed buildings, battery storage for green energy, washing lines for all new homes, nuclear reactor, wind and solar schemes in appropriate locations, biomass (green) gas, district heating / onsite renewable energy generation for larger developments.
- **Green travel solutions** including cycleways connecting people and places; electric car charging points on all new homes and businesses, better internet to support home working (and therefore not travelling), electric vehicles for public transport, promote health and wellbeing

Next Steps

- Consultation indicates clear support for increasing requirements for new development and change to address carbon net zero objectives and targets and for there to be a focus on policies which address the impact of development on the climate
- Will need to use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

Issue 2a: Determining the appropriate level of housing growth

Strategic Objective 2: Delivering sustainable development by determining an appropriate level and location of growth in Rutland, sited in locations where people can access jobs and services, and in delivering wider social and economic outcomes, taking account of environmental considerations.

Question 11 Options for the scale of housing growth

Which option do you consider to be most appropriate to include in the Rutland Local Plan as the minimum housing requirement?

Option A: Apply Government LHN of 140 dwellings per annum with a contingency of 10%

This would accommodate levels of house building that accord with current Government requirements. It may mean, however, that Rutland will fall short of meeting all affordable housing needs.

Option B: Apply the SHMA housing market analysis of 160 dwellings per annum with 10% contingency as a more detailed assessment of housing needs arising from demographic projections. This would potentially result in most affordable housing needs being met and also would be roughly equivalent to applying the Government LHN of 140 dwellings per annum with a contingency of 25%.

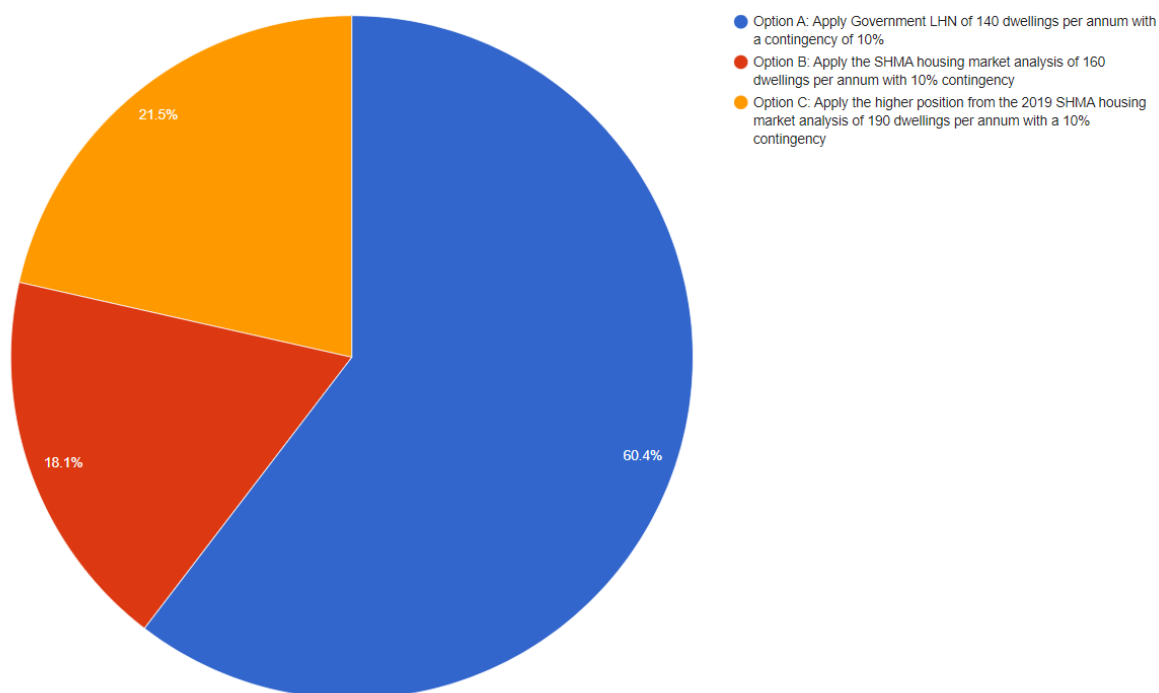
Option C: Apply the higher position from the 2019 SHMA housing market analysis of 190 dwellings per annum with a 10% contingency – this is likely to more fully meet the identified affordable housing needs of the county

Contingency means the additional supply of housing sites which would be required to deliver the minimum requirement as it provides flexibility and choice and allows for the “non-delivery” of some allocated sites.

Question 12

Do you have any alternative suggestions about the housing requirement for Rutland?

11. Which option do you consider to be most appropriate to include in the Rutland Local Plan as the minimum housing requirement?



- There were 149 responses to this question;
- 90 responses (60%) supporting option A;
- 27 responses (18%) supporting option B;
- 32 responses (22%) supporting option C.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Concerns expressed about the impact on infrastructure from levels of housing development.
- Recognition of issues of housing affordability in Rutland and the importance of balancing housing needs against impact on environment and infrastructure.
- Comments made about making the best use of brownfield land to minimise amount of greenfield development.
- Comments made that whatever spatial strategy for housing is pursued in the emerging Local Plan, it should provide sufficient opportunities for growth at all tiers of the settlement hierarchy.
- The need to provide for employment alongside housing.
- Comments made about the importance of having an up to date evidence base.

Next steps

- To review housing needs taking account of more detailed information arising from the 2021 census and other sources.
- To take account of any changes to the Government's calculation of Local Housing Need.
- To respond to the Government consultation on Local Housing Need.

- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.
- To prepare an Infrastructure Delivery Plan to assess the impact of future development on infrastructure and to develop proposals to mitigate such impacts.

Issue 2b Determining the appropriate location of housing growth

Strategic Objective 2: Delivering sustainable development by determining an appropriate level and location of growth in Rutland, sited in locations where people can access jobs and services, and in delivering wider social and economic outcomes, taking account of environmental considerations.

Question 13 Options for the spatial strategy for new housing development

Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Continuation of the Core Strategy apportionment of growth between the towns (70%) and villages (30%) This would spread planned growth in line with the past spatial strategy.

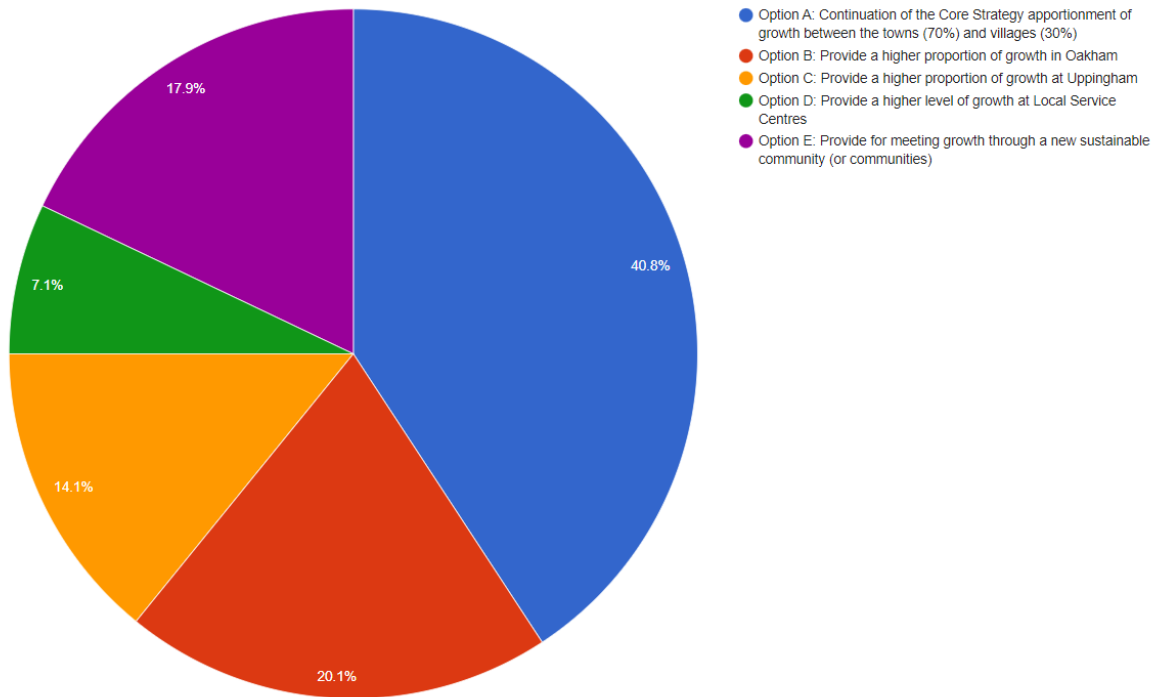
Option B: Provide a higher proportion of growth in Oakham. This would concentrate more development in the main centre of population in Rutland but would put additional pressure on infrastructure and the local environment.

Option C: Provide a higher proportion of growth at Uppingham This would concentrate more development on the second largest settlement in Rutland but would put additional pressure on infrastructure and the local environment.

Option D: Provide a higher level of growth at Local Service Centres This would propose more development in the larger villages with a range of services and facilities but would put additional pressure on infrastructure and the local environment.

Option E: Provide for meeting growth through a new sustainable community (or communities) This would be dependent on sustainable, viable and deliverable proposals coming forward through the Local Plan. This would ease the pressure of growth for Oakham, Uppingham and Local Service Centres but would put additional pressure on the infrastructure and local environment on the areas surrounding any new settlement(s).

Question 13 Options for the spatial strategy for new housing development



- There were 184 responses to this question;
- 75 responses (41%) supporting option A;
- 37 responses (20%) supporting option B;
- 26 responses (14%) supporting option C;
- 13 responses (7%) supporting option D;
- 33 responses (18%) supporting option E.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Comments made about making the best use of brownfield land to minimise amount of greenfield development.
- Comments made that whatever spatial strategy for housing is pursued in the emerging Local Plan, it should provide sufficient opportunities for growth at all tiers of the settlement hierarchy.
- Various comments made about specific sites for development.
- Concerns expressed about the importance of early delivery of infrastructure if proposals emerge for a new community.

Next Steps

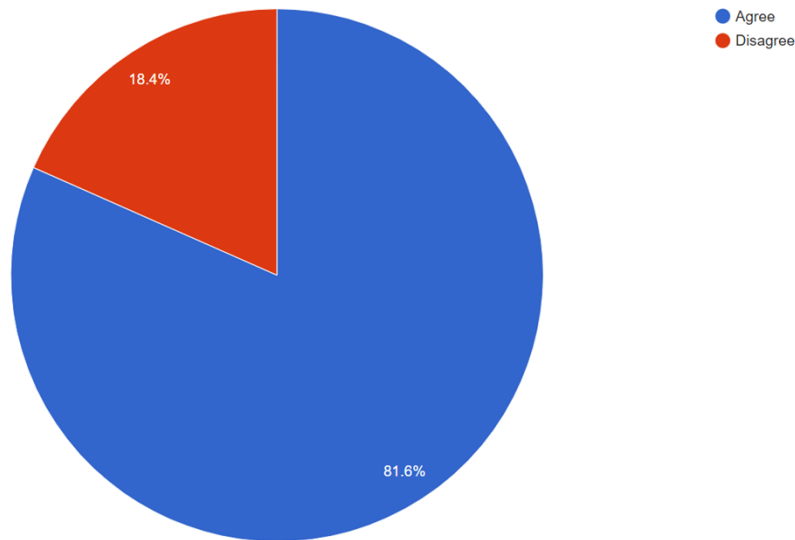
- To update the settlement hierarchy methodology.
- To sift and assess sites submitted through the Call for Sites in order to allocate the right amount of development in the right places to meet identified needs.
- To ensure the Sustainability Appraisal appraise the social, environmental, and economic effects of the emerging plan from the outset and through its various stages of production.

Question 14 If development in Rutland is proposed as part of a sustainable urban extension to Stamford should this count towards Rutland’s housing needs and so reduce the requirement for new housing elsewhere in Rutland?

Agree /disagree

Question 15 Do you have any alternative suggestions for the location of housing growth in Rutland?

14 If development in Rutland is proposed as part of a sustainable urban extension to Stamford should this count towards Rutland's housing needs and so reduce the requirement for new housing elsewhere in Rutland?



- There were 136 responses to this question;
- 111 (82%) responses agreed with this;
- 25 (18%) responses disagreed.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Generally, residents and local community organisations were supportive of Option A
- Generally, those disagreeing with this option highlighted that growth on the edge of Stamford is likely to be meeting needs in Stamford, which is in SKDC and the SKDC Local Plan had been adopted on the basis of this site contributing to their housing needs.

Next Steps

To continue to work closely with SKDC to resolve this issue through respective development plans.

Issue 3 Meeting the identified current and future housing needs

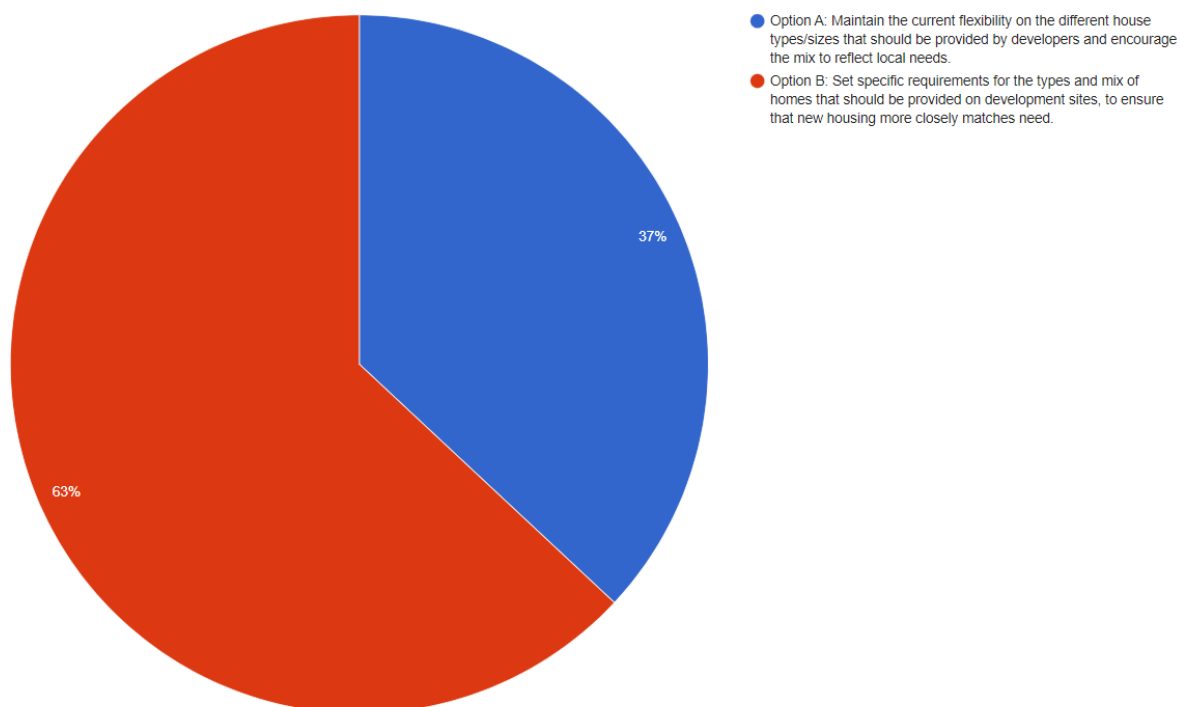
Strategic Objective 3: Meeting Rutland's identified current and future diverse housing needs, including the affordability of housing, through the provision of high-quality new homes.

Question 16 Options for Housing Mix Which option do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Maintain the current flexibility on the different house types/sizes that should be provided by developers and encourage the mix to reflect local needs.

Option B: Set specific requirements for the types and mix of homes that should be provided on development sites, to ensure that new housing more closely matches need.

16 Which option do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 138 responses to this question;
- 51 responses (37%) supporting option A;
- 87 responses (63%) supporting option B.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Comments made about the importance of having an up to date evidence base.
- Comments made that site-specific characteristics, viability and market information also need to be taken into account.

Next steps

- To review housing needs taking account of more detailed information arising from the 2021 census and other sources.
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

Question 17 Options for Affordable Housing

Which option do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Maintain current 67%/33% split between affordable rental and affordable home ownership on development sites and embed this within Local Plan policy.

This option would be supported by the 2019 SHMA which concluded overall that this split between rented and low-cost home ownership is appropriate.

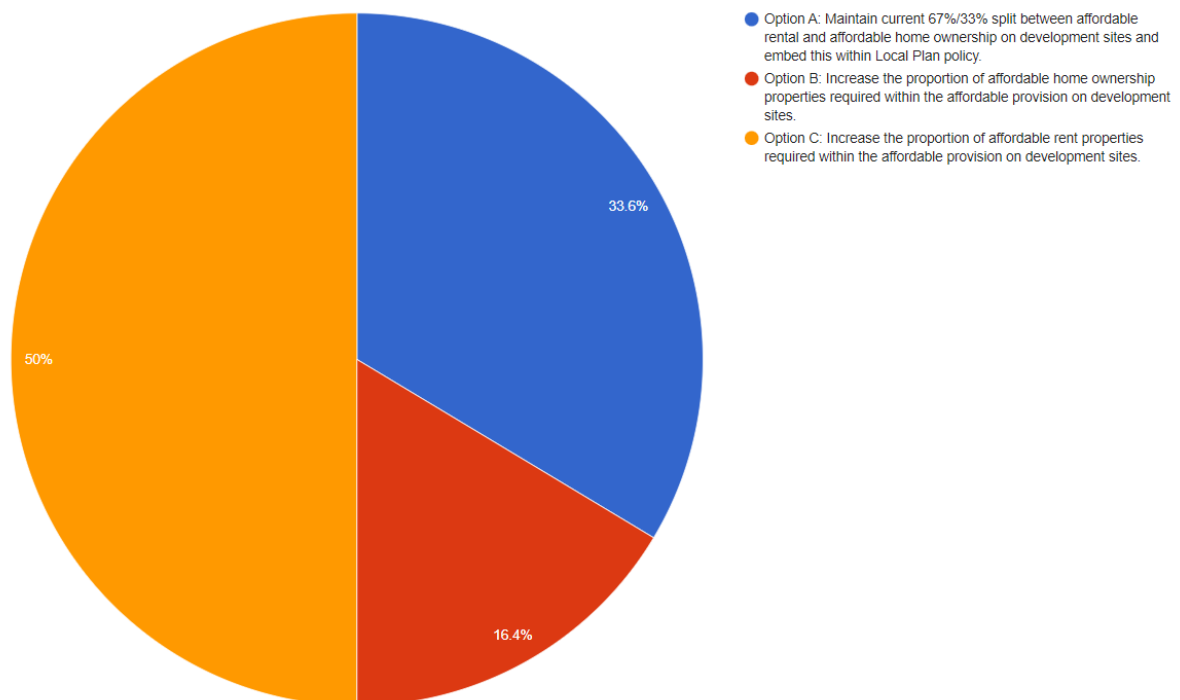
Option B: Increase the proportion of affordable home ownership properties required within the affordable provision on development sites.

This option would recognise the government’s strong push to increase levels of home ownership but would not support the Council’s strong local priority to increase affordable rent provision nor the level of need outlined in the SHMA.

Option C: Increase the proportion of affordable rent properties required within the affordable provision on development sites.

This option would increase the proportion of affordable homes that would be required to be for affordable rent above the current ratios, and so provide more homes for those most in need.

17 Which option do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 122 responses to this question
- 41 responses (34%) supporting option A;
- 20 responses (16%) supporting option B;
- 61 responses (50%) supporting option C.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Comments made about the importance of having an up to date evidence base.
- Comments made that First Homes need to be taken into account for any policies with respect to affordable housing.
- Comments made that site-specific characteristics, viability and market information also need to be taken into account.
- Comments made about the importance that requirements for a specific mix are not set out in policy as this prevents the most up to date evidence being used to inform the appropriate mix, and a flexible approach should be adopted which supports the deliverability of development and uses the evidence in relation to housing mix to guide development over the course of the plan period.

Next steps

- To review housing needs taking account of more detailed information arising from the 2021 census and other sources.
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

Question 18 Options for Self and Custom Build

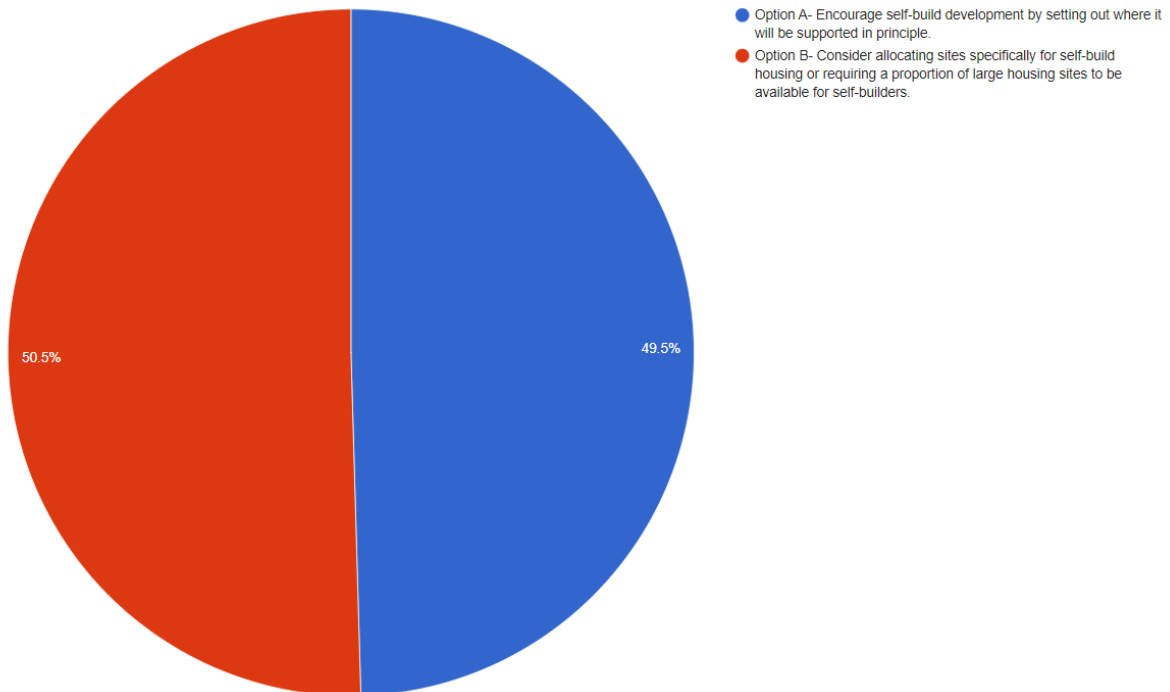
Which option do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Encourage self-build development by setting out where it will be supported in principle.

Option B: Consider allocating sites specifically for self-build housing or requiring a proportion of large housing sites to be available for self-builders. This option would ensure more land and plots are available to self-builders. By identifying sites in the Local Plan solely for self-build housing we could help prospective self-builders obtain suitable land. This could potentially be an option for groups of individuals looking to self-build as the Local Plan will only allocate sites capable of delivering a minimum of 10 homes. This would require community groups to help identify potential sites of interest and for landowners to be willing to make sites available for self-builders, potentially at a lower cost than they would achieve on the open market. Some Councils require developers to provide a proportion of plots on their development sites as serviced plots and to make them available to self-builders. This could involve specifying a site size threshold at which developers would be expected to make serviced self-build plots available and

would likely require the production of further planning guidance to explain how the policy might work in practice.

18 Which option do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 109 responses to this question;
- 54 responses (50%) supporting option A;
- 55 responses (51%) supporting option B.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Comments made about the importance of having an up to date evidence base.
- Comments made that it is the Council's responsibility, not landowners or developers, to ensure sufficient permissions for selfbuild and custom build housing are granted to meet demand
- Concern expressed that whilst the Self-Build and Custom Build Register may indicate an interest in this type of housing, it was not clear how this evidence translated into actual demand, with potential issues of double counting where individuals register with more than one Council.

Next steps

- To review housing needs taking account of more detailed information arising from the 2021 census and other sources such as the Self-Build Register.
- Maintain a dialogue with developers regarding the demand for self build housing in Rutland.

- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

Question 19 Options for Older Person’s Housing

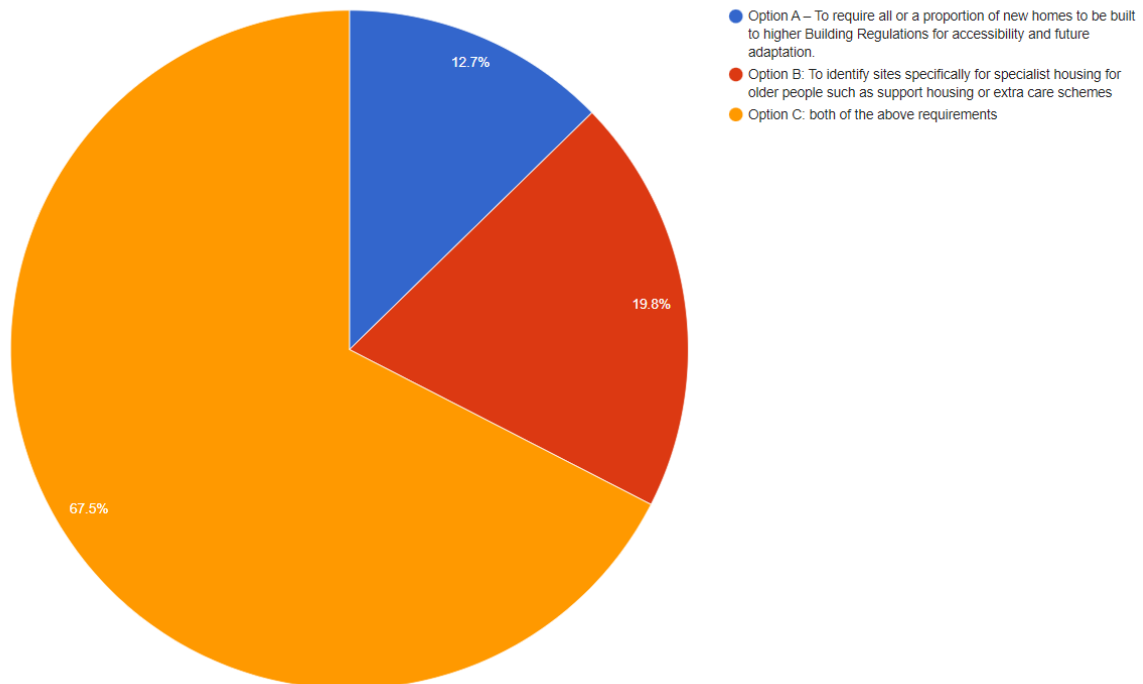
Which option do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: To require all or a proportion of new homes to be built to higher Building Regulations for accessibility and future adaptation.

Option B: To identify sites specifically for specialist housing for older people such as support housing or extra care schemes; this policy approach could also consider requiring certain types of housing to be provided on development sites as part of the mix, such as bungalows.

Option C – both of the above requirements

Question 19 Options for Older Person’s Housing



- There were 126 responses to this question;
- 16 responses (13%) supporting option A;
- 25 responses (20%) supporting option B;
- 85 responses (68%) supporting option C.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Comments made about the importance of having an up to date evidence base, including the likely future need; the size, location, type and quality of dwellings needed; the accessibility and adaptability of the existing stock; how the needs vary across different housing tenures; and the overall viability.

- Comments made if the Council wishes to adopt the higher optional standards for accessible, adaptable and wheelchair homes the Council should only do so by applying the criteria set out in national planning guidance.
- Comments made that it is incumbent on the Council to provide a local assessment evidencing the specific case for Rutland which justifies the inclusion of optional higher standards for accessible and adaptable homes in its Local Plan policy.

Next steps

- To review the evidence base with respect to older person's housing, taking account of more detailed information arising from the 2021 census and other sources.
- Maintain a dialogue with developers regarding the demand for older persons housing in Rutland.
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the "Preferred Options" Local Plan, which will be subject to public consultation.

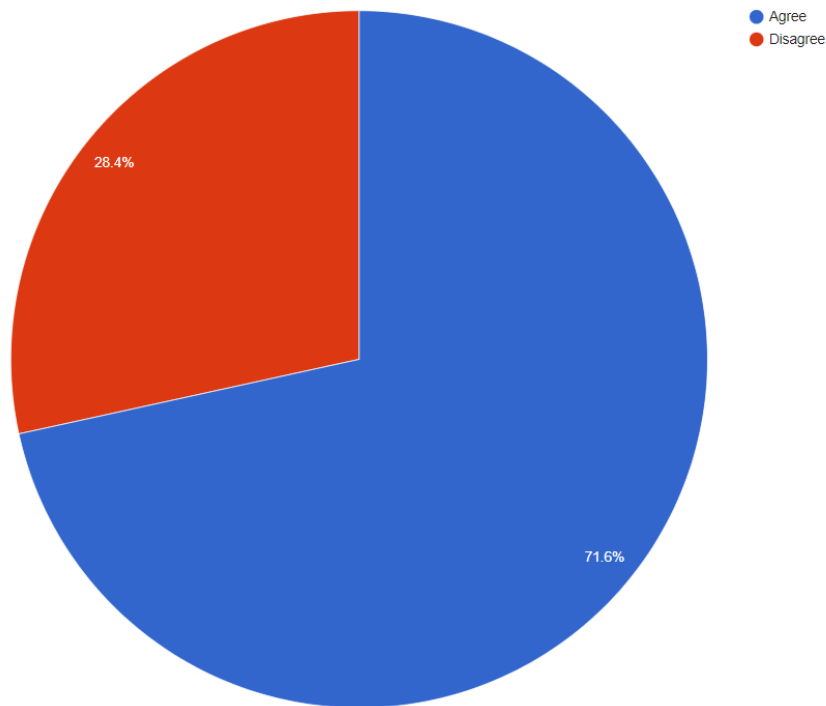
Question 20 Policy Approach for Gypsy & Travellers and Travelling Show People Accommodation

The proposed policy approach in the Rutland Local Plan is to review the findings of the forthcoming Gypsy and Traveller Accommodation Assessment (GTAA), and then if necessary:

- **set a new pitch requirement and**
- **identify sites to meet need identified in the study.**

Do you support this approach to planning for the housing needs of Gypsies, Travellers and Travelling Show People?

20 Do you support this approach to planning for the housing needs of Gypsies, Travellers and Travelling Show People?



- There were 126 responses to this question;
- 73 responses (72%) respondents agreed with the approach proposed;
- 25 responses (28%) respondents disagreed with the approach proposed.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Comments made about the importance of having an up to date evidence base.
- Suggestion made that the Rutland County Council should consider a CPO of one acre of land which would probably meet identified needs for the Plan Period.
- Some questioning of the need to provide for Gypsies and Travellers.

Next steps

- To review the evidence base with respect to Gypsy and Traveller accommodation needs.
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

Question 21 Do you have any additional suggestions or comments about how the Local Plan can meet current and future housing needs?

As the responses received to this question covered a range of topics regarding the questions above, they have been grouped and responded under the relevant question. All comments made will be taken into account in preparing policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

Issue 4 Enabling a prosperous and resilient economy

Objective 4: Supporting business investment and job creation in ways which are compatible with environmental considerations to maintain a prosperous and resilient economy in Rutland.

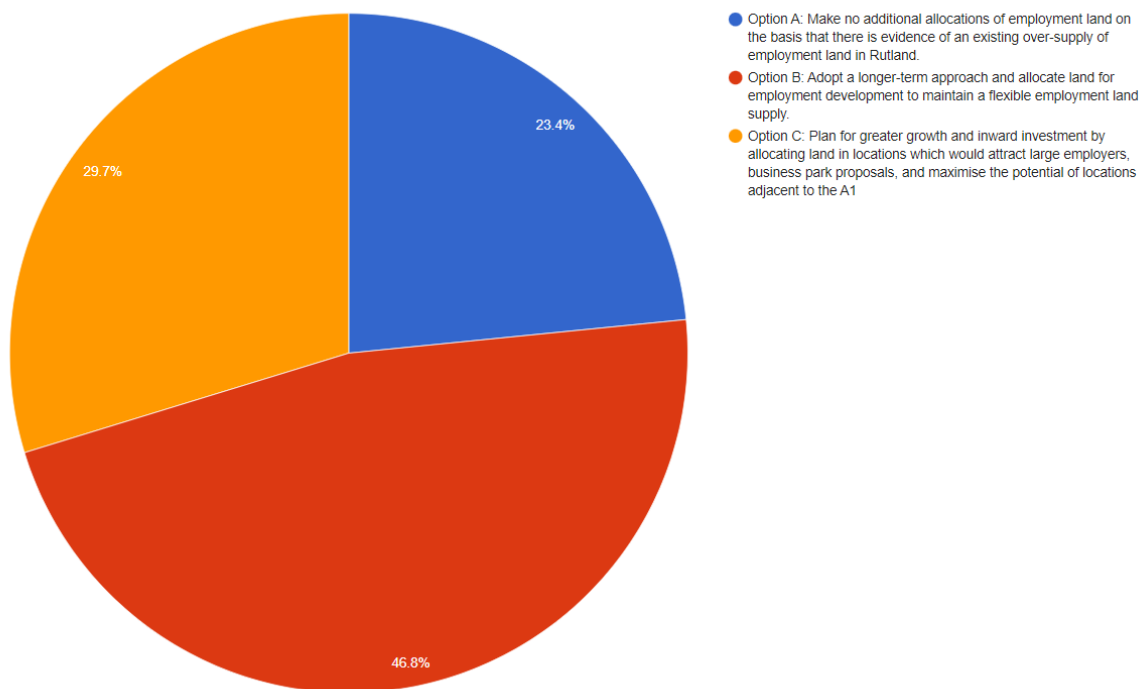
Question 22 Options for economic development Which option do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Make no additional allocations of employment land on the basis that there is evidence of an existing over-supply of employment land in Rutland.

Option B: Adopt a longer-term approach and allocate land for employment development to maintain a flexible employment land supply. This would allow the Local Plan to meet the full range of needs, provide choice and flexibility in supply, and help support the recovery of the local economy following the impact of the Covid 19 pandemic.

Options C: Plan for greater growth and inward investment by allocating land in locations which would attract large employers, business park proposals, and maximise the potential of locations adjacent to the A1 to attract new employment to Rutland to enhance the prosperity and resilience of the local economy.

Question 22 – Which option do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 111 responses to this question;
- 26 responses (24%) supporting option A;
- 52 responses (47%) supporting option B;
- 33 responses (30%) supporting option C.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Propose a hybrid approach based on Options B and C
- Need to be able to offer choice and flexibility to the market and support the Cov19 economic recovery
- Consider a long-term approach and allocate land for a mix of employment uses to maintain a flexible supply and encourage new development

Next steps

- To review the evidence base with respect to employment needs and future employment land requirements
- To align draft policies and proposals to the emerging Economic Development Strategy for Rutland.
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation

Question 23 Options for Employment Sites within Rutland Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Retain all existing allocated employment sites.

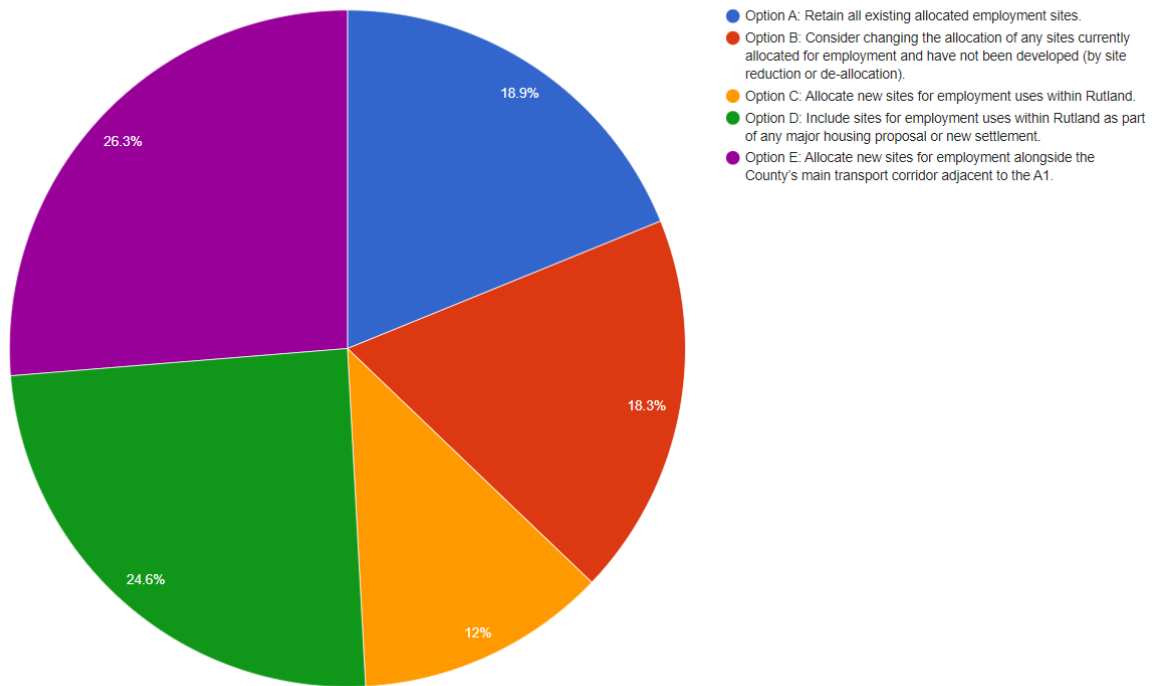
Option B: Consider changing the allocation of any sites currently allocated for employment and have not been developed (by site reduction or de-allocation).

Option C: Allocate new sites for employment uses within Rutland.

Option D: Include sites for employment uses within Rutland as part of any major housing proposal or new settlement.

Option E: Allocate new sites for employment alongside the County’s main transport corridor adjacent to the A1.

Question 23 – Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 175 responses to this question;
- 33 responses (19%) supporting option A;
- 32 responses (18%) supporting option B;
- 21 responses (12%) supporting option C;
- 43 responses (25%) supporting option D;
- 46 responses (26%) supporting option E.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- All sites should be retained for employment only
- All sites have good connectivity and established business
- Need to consider impact on local communities and road networks

Next steps

- To review the evidence base with respect to employment needs and future employment land requirements
- To align draft policies and proposals to the emerging Economic Development Strategy for Rutland.
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation

Question 24 Viability of employment sites Do you have any comments on the viability and deliverability of the employment sites listed below, which are currently allocated that would prevent them from being allocated within the new Local Plan?

- Land at Uppingham Gate, Uppingham;
- Land off Hackamore Way & Panniers Way, Oakham;
- and Land at Pit Lane, Ketton.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Need to consider impact on local communities and road networks
- Pit Lane considered unsuitable due to transport and rural road infrastructure
- Uppingham Gate to be considered for mix-use development
- All sites have good connectivity and established business
- Need to consider impact on local communities and road networks

Next steps

- To review the evidence base with respect to employment needs and future employment land requirements
- To align draft policies and proposals to the emerging Economic Development Strategy for Rutland.
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation

Question 25 Options for Rutland’s Rural Economy

Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?

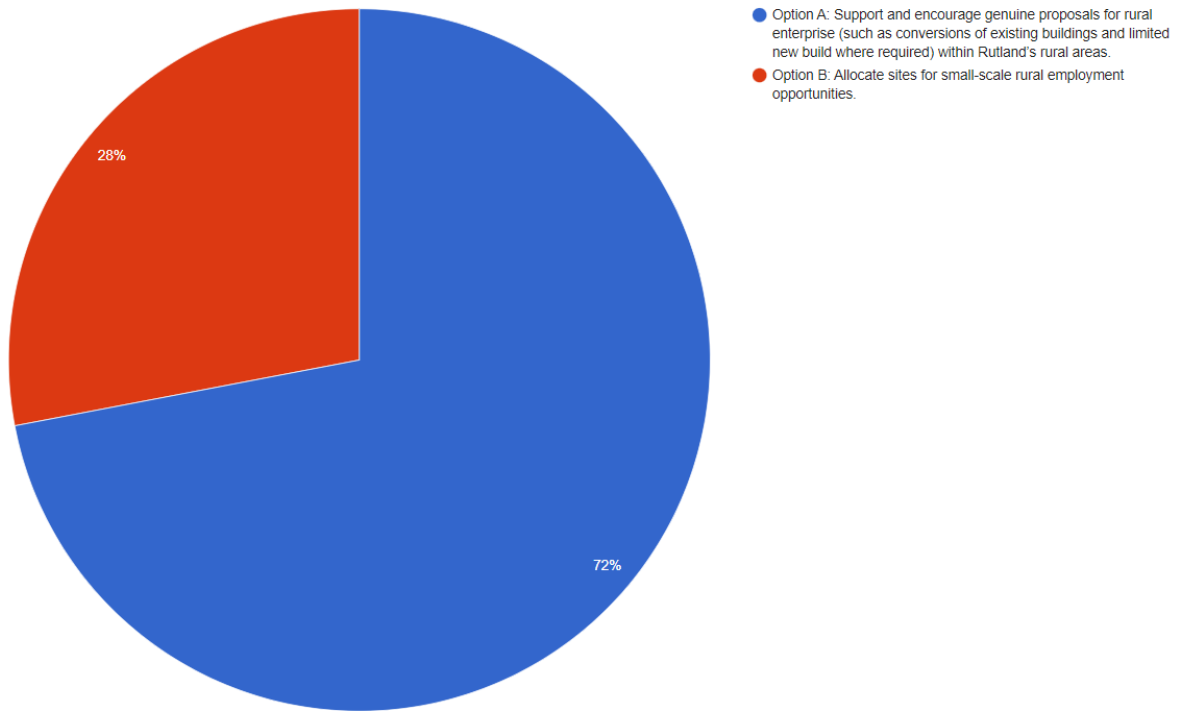
Option A: Support and encourage genuine proposals for rural enterprise (such as conversions of existing buildings and limited new build where required) within Rutland’s rural areas.

This option would help to facilitate and encourage small-scale employment proposals and help to reduce the need to travel in rural areas.

Option B: Allocate sites for small-scale rural employment opportunities.

This option would target specific small-scale employment proposals within the rural area allowing new/established enterprises the scope to grow.

Question 25 – Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 125 responses to this question;
- 90 responses (72%) supporting option A;
- 35 responses (28%) supporting option B.

Next steps

- To align draft policies and proposals to the emerging Economic Development Strategy for Rutland.
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation

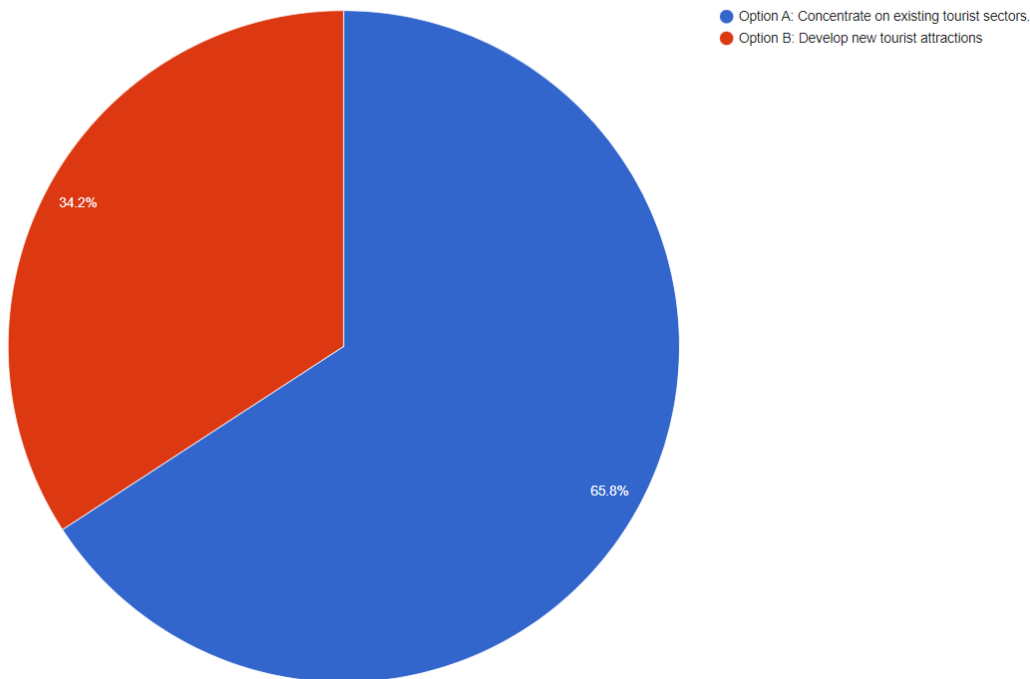
Question 26 Options for the Visitor Economy

Which options do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Concentrate on existing tourist sectors. This option would look to retain and expand existing tourist facilities in Rutland.

Option B: Develop new tourist attractions. This option would be to seek and encourage new tourist attractions into Rutland.

Question 26 – Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 117 responses to this question;
- 77 responses (66%) supporting option A;
- 40 responses (34%) supporting option B.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Focusing growth around existing attractions, enables a holistic approach to visitor management, and improved co-ordination of issues such as highways, car parking, sustainable transport and events
- Consider creating a new asset/attraction for the county to encourage new business, tourism, etc. This could perhaps be to do with renewable energy, leisure, sport, or academic.
- Look beyond just Rutland Water - develop the history, museum and archaeological resources in the area to attract visitors to the region.
- Find a way for Oakham to profit from Rutland Water. Day visitors come and go but never visit the town & its cafes & restaurants. Signage and publicity are needed. Also, a better transport strategy to avoid the long delays we so often see in the summer
- There seems to be an assumption by Rutland Council that the Rutland Water area is the prime location for tourism but there are other beautiful areas in the county and these shouldn't be overlooked.
- Do it in a controlled way on a case-by-case basis, with local discussion where appropriate

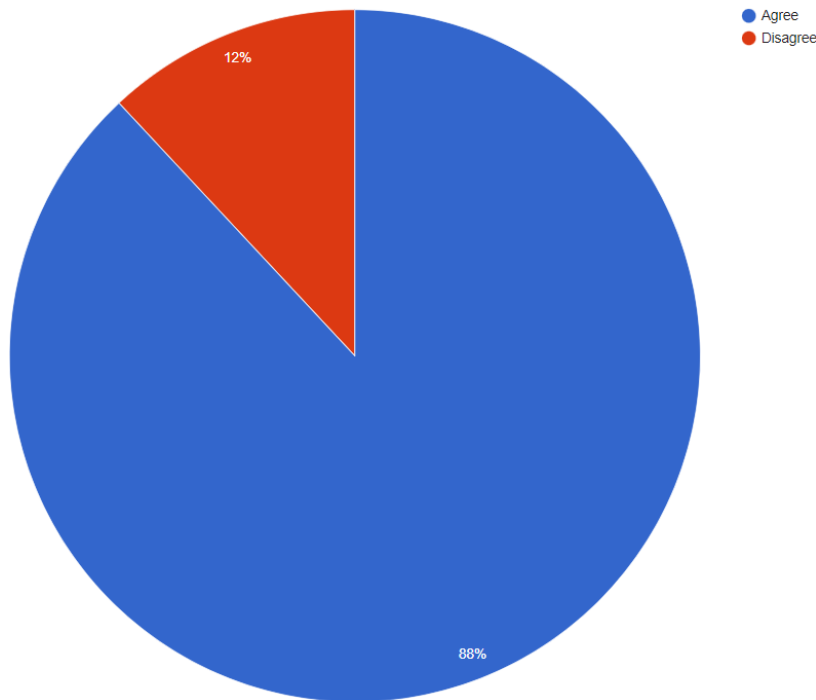
Next steps

- To align draft policies and proposals to the emerging Economic Development Strategy for Rutland.
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the "Preferred Options" Local Plan, which will be subject to public consultation

Question 27: Policy Approach for Rutland Water

Do you agree with the continuation of the current policy approach to permit small scale development within the five defined recreation areas and the wider Rutland Water area for certain specified uses related to the enjoyment of Rutland Water or for operational uses?

Question 27 – Do you agree with the continuation of the current policy approach to permit small scale development within the five defined recreation areas and the wider Rutland Water area for certain specified uses related to the enjoyment of Rutland Water or for operational uses?



- There were 117 responses to this question;
- 103 (88%) respondents agreed with the approach proposed;
- 14 (12%) respondents disagreed with the approach proposed

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Growth of new recreation, sport and tourist uses is not limited to the defined Recreation Areas within adopted Policy SP26 only. Recreation, sport and tourist uses are important to the economy of Rutland, where these can be balanced with the careful management of the natural environment, and as such, should be considered appropriate across a wider area than just those identified as Recreation Areas.
- Anglian Water welcome the continued recognition that the Council and partners have of the importance of Rutland Water and its role in the local economy.
- There is enough development in and around Rutland water - the local villages and road network already struggles with what is available at peak times which include weekends.

Next steps

- To review the evidence base with respect to Rutland Water
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation

Question 28 Do you have any additional suggestions or comments about how the Local Plan can support a prosperous and resilient economy?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Growth is desperately needed within the County, especially in rural areas. Development, as should be supported provided that it is sustainable, and that the rural economy should be supported. While the rural economy exists at a low concentration it is highly mixed and because of its nature the Council should look to support appropriate proposals throughout the whole County where it will make a positive contribution. Not to just focus on specific locations or tourism in certain areas, as Covid has clearly demonstrated that this would represent a terribly weak local economic base.
- Economic growth will help ease house affordability issues and will leave more money to be invested on becoming Net Zero.
- Linking employment opportunities to the availability of affordable housing to create a sustainable mixed use economy.
- Better public transport would support the local economy, for example trains on Sunday mornings and more frequent bus services.
- Start a business club and offer support to help business grow - what do they need? Work on a long-term strategy to encourage business that offer jobs with prospects to retain our talent or those that will train and create talent

Next Steps

Question 21 Do you have any additional suggestions or comments about how the Local Plan can meet current and future housing needs?

As the responses received to this question covered a range of topics regarding the questions above, they have been grouped and responded under the relevant question. All comments made will be taken into account in preparing policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

Issue 5: Supporting vibrant town centres and a network of local centres

Strategic Objective 5 Enabling Rutland’s market towns and, their centres in particular, to be places for economic and cultural activity with good access to services; seeking to sustain a network of larger villages that serve local needs; and enabling the viability and sustainability of smaller villages and countryside – in ways which protect the County’s heritage, character and identity.

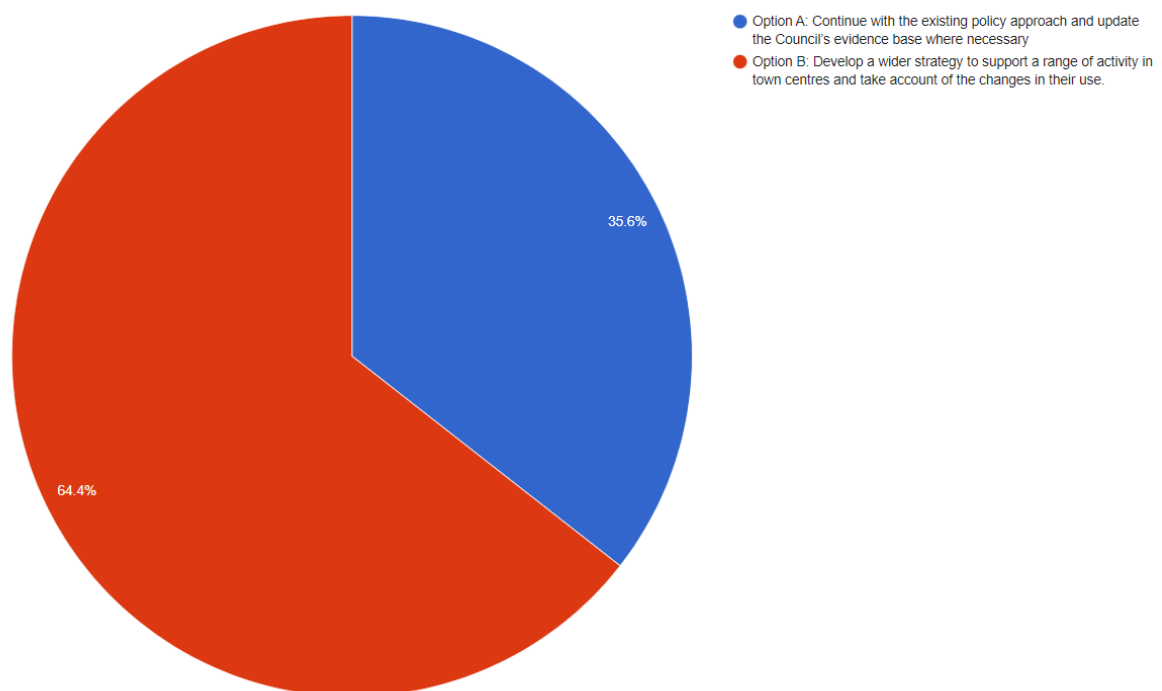
Question 29 - Potential policy approaches for the viability of Oakham and Uppingham Town Centres

Which option do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Continue with the existing policy approach and update the Council’s evidence base where necessary. The existing approach is well established but requires an updated Retail Study to fully support it. Updating the evidence will also allow an opportunity for recent changes to national policy and guidance and retail trends to be considered.

Option B: Develop a wider strategy to support a range of activity in town centres and take account of the changes in their use.

Question 29 – Which option do you consider to be most appropriate to include in the Rutland Local Plan



- There were 90 responses to this question;
- 32 responses (36%) supporting option A;
- 58 responses (64%) supporting option B.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Greater flexibility in encouraging vital uses within town centres will be necessary to support vitality
- Move away from thinking that town centres are finance transaction based locations but should be more about social interaction in the future otherwise they will continue to decline with home working and online shopping.
- Move away from the selling of goods, include some services on our High Streets
- Support new and local business encourage and make it easy for people to come into their local towns.

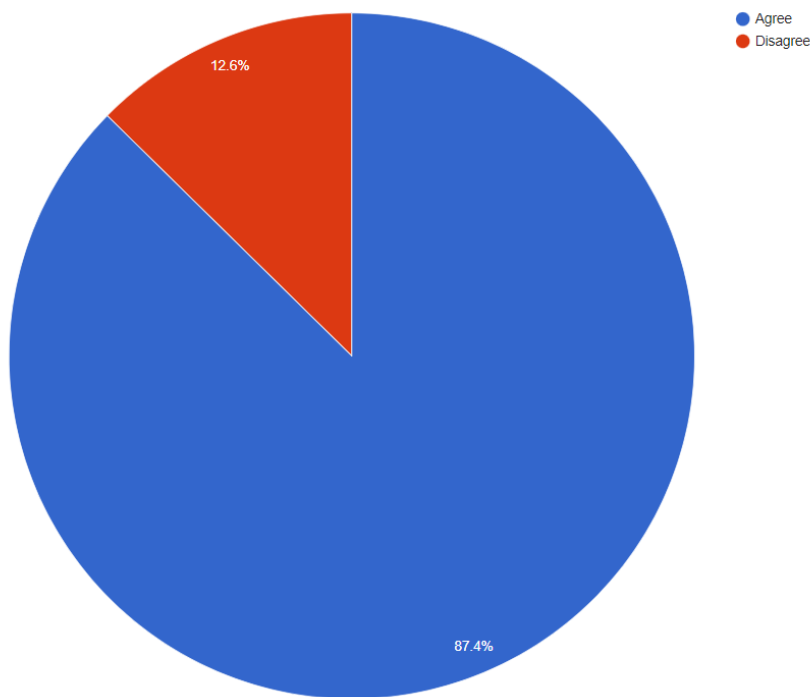
Next steps

- To review the evidence base with respect to town centres and retailing
- To align draft policies and proposals to the emerging Economic Development Strategy for Rutland.
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation

Question 30 Primary Shopping Areas

Should the Council seek to develop a policy that encourages Class E uses to be located within a defined town centre or primary shopping area (with the inclusion of residential on upper floors if considered acceptable), with a requirement to provide active street frontages ?

Question 30 – Should the Council seek to develop a policy that encourages Class E uses to be located within a defined town centre or primary shopping area (with the inclusion of residential on upper floors if considered acceptable), with a requirement to provide active street frontages?



- There were 87 responses to this question;
- 76 (87%) respondents agreed with the approach proposed;
- 11 (13%) respondents disagreed with the approach proposed.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- It is desirable to retain some identified area which can be seen as retail/social interaction within the centre of the two towns and not just have retail converted to houses or offices.

Next steps

- To review the evidence base with respect to town centres and retailing
- To align draft policies and proposals to the emerging Economic Development Strategy for Rutland.
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation

Question 31

Do you have any additional suggestions or comments about how the Local Plan can help to support vibrant town centres and a network of local centres ?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Have sufficient parking spaces.
- Do not introduce one-way streets or pedestrian precincts in current centres - there is not enough room for them. Support new and local business encourage and make it easy for people to come into their local towns.
- The new plan policies should seek to encourage traditional trades and crafts with perhaps preferential treatment for heritage trades.

Next Steps

All comments made will be taken into account in preparing policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

Issue 6: Enabling safer and stronger communities, supported with viable and accessible community and cultural facilities

Strategic Objective 6: Supporting all communities across the County to make them safer and stronger.

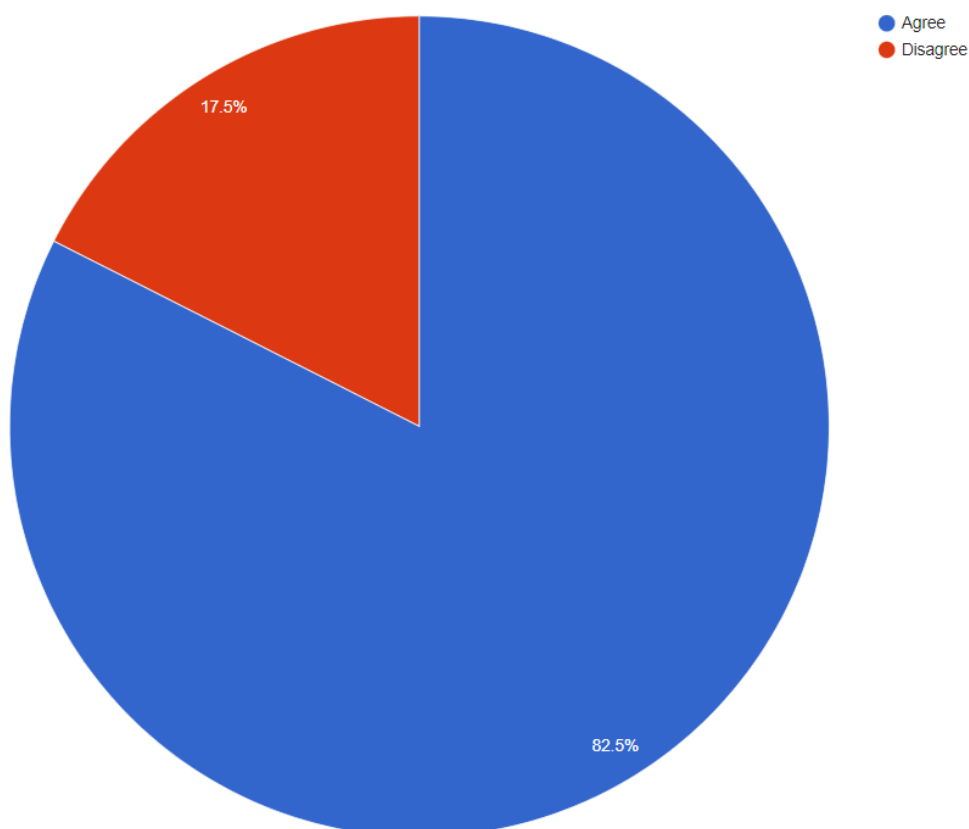
Strategic Objective 5: Enabling Rutland's market towns and, their centres in particular, to be places for economic and cultural activity with good access to services; seeking to sustain a network of larger villages that serve local needs; and enabling the viability and sustainability of smaller villages and countryside – in ways which protect the County's heritage, character and identity.

Planned Limits of Development

Question 32

Do you agree with the approach to defining the limits of development for settlements should be Retained?

Question 32 – Do you agree with the approach to defining the limits of development for settlements should be retained?



- There were 114 responses to this question;
- 94 (82%) respondents agreed with the approach proposed;
- 20 (18%) respondents disagreed with the approach proposed.

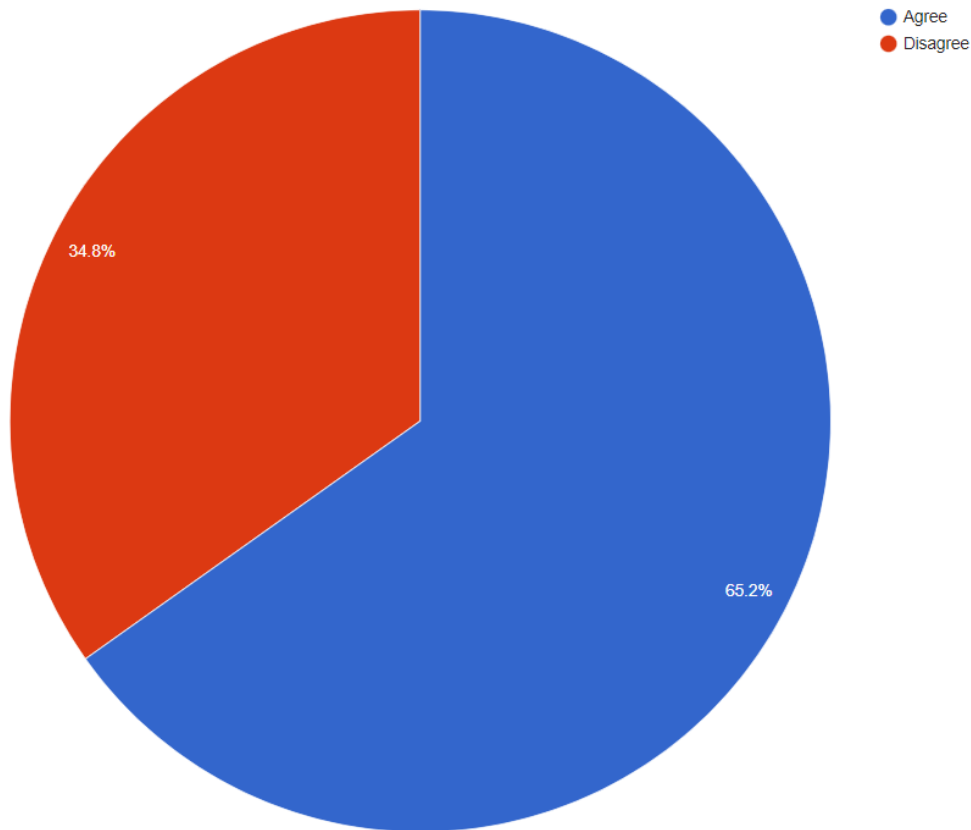
Question 33

Do you agree that the current PLDs need to be reviewed?

Question 34

If so, can you identify specific areas where the boundary should be changed and set out your reasons why?

Question 33 – Do you agree with the current PLDs need to be reviewed?



- There were 112 responses to this question;
- 73 (65%) respondents agreed with the approach proposed;
- 39 (35%) respondents disagreed with the approach proposed.

There were a number of suggestions about areas where boundaries should be reviewed as follows:

- Neighbourhood Plan to determine in accordance with NPPF
- Oakham to include Barleythorpe and south out to the bypass
- To allow sufficient land to meet housing needs, allow organic growth and to include new allocations
- Cottesmore
- Barrowden
- Edith Weston to include St George's Barracks, the Officers Mess and land north of Pennine Drive within PLD
- Whissendine to include site with planning permission
- Ask Town and Parish Council's to suggest their changes
- Ensure consistent with Neighbourhood Plans

Next Steps

- Determine the Council's preferred approach and define a methodology for reviewing Planned Limits of Development
- To use appropriate evidence, such as new landscape character and sensitivity evidence, and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the "Preferred Options" Local Plan, which will be subject to public consultation
- Undertake a full review of PLDs

Neighbourhood Plans

Question 35

How best do you think the Council can advise and guide the development of Neighbourhood Plans in Rutland?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Continue current approach of providing prompt guidance and assistance to NP Groups
- Defined in an SLA which is adhered to by RCC and the NP group
- Employ a specialist Neighbourhood Plans Officer
- Ensure Development Management and Planning Committee refer to NP policies in making decisions
- Use and fund independent consultants to support groups
- Establish a Rutland NP Group to share experiences and training
- RCC sponsored Neighbourhood Plan Champion
- RCC provide a dedicated officer to support each group and attend key meetings
- Encourage communities to create Neighbourhood Plans
- Control the expectations of Neighbourhood Plan groups
- Align NP policies to national and local policies
- Use Neighbourhood plans to inform the Local Plan
- Create flow charts and use different formats such as pictures, videos and audio to guide people through the options
- Apply a lighter touch to those areas where an NP has been made
- Work with neighboring counties to guide the development of plans

Next Steps

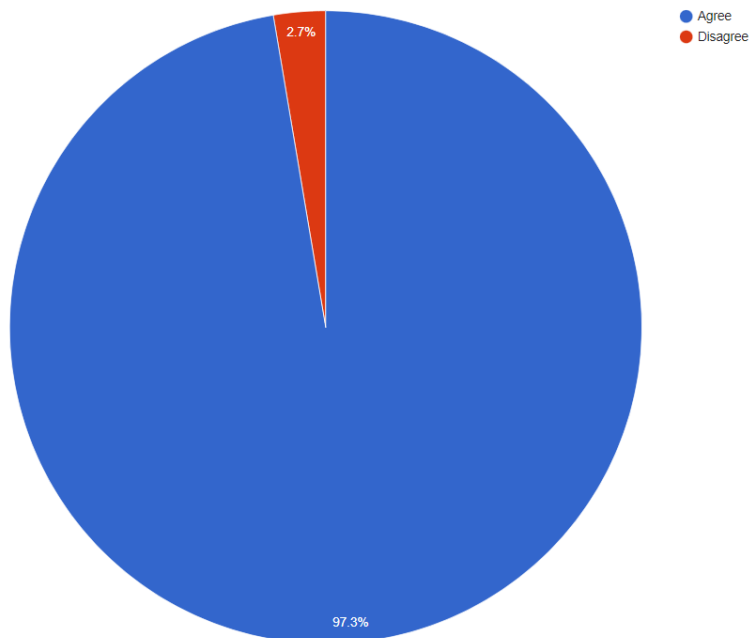
The County Council will continue to meet its duty to advise/guide Neighbourhood Plans and liaise with Town/Parish Councils and Neighbourhood Plan groups. Neighbourhood Plan policies will be taken into account in preparing policies and proposals for the "Preferred Options" Local Plan, which will be subject to public consultation.

Community Facilities

Question 36 Community Facilities

Do you agree/disagree that the Local Plan should protect community facilities in sustainable locations and support the provision of new local community services and facilities alongside new development?

Question 36 – Do you agree/disagree that the Local Plan should protect community facilities in sustainable locations and support the provision of new local community services and facilities alongside new development?



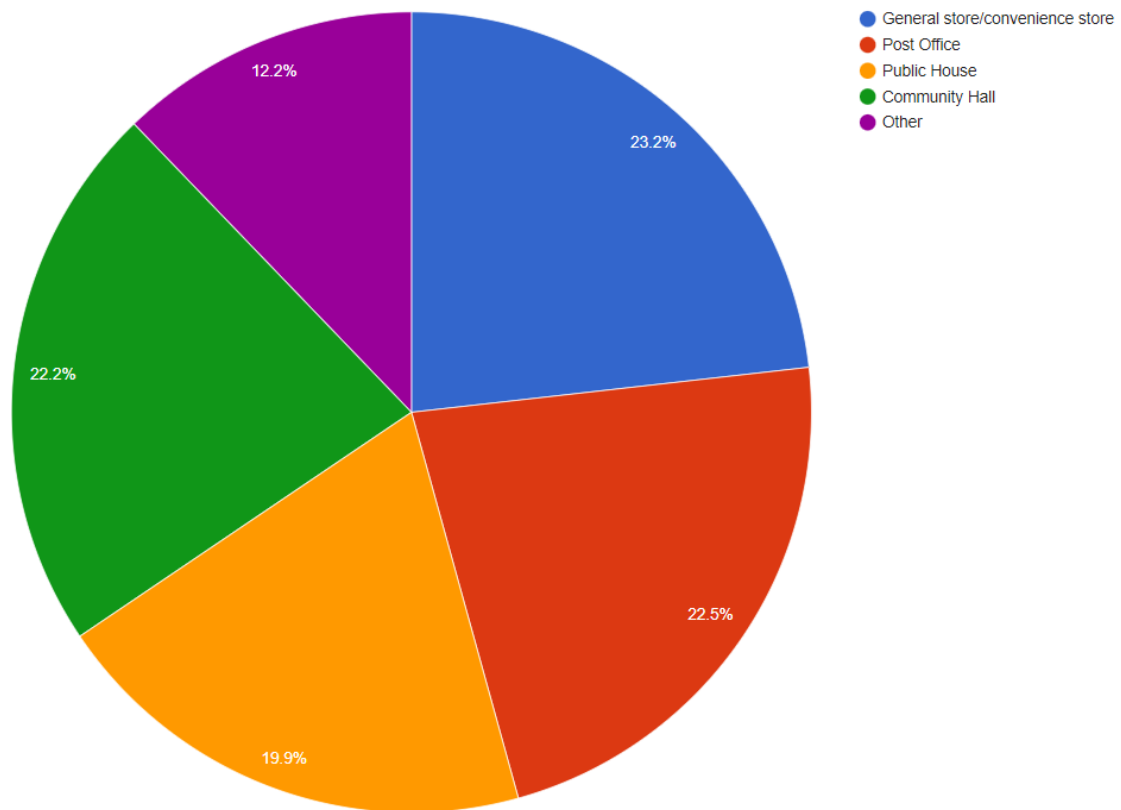
- There were 113 responses to this question;
- 110 (97%) respondents agreed with the approach proposed;
- 3 (3%) respondents disagreed with the approach proposed.

Question 37

Which of the following community facilities should be protected for community use?

- General store/convenience store
- Post Office
- Public House
- Community hall
- GP surgery
- Other (please specify)

Question 37 – Which of the following community facilities should be protected for community use?



Respondents could select more than one option and so the data shows the perceived importance of each service to the individuals that responded.

- 97 (23%) respondents selected General store/convenience
- 94 (23%) respondents selected Post Office
- 83 (20%) respondents selected Public House
- 93 (22%) respondents selected Community Hall
- 51 (12%) respondents selected Other which will be specified below.

Other suggestions include:

- Local sports and leisure facilities
- Activities and facilities for children and young people
- Better public transport
- Safe access by foot and cycle
- Social housing
- Public toilets and changing places
- Multi-purpose community facilities
- Green/blue assets
- Built sport and leisure facilities

Next Steps

All comments made will be taken into account in preparing policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation

Question 38

Do you have any additional suggestions or comments about how the Local Plan can help create safer and stronger communities and support viable and accessible community and cultural facilities?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Follow suggestions included in Neighbourhood Plans
- Safeguard land on strategic sites for future community uses
- Provide facilities and activities for children and young people as part of new development
- Better public transport to outlying areas
- New development should only be allowed where it has significant local support
- Funding should be provided for communities to run facilities
- Focus on the social values when making planning and procurement decisions
- Look and all parish/town council and RCC owned fields for development first
- Support Right to Build and Right to Acquire community facilities
- Allow development in all villages
- Travelling post offices
- Community should run an “online” grocery ordering service for those without broadband /internet
- Developers should build community facilities rather than make S106/CIL payments
- Retain Rutland memorial Hospital and reinstate care beds on the wards
- Community owned shops and pubs
- Multi-functional facilities (such as a shop in a pub)
- Resolve on street parking by ensuring new development has minimum 2 parking spaces each house
- Use S106/CIL money for facilities as the needs arise
- Use redundant and underused churches as community facilities

Next Steps

- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation
- To prepare an Infrastructure Delivery Plan to assess the impact of future development on infrastructure and to develop proposals to mitigate such impacts
- Undertake Health Impact Assessment and Sustainability Appraisal appraise the social, environmental, and economic effects of the emerging plan from the outset and through its various stages of production

Issue 7: Promoting sustainable and active modes of travel

Strategic Objective 12: Ensuring development is supported by essential infrastructure and services and promotes safe movement and more sustainable modes of travel by enhancing greener travel networks for walking, cycling and public transport.

Question 39 Options for promoting sustainable modes of travel

Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Continue with existing approach to direct development to the most sustainable locations and encourage the use of a range of sustainable travel options. (This would need to be updated to reflect national policy and guidance)

Option B: Include policies which actively discourage the use of private cars.

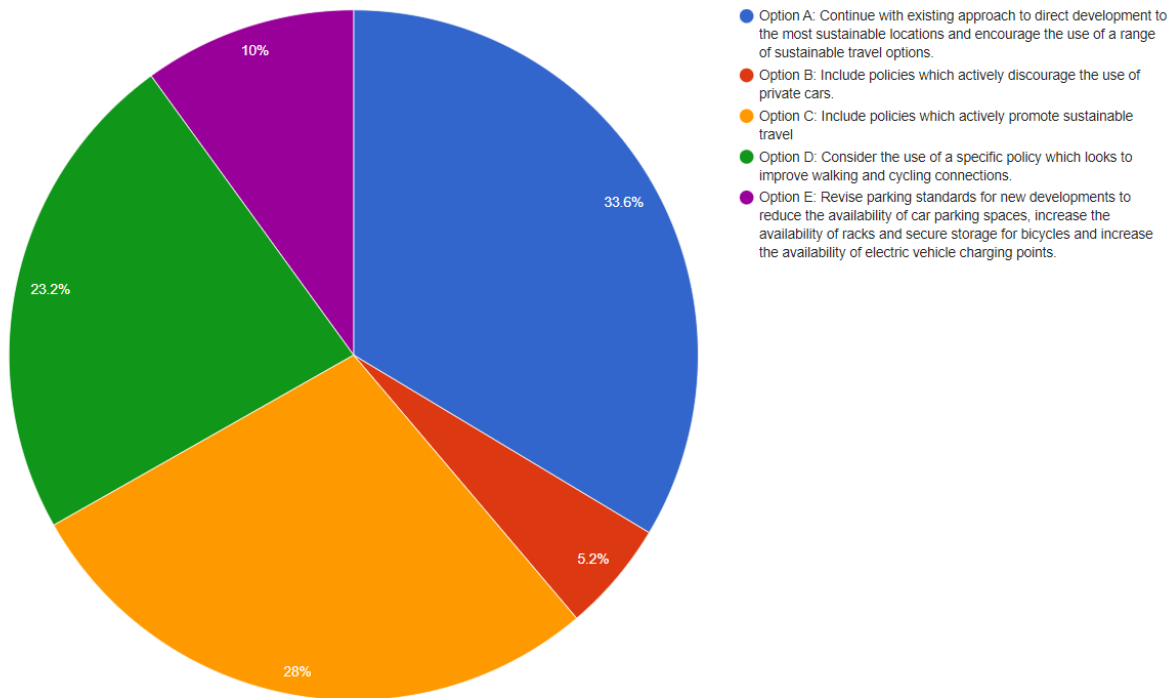
This might include requiring traffic calming measures in new developments, reducing maximum car parking standards and accepting that the capacity of junctions and routes may be exceeded. As a rural County, there are high levels of car dependency which might make this option difficult to implement.

Option C: Include policies which actively promote sustainable travel (this might include requiring new developments to connect to existing centres and services by high quality walking and cycling network and where practical public transport services or establishing maximum walking distances from new homes to a range of identified services (including stops on operational bus routes).

Option D: Consider the use of a specific policy which looks to improve walking and cycling connections. This policy could be used to promote walking and cycling routes within new development sites and ensure there are safe walking and cycling links to the nearest services and facilities. It would set out that streets must be designed to be attractive, safe and prioritise pedestrians and cyclists making this a more attractive way to travel.

Option E: Revise parking standards for new developments to reduce the availability of car parking spaces, increase the availability of racks and secure storage for bicycles and increase the availability of electric vehicle charging points. This would also include requirements for electric charging for both vehicles and bicycles.

Question 39 – Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?



- 84 (33.6%) respondents supported option A;
- 13 (5.2%) respondents supported option B;
- 70(28%) respondents supported option C;
- 58 (23.2%) respondents supported option D;
- 25 (10%) respondents supported option E.

Question 40

Do you have any alternative suggestions for promoting sustainable modes of travel?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- New development should be directed to sustainable locations which offer good access to key services and facilities as well as employment opportunities. It can support the further provision of new infrastructure where this is required.
- Directing development to the main towns will ensure public transport systems can be more viable and walking and cycling is a more reliable option.
- Include other modes of travel such as horse riding.
- Rutland is a rural county and so there is a dependance on the car. Suggesting policies that actively discourage the use of the private car is not supported
- Limiting parking space available and actively discouraging the use of the private car by imposing traffic calming measures is more likely to create poor designed developments with high levels of on street parking.

- The Local Plan should make provision for improving and extending walking and cycling networks and ensure that priority is given first to pedestrian and cycling movements and make this safer with wider pavements or physically separated paths.
- As a predominantly rural authority, it is critical that RCC ensures that its rural villages are well-connected if it is to promote sustainable and active travel
- Strong link should be made to Green Infrastructure, for example cycle and pedestrian routes should incorporate verges or boundaries of natural habitat and street trees to connect to other natural habitats and green spaces.
- Rutland has an ageing population, and their transport needs should be considered as they are more dependent on the car.
- Improve bus links, make more regular and reliable.

Next Steps

- Work with the Highways team and National Highways to ensure that site selection and policy formulation meets objectives for sustainable travel
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.
- To prepare an Infrastructure Delivery Plan to assess the impact of future development on infrastructure and to develop proposals to mitigate such impacts
- To ensure the Sustainability Appraisal appraise the social, environmental, and economic effects of the emerging plan from the outset and through its various stages of production

Issue 8: Ensuring new development is well designed and encourages active and healthy lifestyles

Strategic Objective 8: Ensuring new development and open spaces support health and wellbeing and encourage active and healthy lifestyles.

Health and Wellbeing

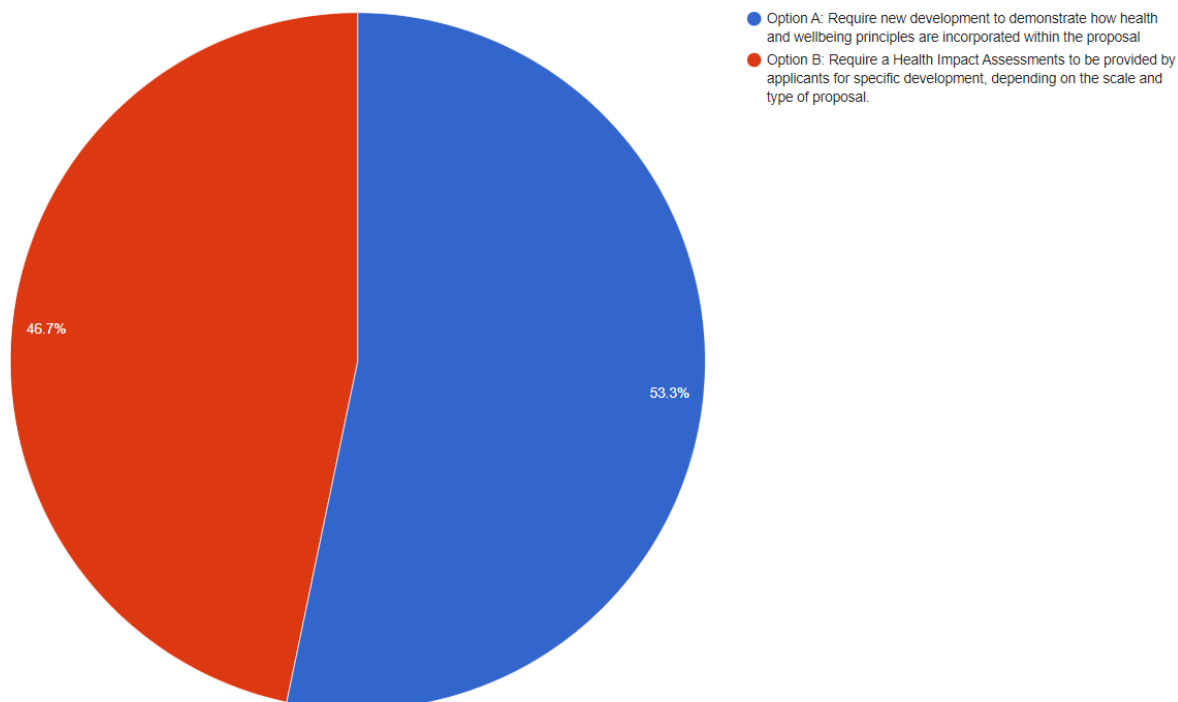
Question 41 Options for Health and Wellbeing

Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Require new development to demonstrate how health and wellbeing principles are incorporated within the proposal.

Option B: Require a Health Impact Assessments to be provided by applicants for specific development, depending on the scale and type of proposal.

Question 41 – Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 122 responses to this question.
- 65 (53.3%) respondents agreed with the approach proposed.
- 57 (46.7%) respondents disagreed with the approach proposed.

Question 42 Health Impact Assessment

What factors (including scale and type of development) should be considered when deciding whether a Health Impact Assessment is required?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- "health" is one element of creating a place and therefore should not be considered in isolation but as part of the overall design of a scheme
- Factors to be considered should include green space/infrastructure and plot layout
- There were lots of different views regarding the scale of development which would require a HIA. One view is that only larger developments should require a HIA as it is not necessary or viable on small developments. The other view held by respondents was that new development should be required to demonstrate how health and wellbeing principles are incorporated.
- The requirement for a Health Impact Assessment should be determined by the scale and type of development. Clear thresholds relating to number of dwellings, size of development and type of land being built on. There is evidence and best practice to support determining the scale.
- Consideration should also be given to including a requirement when there are proposed community facilities or workplaces, covering all 'Use Class' categories. This includes proposals for quarrying, minerals and waste collection as well as road building.

Next Steps

- Work with Public Health colleagues to undertake Health Impact Assessment of the local plan as it develops and to develop policies relating to HIA on development proposals

Design

Question 43 Design

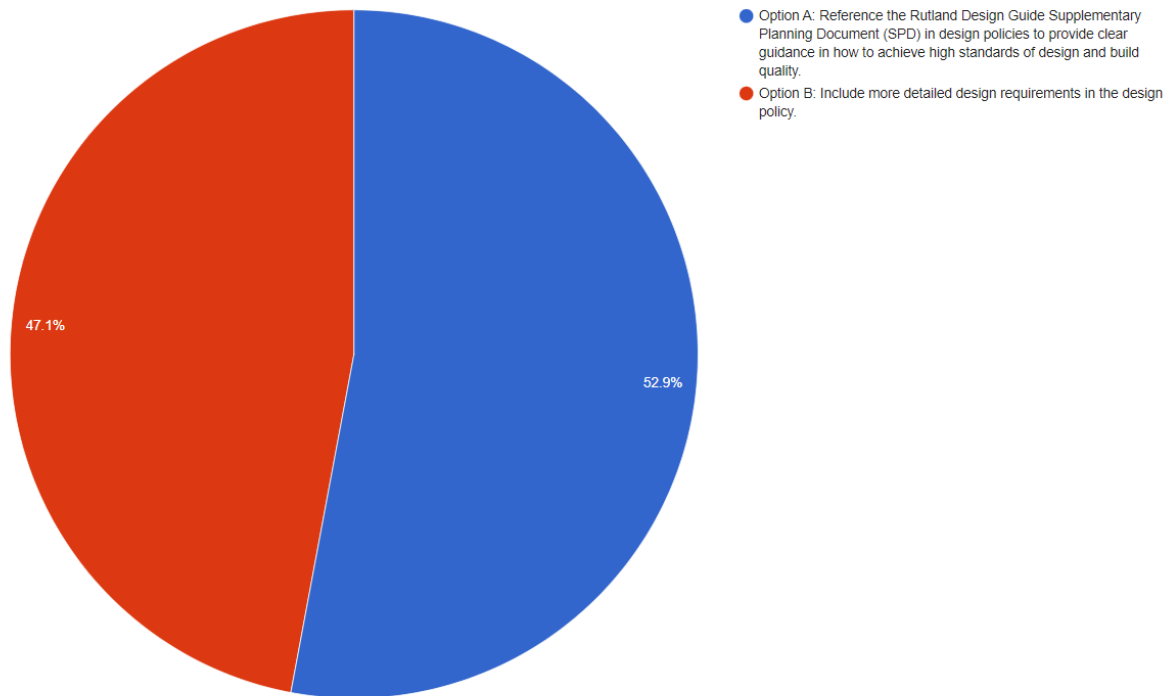
Which option do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Reference the Rutland Design Guide Supplementary Planning Document (SPD) in design policies to provide clear guidance in how to achieve high standards of design and build quality. The SPD will be used to provide design guidance for a wide range of design related issues including those that could enhance the health and wellbeing of the future community of new developments and create places that are resilient to climate change.

Option B: Include more detailed design requirements in the design policy.

Going beyond the current policy approach, additional design requirements could be set out for specific policy areas and additional design criteria could be included for large developments. Policy will specify that 'Building for a healthy Life' will be used to assess the design of new development.

Question 43 – Which option do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 100 responses to this question;
- 54 (52.9%) respondents agreed with the approach proposed;
- 48 (47.1%) respondents disagreed with the approach proposed.

Question 44

Do you have any additional suggestions or comments about how the Local Plan can help to ensure that new development is well designed and encourages active and healthy lifestyles?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Support for the aspiration to achieve high design standards in Rutland in line with objectives of the NPPF that includes design policy to support health and wellbeing of residents and ensuring new development is resilient to climate change.
- Additional design requirements could be set out for specific policy areas and additional design criteria could be included for large developments.
- More detailed matters should be set out in the Design SPD with this subject to updates and amendments as required. In principle, reliance on the SPD is a more appropriate approach to design through the Local Plan as it can be provide a degree of flexibility and is able to be updated between Plan reviews
- Design policies should not be overly prescriptive and should allow for some flexibility and innovation.
- Water efficiency policy to ensure proposals meet an appropriate water efficiency standard in new homes
- Ensure the provision of and access to green space as this vital for health and well-being.

- Suggested that a similar approach of identifying key design principles for the larger site allocations could be used like in the withdrawn Local Plan. However more detailed matters should be set out in the Design SPD.
- It should be standard that the Active Design from Sport England and Building for a Healthy Life are linked to.
- Any current Neighbourhood Plans should be referred to when an applicant is looking at design.

Next Steps

- Develop design policies which reference the Design Guide SPD to ensure it can continue to be used
- Reference emerging carbon zero development policy and proposals within design policies
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

Issue 9: Conserving and enhancing Rutland’s historic assets

Strategic Objective 6 Protecting and enhancing Rutland’s varied and high-quality environment, including its natural landscapes, green infrastructure and biodiversity, as well as its rich historic built environment and cultural assets.

Question 45- Possible policy approach for the protection of historical assets

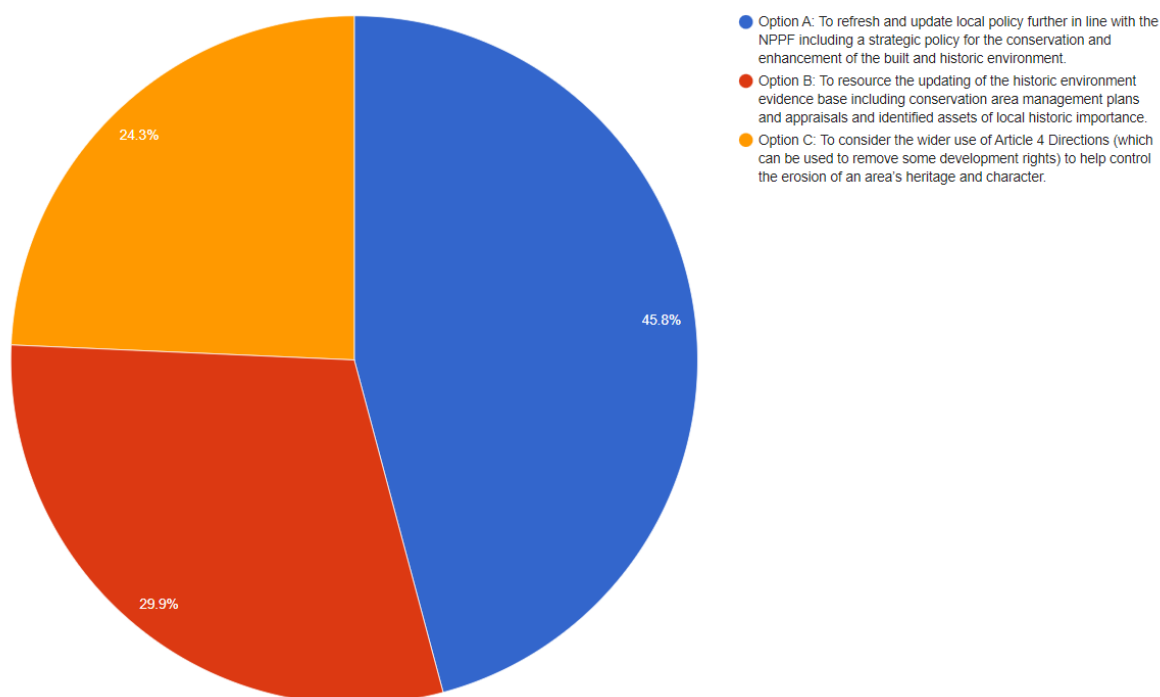
Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: To refresh and update local policy further in line with the NPPF including a strategic policy for the conservation and enhancement of the built and historic environment.

Option B: To resource the updating of the historic environment evidence base including conservation area management plans and appraisals and identified assets of local historic importance.

Option C: To consider the wider use of Article 4 Directions (which can be used to remove some development rights) to help control the erosion of an area’s heritage and character.

Question 45 – Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?



- 66 (45.8%) respondents supported option A;
- 43 (29.9%) respondents supported option B;
- 35 (24.3%) respondents supported option C.

Question 46

Do you have any additional suggestions or comments about how the Local Plan can help conserve and enhance Rutland's historic assets?

There were a number of comments received in response to this and the previous question and the key issues can be summarised as follows:

- The future Policy needs to ensure that the wording within the NPPF and PPG's is replicated, the setting around a historic asset is also something to be protected and needs to be highlighted within the policy.
- The need to review the Conservation Areas was mentioned, as in many instances, changes to the boundary could help preserve the historic assets Rutland already has, alongside this, a review of Listed Buildings could be beneficial as there are several older buildings within Rutland that do not hold Listed status.
- Finally, the demand for support in a sympathetic upgrading of Listed Buildings and historic assets to become more energy efficient and sustainable is encouraged.

Next Steps

- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the "Preferred Options" Local Plan, which will be subject to public consultation.

Issue 10: Protecting and enhancing the County’s biodiversity, wildlife habitats, green and blue infrastructure, and open spaces

Strategic Objective 6: Protecting and enhancing Rutland’s varied and high-quality environment, including its natural landscapes, green infrastructure and biodiversity, as well as its rich historic built environment and cultural assets.

Biodiversity

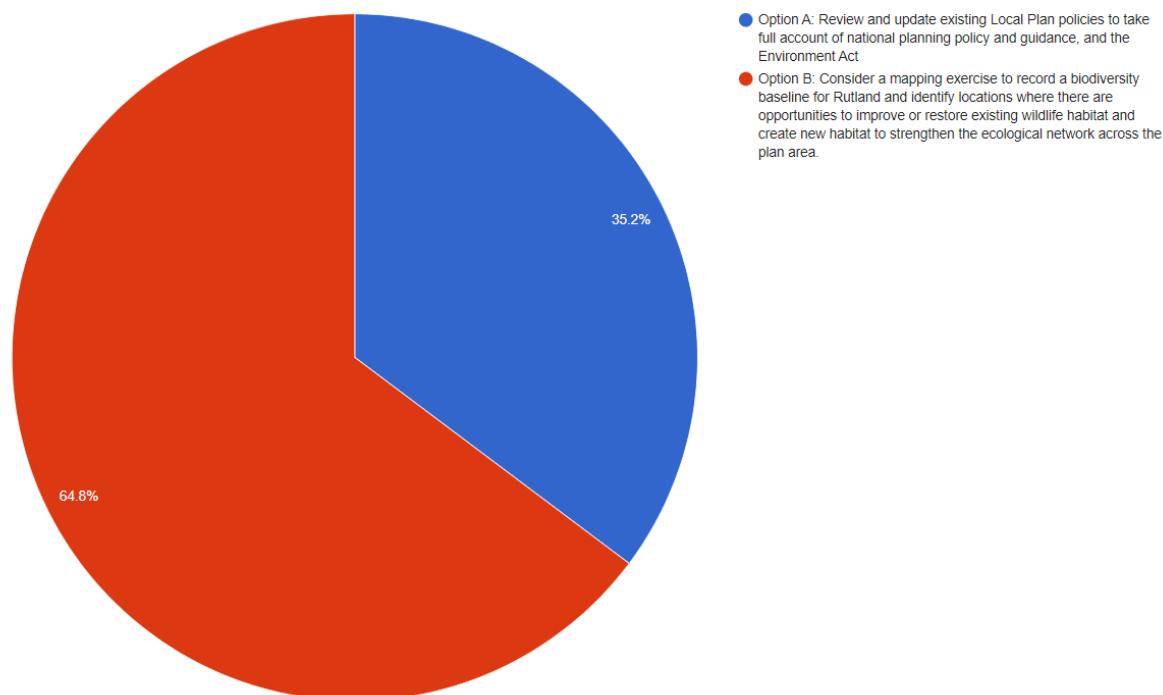
Question 47 Biodiversity

Which option do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Review and update existing Local Plan policies to take full account of national planning policy and guidance, and the Environment Act, (this would include a clear statement of the mitigation hierarchy; the requirement for 10% net gain in biodiversity; and support for the development of a Local Nature Recovery Strategy covering Rutland as it relates to requirements from new development.)

Option B: Consider a mapping exercise to record a biodiversity baseline for Rutland and identify locations where there are opportunities to improve or restore existing wildlife habitat and create new habitat to strengthen the ecological network across the plan area. This would help provide guidance on how Rutland County Council can meet the requirement of the Environment Act.

Question 47 – Which option do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 105 responses to this question;
- 37 (35%) supporting option A;
- 68 (65%) supporting option B.

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- The Council are required to refer to the Local Nature Recovery Strategy as part of its drive for nature recovery.
- The Council's Viability Assessment should provide a sufficiently robust assessment of the impacts of biodiversity net gain on housebuilding.
- A combination of Option A and B is therefore supported to ensure existing opportunities for biodiversity net gain and ecological enhancements are optimised, whilst ensuring the Local Plan Review is kept up-to-date and consistent with the requirements of national policy
- Consider a mapping exercise to record a biodiversity baseline for Rutland and identify locations where there are opportunities to improve or restore existing wildlife habitat and create new habitat to strengthen the ecological network across the plan area

Next Steps

- New biodiversity evidence has been commissioned – this include a mapping exercise
- Continue to work with colleagues at Leicestershire County Council to progress preferred approach to delivering Biodiversity Net gain and Local Nature Recovery Strategy
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.
- To ensure the Sustainability Appraisal appraise the social, environmental, and economic effects of the emerging plan from the outset and through its various stages of production.

Open Spaces, Green and Blue Infrastructure

Question 48 Options for Open spaces

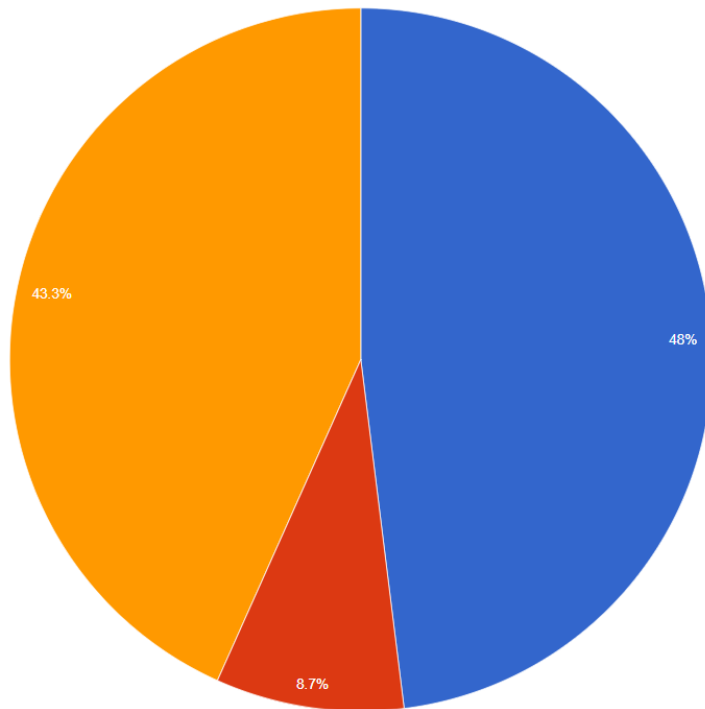
Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Continue with existing approach which includes a standard for open space provision by large scale developments and update the evidence base. The withdrawn Local Plan set out the updated provision standards per 1000 population for each type of open space. This is a well-established approach and would be supported by updated Open Space Assessment evidence. The policy also sets out standards regarding the accessibility and quality of the open space provision. Future needs would also be derived from the latest Playing Pitch Strategy (or equivalent) for sports related facilities.

Option B: Set no specific standards but require provision to be delivered in line with the Council's most up to date evidence. This approach would help to future proof the policy throughout the life span of the Local Plan (given that Sport England recommend that open space and playing pitch evidence is updated every 3 years).

Option C: Set out additional development criteria for new green infrastructure provision. Alongside either Option A or B, additional criteria could be developed which sets out requirements of open space provision. For example, this could include making sure that it is located to maximise its accessibility for all or designed to encourage different groups of people to exercise

Question 48 – Which option(s) do you consider to be most appropriate to include in the Rutland Local Plan?



- Option A: Continue with existing approach which includes a standard for open space provision by large scale developments and update the evidence base.
- Option B: Set no specific standards but require provision to be delivered in line with the Council's most up to date evidence.
- Option c: Set out additional development criteria for new green infrastructure provision

- 61 (48%) respondents supported option A;
- 11 (9%) respondents supported option B;
- 55 (43%) respondents supported option C.

Question 49 Options for the protection of Green and Blue Infrastructure

Which option do you consider to be most appropriate to include in the Rutland Local Plan?

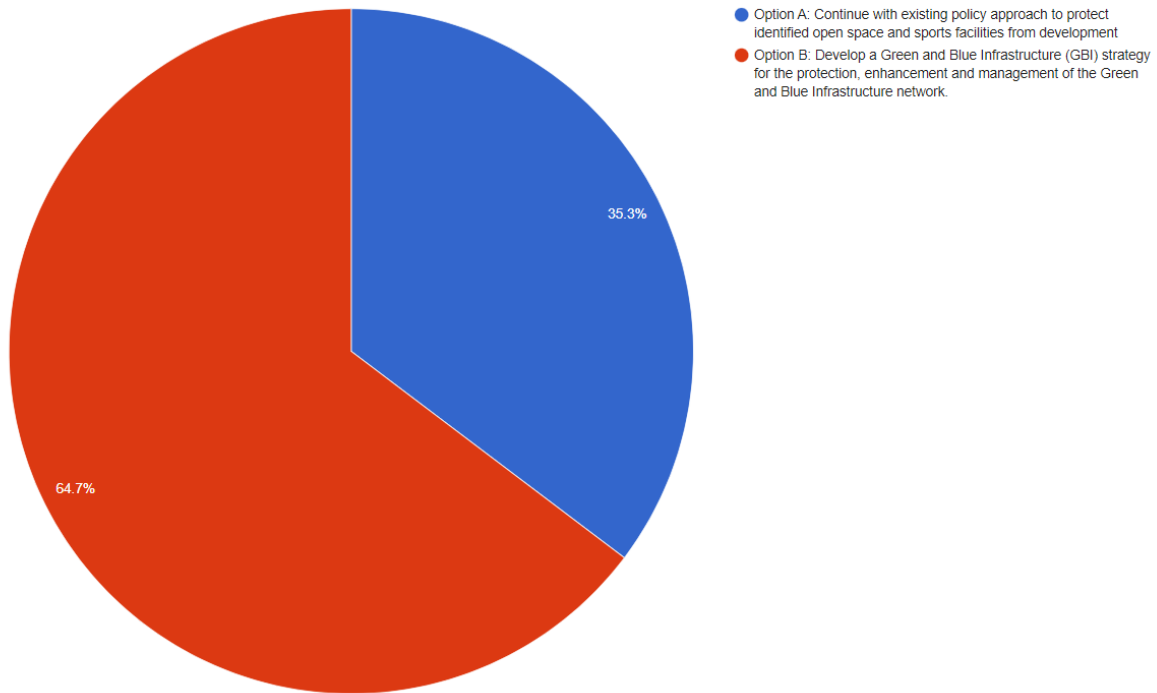
Option A: Continue with existing policy approach to protect identified open space and sports facilities from development.

Local Plan policy sets out that the existing green infrastructure network will be safeguarded, improved and enhanced by further provision to ensure accessible multi-functional green spaces by linking existing areas of open space identified open space and sports facilities.

Option B: Develop a Green and Blue Infrastructure (GBI) strategy for the protection, enhancement and management of the Green and Blue Infrastructure network.

Identify and map the GBI assets of Rutland. Strengthen the existing policy approach by developing a strategy to establish potential opportunities to protect and improve the management of green and blue infrastructure assets, establish a network of multi-functional green space and create new linkages between existing assets.

Question 49 – Which option do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 102 responses to this question;
- 36 (35%) supporting option A;
- 66 (65%) supporting option B.

There were a number of comments received in response to the question and the key issues can be summarised as the principle of utilising the provision of open space and Green Infrastructure to complement each other is broadly supported. This will help to ensure that the Green Infrastructure network is improved and enhanced

Next Steps

- Green /Blue Infrastructure Strategy (including Playing Pitch Strategy has been commissioned to inform the preferred approach and policies
- Use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.
- To prepare an Infrastructure Delivery Plan to assess the impact of future development on infrastructure and to develop proposals to mitigate such impacts
- To ensure the Sustainability Appraisal appraise the social, environmental, and economic effects of the emerging plan from the outset and through its various stages of production

Question 50

Do you have any additional suggestions or comments about how the Local Plan can help protect and enhance the County's biodiversity, wildlife habitats, green and blue infrastructure, and open spaces?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Consider public Rights of Way and informal off road networks
- Safeguarding areas should only cover the extent of mineral deposits and not include any built up areas
- Establish buffer zones for extraction areas to protect existing housing (suggestion given of 500m or 800m)
- Limit extraction to that needed by the county only
- Policy controls over enforcement, extraction rates, future mineral extraction locations
- Environmental protection (noise, dust, traffic, residential and public amenities)
- Minimize /elimination of environmental impacts
- Restoration and biodiversity enhancement
- Transport impact
- Site security and fencing
- Look at alternatives to extraction – alternative building materials, reuse and reduction
- Importance of using local stone supply for historic buildings
- Monitoring and enforcement of mineral extraction rates
- If A1 is upgraded to motorway standard it will require large amount of limestone so local provision should be made for this to be accessed directly from the A1
- Apply national standards
- Aim for carbon neutral cement production - carbon footprint of cement industry accounts for more than flying or shipping globally
- Expand Ketton cement east and west and utilize mined area for industrial units and road infrastructure
- Transporting extracted material must not blight local communities with heavy lorries.
- Include sufficient flexibility in policies to allow for unforeseen demand over the plan period
- Continue to protect mineral reserves from development using mineral safeguarding areas

Issue 11: Addressing minerals and waste requirements alongside environmental considerations

Strategic Objective 11: Ensuring a steady and adequate supply of minerals to meet national, regional and local needs whilst taking account of impacts on environments and local communities.

Minerals

Question 51 Supply and demand for minerals

Do you have any views on factors that may impact on the supply and demand for mineral resources in Rutland that should be taken into account as part of preparing the Local Plan?

Question 52 Efficient and sustainable use of minerals

Do you have any views on how the most efficient and sustainable use of minerals resources can be secured through the Local Plan?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Emphasis should be on reuse and recycling of aggregates and building stone (although use of such materials may require a permit or exemption (Environment Agency))
- Update Local Aggregates Assessment annually
- Cement industry to reduce use of fossil fuel by using more solar and wind power and energy storage
- Co-location of mineral extraction and construction recycling facilities
- Recognition of demolition and excavation waste
- Utilize clay overburden where minerals extracted beneath
- Employ an RCC minerals officer
- Long term (50 year) planning
- Buffer zones to built up areas/ environmental assets such as woods and SSSIs
- Safeguard processing plan at Ketton Cement
- Protecting reserves for future generations

Question 53 Safeguarding minerals resources

Do you have any comments on the approach that the Local Plan should take towards safeguarding mineral resources and infrastructure, specifically:

a. Which of Rutland's mineral resources do you consider should be safeguarded in the Local Plan?

b. Should defined Mineral Safeguarding Areas cover the full extent of the available resources or should it exclude built up areas?

c. Should buffer zones around Mineral Safeguarding Areas be used and should there be any distinction made between different mineral resources and the buffer distances that apply? Suggestions are welcomed regarding the extent of buffer zones.

d. Which, if any, mineral-related infrastructure in Rutland should be considered for safeguarding in the Local Plan?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

a. Which of Rutland's mineral resources do you consider should be safeguarded in the Local

Plan?

- Limestone
- Colleyweston stone
- Sand and gravel reserves
- Local materials for local use
- Rutland must not allow fracking for oil and gas reserves
- Existing quarries
- Minerals to support cement industry

b. Should defined Mineral Safeguarding Areas cover the full extent of the available resources or should it exclude built up areas?

- Protecting reserves for future generations
- exclude built up areas and an adequate buffer
- include the reserves not just for the plan period but also for future generations
- current unviable reserves should be protected
- exclude built up areas from safeguarding
- large limestone deposit available so do not need to safeguard it all

c. Should buffer zones around Mineral Safeguarding Areas be used and should there be any distinction made between different mineral resources and the buffer distances that apply?

Suggestions are welcomed regarding the extent of buffer zones.

- Buffer zones to built up areas/ environmental assets such as woods and SSSIs
- 500 m buffer zones to protect human health and environment
- 800m from nearest residential properties
- 250 buffer suggested for all mineral resources
- Use buffer zones and safeguarding areas buffer zone 3 miles
- 1 mile
- Determined on case by case basis
- adequate buffer zones is vitally important in protecting human health and the environment from the adverse effects of quarrying activities
- buffer zones to avoid any other new development being carried out with the potential of the reserve failing at planning due to the impact on that new development
- no buffer zones around Mineral Safeguarding Areas

d. Which, if any, mineral-related infrastructure in Rutland should be considered for safeguarding in the Local Plan?

- Safeguard processing plan at Ketton Cement

- St George’s Barracks buffered from proposed housing

Question 54 Managing the impact of mineral development

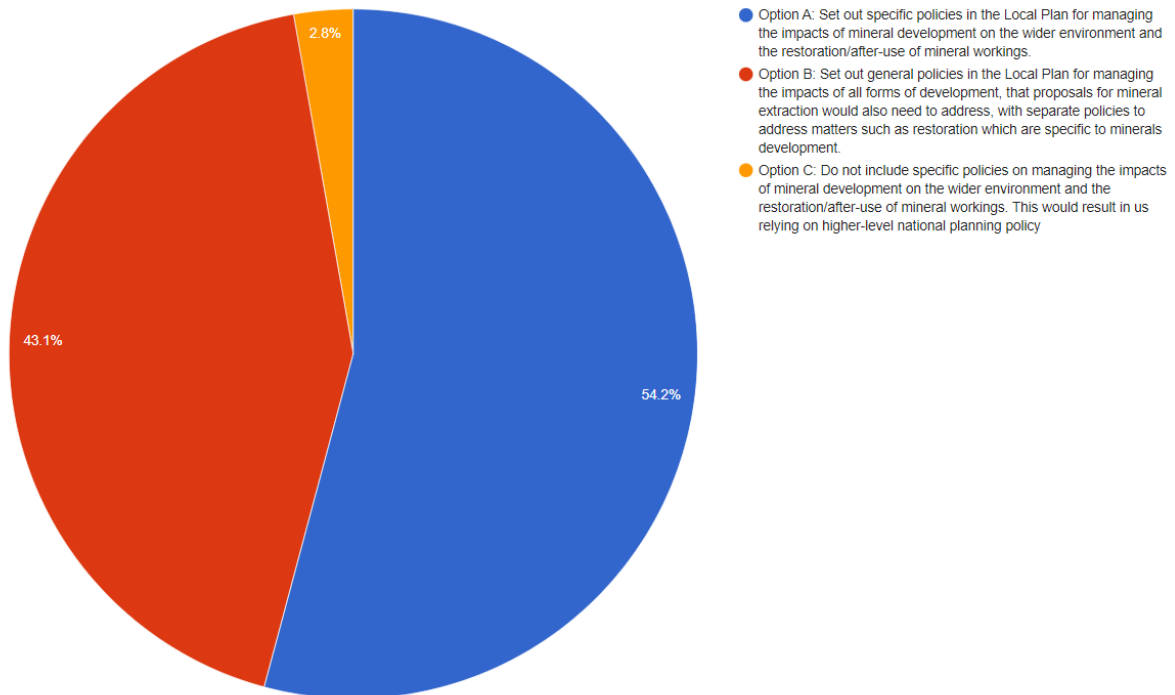
Which option do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Set out specific policies in the Local Plan for managing the impacts of mineral development on the wider environment and the restoration/after-use of mineral workings.

Option B: Set out general policies in the Local Plan for managing the impacts of all forms of development, that proposals for mineral extraction would also need to address, with separate policies to address matters such as restoration which are specific to minerals development.

Option C: Do not include specific policies on managing the impacts of mineral development on the wider environment and the restoration/after-use of mineral workings. This would result in us relying on higher-level national planning policy.

Question 54 – Which option do you consider to be most appropriate to include in the Rutland Local Plan?



- There were 72 responses to this question;
- 39 (54%) supporting option A;
- 31 (43%) supporting option B;
- 2 (3%) supporting option C.

Waste

Question 55 Minimising waste

Do you have any comments on how the Local Plan should seek to meet Rutland's waste management needs?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- a framework and help to residents and businesses to gradually move as far up the hierarchy as possible, focusing on prevention and recycling
- provision of a local Waste Transfer Station
- wider range of waste should be stored at civic sites
- Rutland residents should be able to purchase for a small price some selected and re-usable waste.
- Collect food waste separately.
- Provide public bins that have separate compartments for recycling and other waste
- A bigger variety of recycling bins for private properties
- Initiate a scheme to supply composting bins to households at low cost.
- Education - rubbish roadshows/'clinics' in libraries, sports and other clubs, village halls, youth clubs' and schools etc
- Promote and support a mobile refill shop eg Refill Revolution, visiting Rutland villages.
- The costs of exporting waste (out of county) to be recycled or disposed of must also be a consideration
- Clearly reflect RCC vision to redefine its relationship with waste
- Increase the opening hours of Cottesmore Waste Recycling Centre
- Better information on policies and rules - too much is left to the individual household to decide, which leads to apathy, waste and incorrect recycling
- Continue existing policies and improve where possible
- consider ways to minimise, reuse, recycle waste and treat beneficially (e.g., anaerobic digestion and perhaps supplying heat/electricity to any neighbouring community
- using the most up to date, efficient methods
- copying the Spanish way of dealing with waste - households do not have individual bins there are rows of different category bins in each street so residents have to split/sort their waste and take it out to the bins
- alternative approach is needed to encourage and facilitate net self-sufficiency – this should be set out in Objective 10
- Adequate space on new developments for bins
- Cut plastic use as much as possible in shops and packaging and discourage use of plastic bottle
- Carry out evidence-based study to understand how much waste will need to be managed in the future
- electrical collection system
- a free large item service as travelling long distances to recycling centres is expensive and wasteful of fuel ... and this would diminish fly tipping

Question 56 Options for Identifying Sites for Waste Management

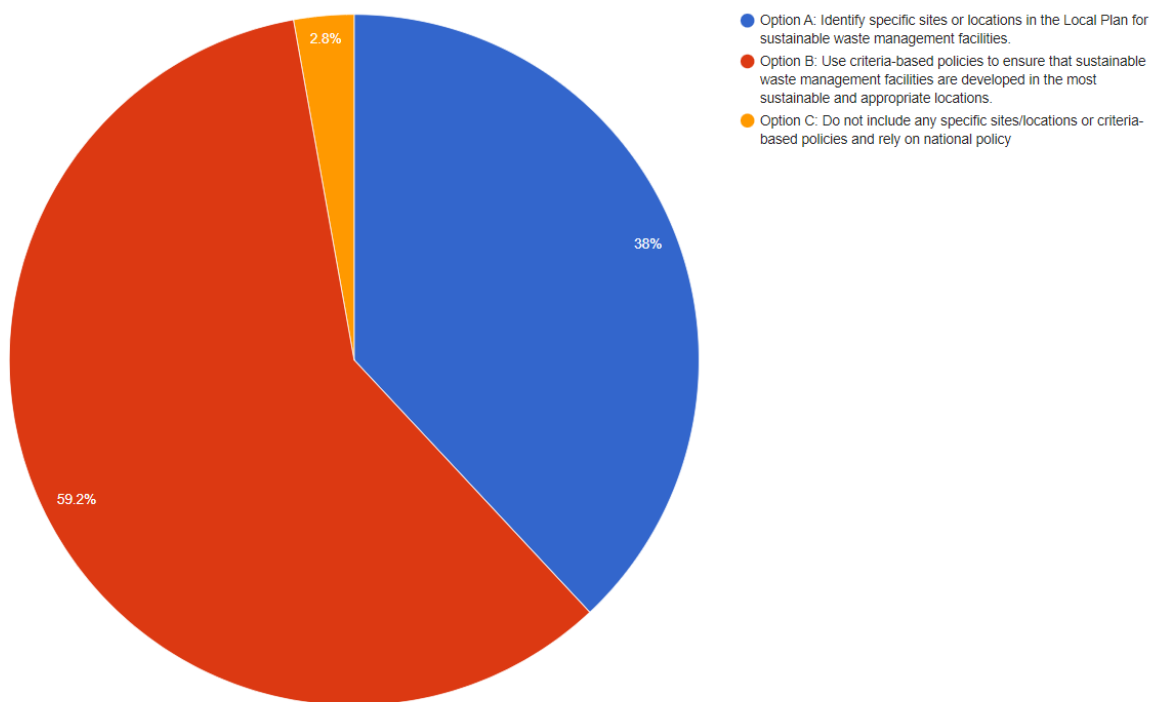
Which option do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Identify specific sites or locations in the Local Plan for sustainable waste management facilities.

Option B: Use criteria-based policies to ensure that sustainable waste management facilities are developed in the most sustainable and appropriate locations.

Option C: Do not include any specific sites/locations or criteria-based policies and rely on national policy

Question 56 – Which option do you consider to be most appropriate to include in the Rutland Local Plan?



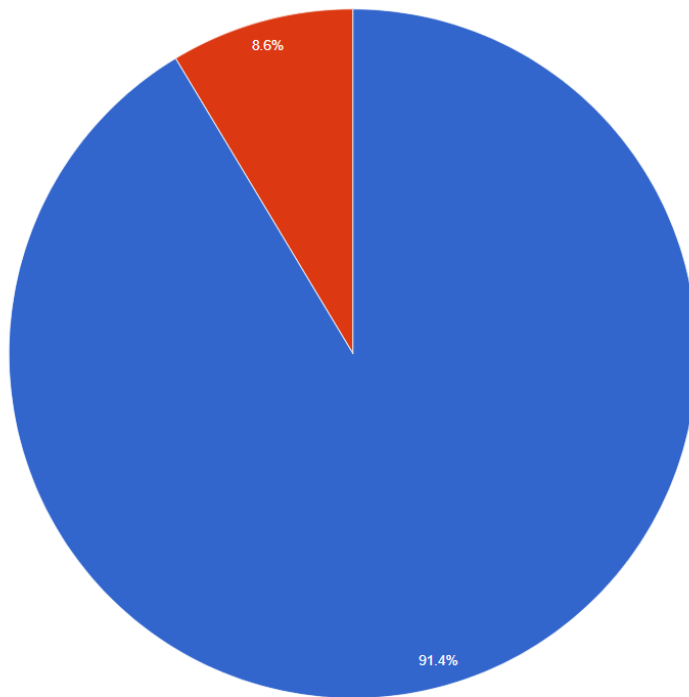
- There were 71 responses to this question;
- 27 (38%) supporting option A;
- 42 (59%) supporting option B;
- 2 (3%) supporting option C.

Question 57 Options for Managing the Impact of Waste Development

Option A: Set out specific policies in the Local Plan for managing the impacts of waste development on the wider environment.

Option B: Do not include specific policies on managing the impacts of waste development on the wider environment and rely on higher-level national planning policy.

Question 57 – Which option do you consider to be most appropriate to include in the Rutland Local Plan?



- Option A: Set out specific policies in the Local Plan for managing the impacts of waste development on the wider environment.
- Option B: Do not include specific policies on managing the impacts of waste development on the wider environment and rely on higher-level national planning policy.

- There were 55 responses to this question;
- 53 (91.4%) supporting option A;
- 5 (8.6%) supporting option B.

Question 58

Do you have any additional suggestions or comments for addressing minerals and waste requirements in the Local Plan?

There were a number of comments received in response to the question and the key issues can be summarised as follows:

- Allocate sites with buffer zones for waste management facilities
- Sub-regional waste disposal at Woolfox
- Training the public on how to reduce waste
- Food waste scheme
- System to recycle “green” packaging
- Ensure protection of aquifers and groundwater
- Regard to land contamination and risk management
- Make landfill sites visible to promote waste reduction

Next Steps

- Working with North Northamptonshire Council Mineral Planning Team to develop the policy framework for minerals and waste

- Carry out site assessments of areas proposed for mineral and waste development through the Call for Sites
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.
- To prepare an Infrastructure Delivery Plan to assess the impact of future development on infrastructure and to develop proposals to mitigate such impacts
- To ensure the Sustainability Appraisal appraise the social, environmental, and economic effects of the emerging plan from the outset and through its various stages of production

Issue 12: Ensuring development is supported by essential infrastructure and services

Strategic Objective 12: Ensuring development is supported by essential infrastructure and services and promotes safe movement and more sustainable modes of travel by enhancing greener travel networks for walking, cycling and public transport.

Question 59 Options for funding Infrastructure improvements

Which option do you consider to be most appropriate to include in the Rutland Local Plan?

Option A: Continue with a dispersed strategy for new development and allocate CIL funding to projects across the County.

This will spread the available funding to more places but will spread it more thinly meaning that there may not be sufficient funds to fund everything. It will also make it more difficult to deliver strategic approach to infrastructure investment.

Option B: focus new development in a single location where the benefits of infrastructure investment can be concentrated.

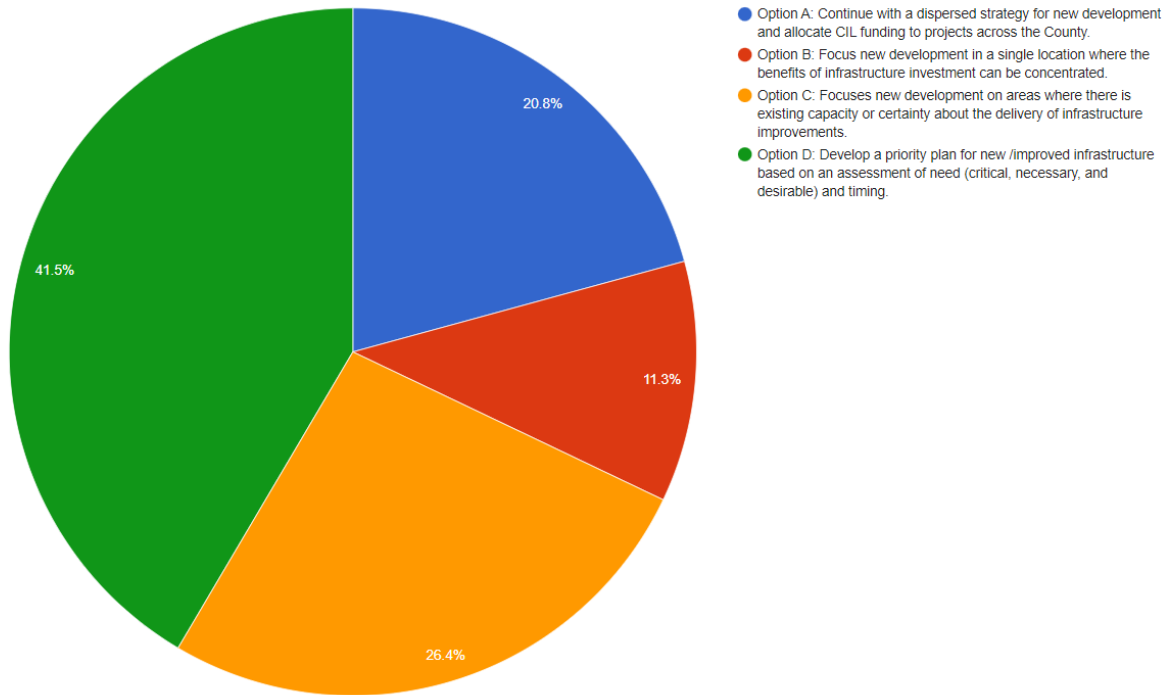
Economies of scale would mean that new/improved education, healthcare and utility infrastructure could be provided as part of a major development concentrating funds in a single location and reducing pressure on existing infrastructure elsewhere in the county.

Option C: focuses new development on areas where there is existing capacity or certainty about the delivery of infrastructure improvements.

This would result in an infrastructure led approach to the selection of development sites and settlement hierarchy.

Option D: Develop a priority plan for new /improved infrastructure based on an assessment of need (critical, necessary, and desirable) and timing. This would recognise that CIL funding alone is not sufficient to deliver all infrastructure improvements and will help to focus the investment plans of other agencies and support funding bids to government and other agencies.

Question 59 – Which option do you consider to be most appropriate to include in the Rutland Local Plan?



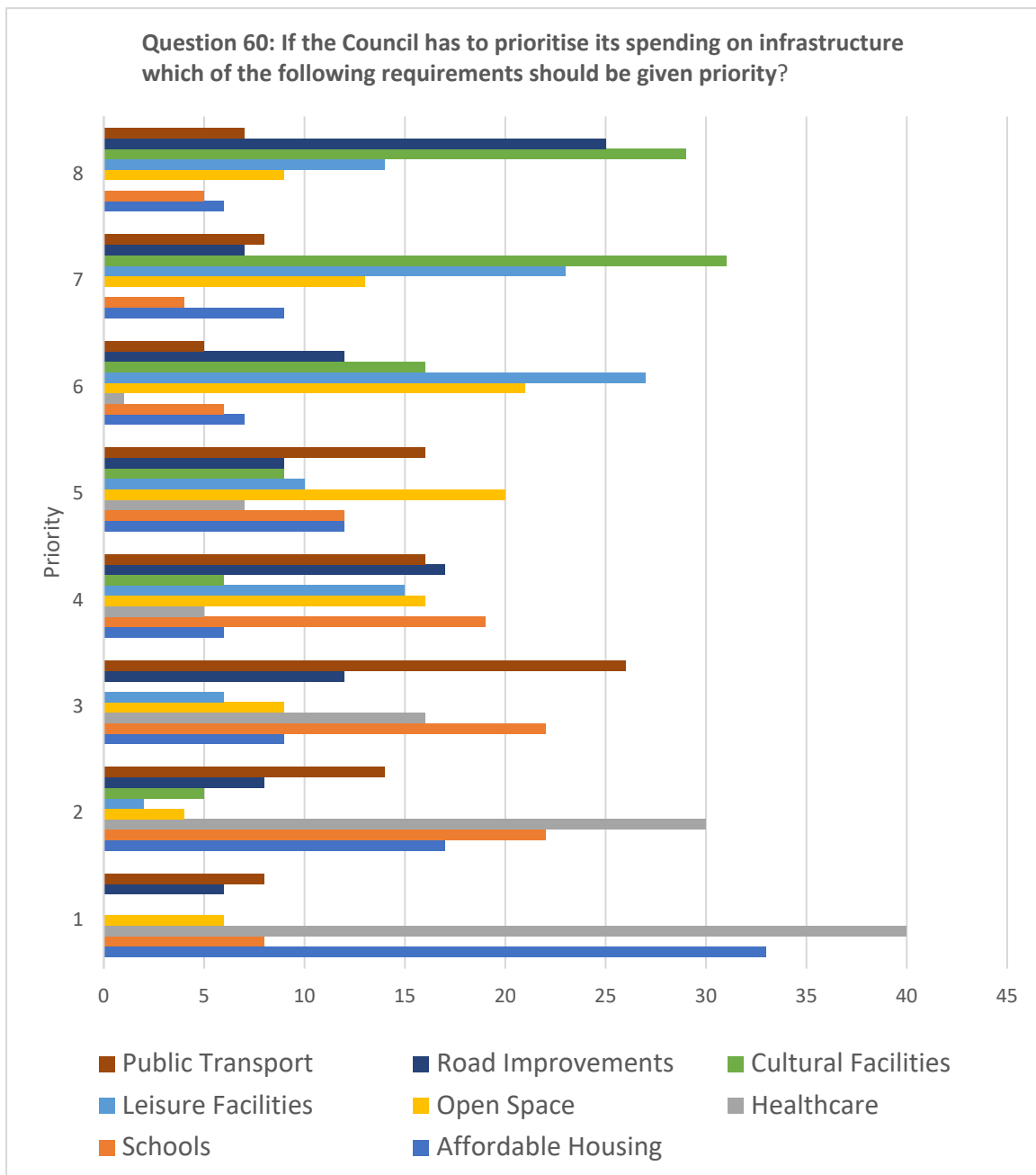
- There were 106 responses to this question;
- 22 responses (21%) supporting option A;
- 12 Responses (11%) supporting option B;
- 28 Responses (26%) supporting option C;
- 44 Responses (42%) supporting option D.

There were a number of comments received that these options are not mutually exclusive, and consideration should be given to a combined approach of B, C and D

Question 60: Prioritisation of Infrastructure

If the Council has to prioritise its spending on infrastructure which of the following requirements should be given priority?

- Affordable Housing
- Schools
- Healthcare
- Open space
- Leisure facilities
- Cultural facilities
- Road improvements
- Public transport



The graph above sets out how many respondents prioritized the eight facilities identified as priority 1 (from the bottom of the graph) to 8 (at the top of the graph). So, most respondents prioritized healthcare and affordable housing as priority 1; whilst cultural facilities and road improvements were put as priority 8 by most respondents. Following this graph would imply overall the following prioritization of the eight facilities:

1. Healthcare
2. Affordable Housing
3. Schools
4. Public transport
5. Open space
6. Leisure facilities
7. Cultural facilities
8. Road improvements

Comments were also made that affordable housing should not be seen as infrastructure but as part of the housing mix. And the following were suggested should be included as infrastructure in this list:

- Water supply and wastewater
- Green/Blue infrastructure
- Digital infrastructure

Next Steps

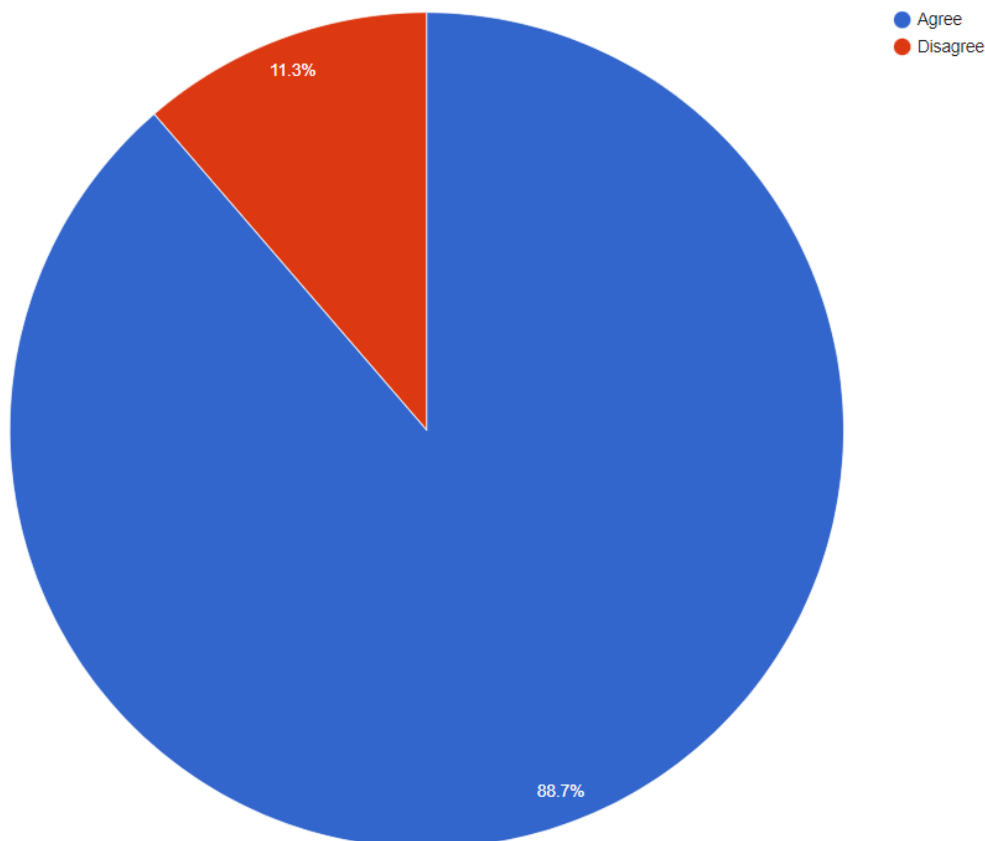
- To prepare an Infrastructure Delivery Plan to assess the impact of future development on infrastructure and to develop proposals to mitigate such impacts
- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

Question 61

Ensuring new development includes on-site infrastructure and services

Do you think the new Local Plan should include development requirements for each allocated site?

Question 61 – Do you think the new Local Plan should include development requirements for each allocated site?



- There were 97 responses to this question;
- 86 (89%) respondents agreed with the approach proposed;
- 11 (11%) respondents disagreed with the approach proposed.

Next Steps

- To sift and assess sites submitted through the Call for Sites in order to allocate the right amount of development in the right places to meet identified needs.
- To ensure the Sustainability Appraisal appraise the social, environmental, and economic effects of the emerging plan from the outset and through its various stages of production.
- To prepare an Infrastructure Delivery Plan to assess the impact of future development on infrastructure and to develop proposals to mitigate such impacts

Question 62

Do you have any additional suggestions or comments about how the Local Plan can ensure that new development is supported by essential infrastructure and services?

A large number of suggestions were made about how new development should be supported by infrastructure and services, as summarized below:

- Use multifunctional infrastructure solutions such as road improvements which are designed to provide flood storage and carbon sequestration
- Funding of multi-user network of rights of way off road.
- Development proposals to be aligned with the health and wellbeing strategy
- Proposals be required to show how meet the Local Plan Vision
- Local on-site shop for developments of 300+ houses
- Development proposals demonstrate they have adequate electric, water and sewage services in place
- Allocate site for a bus depot in Rutland
- New homes to have 2+ parking spaces, bike storage, wheelie bin storage, outdoor washing lines
- Provide social housing as well as affordable housing
- Reference Neighbourhood Plans and their priorities for infrastructure improvements
- Regular (every 30 mins) bus service to the Local Service Centres
- Infrastructure before housing
- Create local jobs
- Prompt preparation of an IDP to establish priorities and funding

Next Steps

- To use appropriate evidence and take account of all comments made through the Issues and Options consultation to prepare policies and proposals for the “Preferred Options” Local Plan, which will be subject to public consultation.

- To prepare an Infrastructure Delivery Plan to assess the impact of future development on infrastructure and to develop proposals to mitigate such impacts
- To prepare a whole Plan viability study to assess the cumulative impact of policies on the viability and deliverability of development

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CABINET

12 January 2023

TREASURY MANAGEMENT STRATEGY AND CAPITAL INVESTMENT STRATEGY

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

Strategic Aim:	A modern and effective Council	
Key Decision: Yes	Forward Plan Reference: FP/140422	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor 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
	Andrew Merry, Head of Finance	01572 758152 amerry@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet recommends to Council to approve:

- 1) the Treasury Management Strategy in Appendix 1 including the Investment Strategy, Borrowing strategy, Minimum Revenue Provision statement and Capital Expenditure Prudential indicators.
- 2) 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 2023/24, linked to the Council’s Budget, Medium Term Financial Plan and Capital Programme.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Background

2.1.1 Over the past few years, Treasury Management has become high profile as a

number of Council's treasury activity has hit the headlines. Excessive borrowing and investments in property and other commercial ventures has got some Council's into financial trouble to the point that they now face intervention and/or have been issued with s114 notices.

2.1.2 In response to this activity, regulations have been tightened to prevent what regulators including CIPFA believe is reckless activity and now the requirements placed on all Council's is greater than ever. Examples of recent and proposed regulations include:

- HM Treasury/PWLB – including the purchase of an investment asset primarily for yield in an authority's capital programme will result in a ban on taking any PWLB loans for any asset that financial year;
- CIPFA Prudential Code – local authorities must not borrow to invest primarily for financial return;
- DLUHC Minimum Revenue Provision Regulations (Consultation) – MRP must be made in full on all commercial investments and not rely on future sale proceeds; and
- Levelling Up and Regeneration Bill – May cap borrowing, direct assets to be sold or ban PWLB access where a Council is taking on excessive risk.

2.1.3 Our activity has been conservative. Our Strategy does not allow for commercial investments, we have no desire to borrow in light of our financial position unless there are revenue benefits, and we place investment security above yield. This approach has served us well and will be continued.

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

Treasury Management Strategy (TMS)	Capital Investment Strategy (CIS)
	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 points are covered here, including any new issues for 23/24.

- a) The Council will not borrow to invest solely for commercial gain (Appendix 1, Para 3.5.4);
- b) 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 3.4.1);
- c) The Council's focus is currently on deposits for up to a 6-month period, in order to take advantage of the base rate increases a laddering approach to investments has been adopted. The base rate is predicted to peak in 2023/24 and therefore the Council will review the best investment approach at the time of investment;
- d) SONIA (Sterling Overnight Index Average) was adopted as the investment benchmark following the discontinuation of LIBOR in 2021. To reflect the current investment approach as detailed above, the investment benchmark to be used in 2023/24 is the SONIA 1-month rate.
- e) The Council continues to include 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. ESG issues to be addressed within an authority's treasury management policies and practices (TMP1). (Appendix 1, Para 4.4.5).
- f) NEW - The Council proposes to introduce an additional verification on the status of other Local Authorities, where the Authority is subject to DLUHC intervention they will not be included as a suitable counterparty for investment (Appendix 1, Para 4.5.2). So for example, investment in Thurrock BC would not be allowed.
- g) NEW - There has been Investment guidance issued from CIPFA and Department for Housing, Levelling Up and Communities (DLUHC) which requires new indicators around commercial investments. As the

Councils policy is now not to invest in this type of investment they are not required.

- h) NEW - There is currently an open consultation on MRP as indicated in 2.1.2. (Appendix 1, 5.2.3). The Council's practice is prudent and any proposed changes are unlikely to affect its MRP policy.
- i) NEW – The Council has to adopt a new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement. It tells Members whether we have a future need to borrow (Appendix 1, 2.3.2).
- j) NEW – Council is required to keep training records for Officers and Members to be proportionate to the size and complexity of the treasury management conducted – training will be organised for Members post the May Election (Appendix 1,1.3.4); and
- k) NEW - Reporting to Members is to be done quarterly. Specifically, the Strategic Director for Resources is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. These will be added to the performance framework (Appendix 1, 1.2.5)

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 Corporate Strategy outcomes.

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.

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

- a) The Council incurs capital expenditure/makes capital investment to deliver on its aims and priorities including statutory objectives;
- b) The Council does have various approved strategies and plans which set out ambitions. It also has a new Corporate Strategy.
- c) The Council's current investment plans tend to be short range (span 2-3 years only). Cabinet have also made some provisional priorities for funds held (Report 197/2022). The Council will build on this work and be in a position to develop a longer term investment programme covering say the next 10 years aligned with its work on a new Local Plan.
- d) 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.

- e) Capital investment/expenditure has traditionally focused on what are called “service investments” – investment in assets held primarily for the delivery of operational services.
- f) The Council has an “Invest to Save Policy”. 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. Commercial investments are not permitted under its current policy.

2.5 Oversight and prudential indicators

2.5.1 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 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 (PI6)	The level of external debt the Council can afford.	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
Authorised Limit (PI7)	Level beyond which external debt is prohibited.	If the Council is being asked to increase this limit (i.e. borrow more), 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 Estimates (PI1) and Actuals (PI2)	An indicator of affordability and shows the revenue implications of existing and proposed capital expenditure	If the proportion of the revenue budget required to meet borrowing costs increases from its current level Members should seek to understand the reason for change. It could show that our plans are not affordable.	Appendix 1 5.3.2
Net income from commercial and service investments to net revenue stream	An indicator which shows how reliant the Council is on income from commercial and service investments	This shows the exposure of the Council to income from commercial and service investments. As Commercial activity is not allowed under our Strategy this should not move significantly.	Appendix 1 5.3.7

Indicator	Description	What it shows	Where is it
Investment Income Returns	Revenue generated from investment returns	Should the revenue budget not be achieved, this could indicate either: balances different to that forecast or interest rate achieved lower than expected.	Appendix 1 4.8.1

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

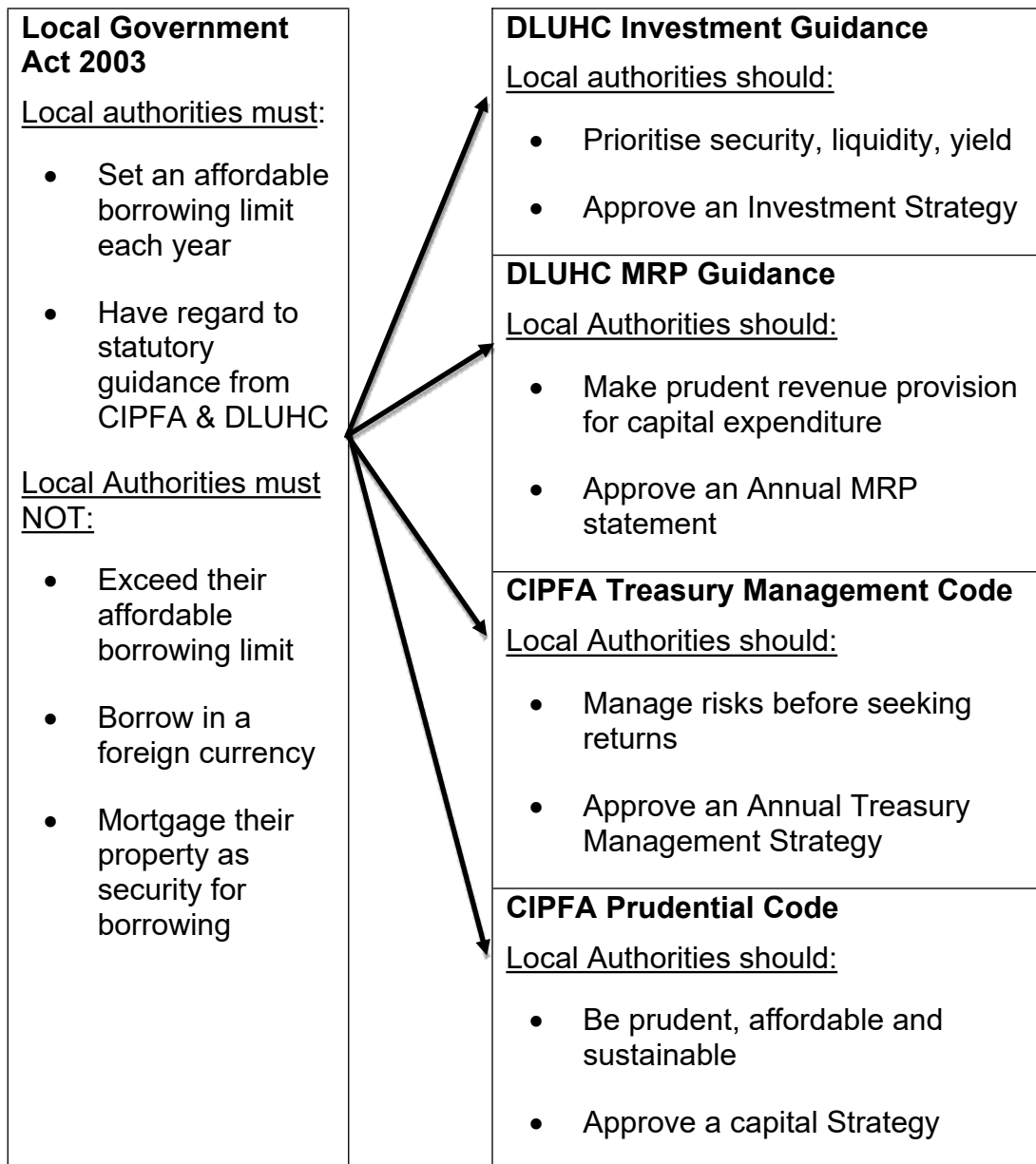
- 4.1 Option 1. To approve the Capital Investment Strategy and Treasury Management Strategy as presented. This is the recommended option.
- 4.2 Option 2. Not to accept the 2023/24 Treasury Management Strategy and Capital Strategy. This is not recommended as it means that the Council will be in breach 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 A summary of the regulatory framework is shown on the following page.



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 as there are no data protection implications.

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

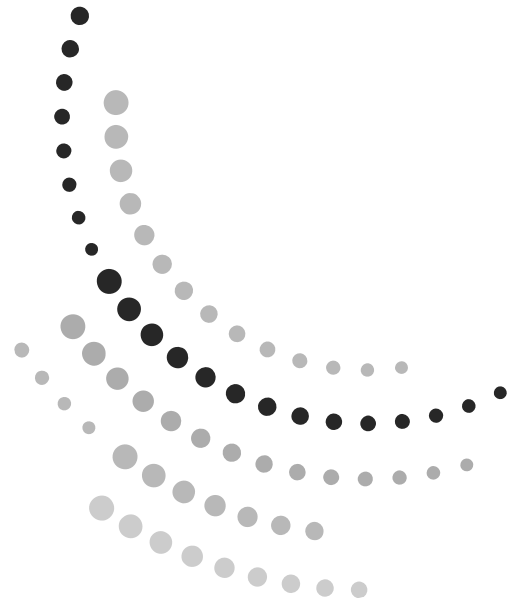
13.1 Appendix 1 Treasury Management Strategy

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



Appendix 1

Treasury Management Strategy

2023-24

Version & Policy Number	TMS 23/24
Guardian	Andrew Merry, Head of Finance
Date Produced	December 2022
Next Review Date	December 2023

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1 INTRODUCTION

1.1 Background to Treasury Management

1.1.1 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."

1.1.2 Another 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.

1.2 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.
- 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 **Quarterly reports** – In addition to the three major reports detailed above, from 2023/24 quarterly reporting is also required. These additional reports do not have to be reported to Full Council but are required to be adequately scrutinised. Information will be included in the Corporate Performance report.

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 Training

- 1.3.1 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.
- 1.3.2 Furthermore, the Code states that they expect "all organisations to have a

formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making”.

- 1.3.3 In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’.
- 1.3.4 Training for Members will be organised as part of the Induction process for new Members following the May Election. This is likely to take place in September 2023. A formal record of the training received by Members/Officers central to the Treasury function will be maintained by the Finance Business Partner.

1.4 Treasury Management Consultants

- 1.4.1 The Council uses Link Group, Treasury solutions as its external treasury management advisors.
- 1.4.2 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.
- 1.4.3 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 2023/24 – 2025/26

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 2023 the Council estimates that it will have capital projects approved of £16.396m. The details of this are shown in Budget Report (Report No: 02/2023).
- 2.1.3 The table below shows the indicative spend profile of approved capital projects included in the 2023/24 budget. Whilst the Council may have approved a project in 2023/24 spending may not occur until 2023/24.

Estimates of capital expenditure (Prudential Indicator (PI3)) and Actual capital expenditure (PI4)

Estimated Capital expenditure	Actuals 2021/22	Projects 2022/23	Projects 2023/24	Projects 2024/25	Projects 2025/26
	£000	£000	£000	£000	£000
Total Service Investments	5,173	6,663	2,259	2,686	282
Total Commercial Activities/non-financial investments*	0	0	0	0	0
Total	5,173	6,663	2,259	2,686	282
Ring-fenced grant- allocated	0	0	270	270	0
Non ring-fenced grants-unallocated	0	0	2,381	2,381	2,381
Total **	5,173	6,663	4,910	5,337	2,663

* 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 22/23 is £16.396m. The table above is not replicating the Capital Programme as there are projects that would have been started prior to 2021/22 and some of the future year's projects will not yet be in the approved capital budget. However, the 2021/22 outturn and 2022/23 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 2023/24. Funding for any future projects will be funded in full or in part from unallocated funding.

2.1.5 The table below shows 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 2021/22	Projects 2022/23	Projects 2023/24	Projects 2024/25	Projects 2025/26
	£000	£000	£000	£000	£000
Grant	5,021	6,257	4,445	4,185	2,663
Capital Receipts	32	100	465	30	0

RCCO	46	199	0	44	0
Oakham North	0	45	0	0	0
S106/CIL	72	62	0	728	0
Total Funding	5,171	6,663	4,910	4,987	2,663
Borrowing Need	2	0	0	350	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 be noted that the financing need from 2023/24 is zero as no external borrowing is planned. The borrowing need in 2024/25 is prudential borrowing for the Digital Rutland Full Fibre project.

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

	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Est	Est	Est	Est
	£000	£000	£000	£000	£000
Capital Financing Requirement					
CFR – Services 1 Apr	20,038	19,426	18,811	18,196	17,931
Movement in Year	(612)	(615)	(615)	(265)	(629)
Total CFR	19,426	18,811	18,196	17,931	17,302
Movement in CFR represented by					

Net financing need for the year (above)	2	0	0	350	0
Less MRP and other financing movements	(614)	(615)	(615)	(615)	(629)
Movement in CFR	(612)	(615)	(615)	(265)	(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.

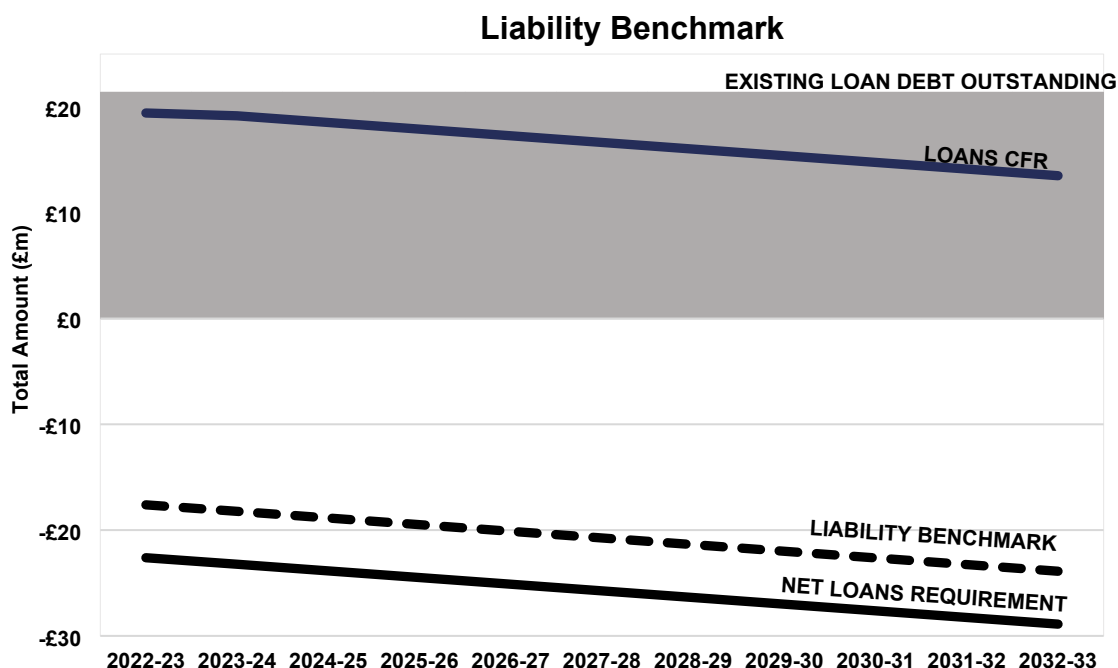
2.3 Liability Benchmark

2.3.1 A third and new prudential indicator for 2023/24 is the Liability Benchmark. The Council is required to estimate and measure the liability benchmark for the forthcoming financial year and the following two financial years, as a minimum. CIPFA strongly recommends the benchmark is produced for at least 10 years as a minimum.

2.3.2 There are four components to the liability benchmark:

- Existing loan debt outstanding: loans outstanding in future years.
- Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
- Net loans requirement: this will show the gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

- Liability benchmark: this equals net loans requirement plus short-term liquidity allowance.



2.3.3 If the liability benchmark is less than the existing external loan debt outstanding, it means that the Council has no new borrowing needs and excess cash should be invested in line with the investment strategy. Conversely, if the liability benchmark is more than external debt outstanding then there is a need to borrow.

2.4 Core Funds and Expected Investment Balances

2.4.1 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	2021/22 Actual £000	2022/23 Est £000	2023/24 Est £000	2024/25 Est £000	2025/26 Est £000
Fund balances / reserves	42,014	29,738	26,875	22,431	21,298
Capital receipts	1,591	1,491	1,541	1,591	1,641
Provisions	2,054	2,054	2,054	2,054	2,054
Total core funds	45,659	33,283	30,470	26,076	24,993
Working capital*	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
New borrowing	-	-	-	-	-
Expected investments	43,659	31,283	28,470	24,076	22,993

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

3 BORROWING

3.1 Borrowing objectives

3.1.1 There are six 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 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 £21.386m (this assumes the LEP loan is repaid in early 2023) which 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. Included

within the £21.386m is £8.232m of debt that was inherited from Leicestershire in the Local Government Re-organisation in 1997. Annexe A1 shows the details of these loans.

- 3.2.2 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.
- 3.2.3 The external debt projections are shown below. 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	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Est	Est	Est	Est
	£000	£000	£000	£000	£000
External Debt					
Debt - 1 April	22,226	22,058	21,386	21,386	21,386
Expected Change in Debt	(168)	(672)	0	0	0
Actual /projected Gross Debt 31 March	22,058	21,386	21,386	21,386	21,386
Capital Financing Requirement	19,426	18,811	18,196	17,931	17,302
Under / (Over) Borrowing	(2,632)	(2,575)	(3,190)	(3,455)	(4,084)

- 3.2.4 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 2023/24 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.
- 3.2.5 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 3.3.5).

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	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 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

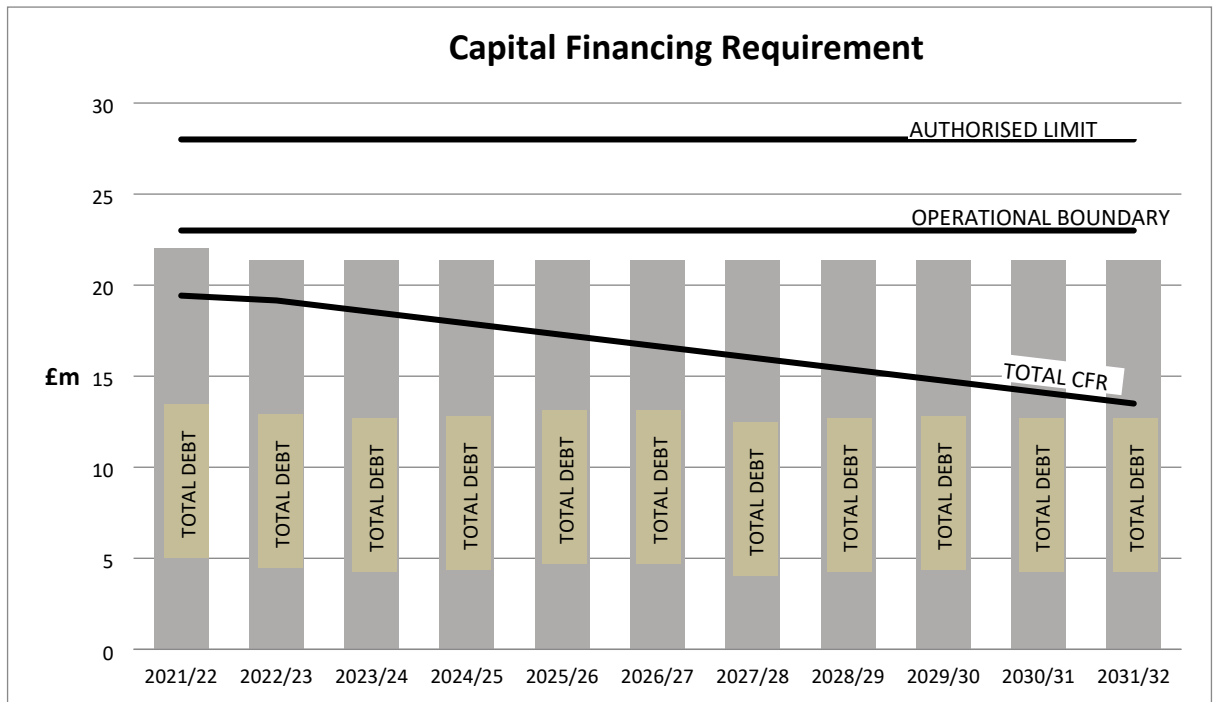
3.3.2 **Authorised limit for external debt (PI7)** - A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited and this limit needs to be set or revised by the full Council. It reflects the level of external 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	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 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 The graph on the following page shows where we currently are against all of the borrowing prudential indicators.



3.4 Borrowing Strategy

3.4.1 There are no plans to borrow but 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 3.5.2) to ensure borrowing is secured at a lower rate.

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

3.5 Prudence in borrowing

3.5.1 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.

3.5.2 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.
- 3.5.3 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.
- 3.5.4 Certain acts are deemed by the Prudential Code to not be prudent, therefore the Council will
- not borrow to invest primarily for financial return; and
 - 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.

3.6 **Proportionality**

- 3.6.1 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 (Annexe A1, 6.7).
- 3.6.2 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.

3.7 **Debt repayment and rescheduling**

- 3.7.1 The list of debt and repayment dates are shown in Annexe A1.
- 3.7.2 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.
- 3.7.3 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).

3.7.4 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. At any point of time in the year, the Council can have between £50m - £62m 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 movement from £54m to £31m is due to c£38m of investments maturing in the final quarter and although some of these will be re-invested, the Council typically receives less income in the final quarter as Council Tax receipts drop off.

	2021/22 Actual £000	2022/23 Forecast £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Total Investments at Quarter 2	54,205		30,000	26,000	23,000
Total Investments at 31 March		31,000	28,000	24,000	23,000

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 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.
- 4.2.3 In addition to the above, the Council also has a supplementary aim to be ethically responsible in how it invests. The Council uses credit ratings where environmental; social and governance considerations are played into the ratings used.

4.3 **Investment rules**

- 4.3.1 In accordance with 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.
- 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.
- 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 credit rating criteria is shown below alongside the time and monetary limits for institutions on the Council's counterparty list (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.

4.5 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.

4.5.2 For local authorities, in terms of credit risk they receive a risk score of 1, equivalent to government credit quality. There are a number of local authorities where DLUHC have intervened, due to concerns about financial management. An additional check will be undertaken before lending to other local authorities to confirm at the time of investment the Authority is not subject to DLUHC intervention.

4.6 Other considerations

4.6.1 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. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.
- The UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the previous Government leadership (Truss/Kwarteng) policy of unfunded tax-cuts. Although the current Government leadership (Sunak/Hunt) has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, as detailed above, when setting minimum sovereign debt ratings, the Council will not set a minimum rating for the UK.
- **Other limits.**
 - no more than 10% will be placed with any non-UK country at any time; and
 - all limits in place will apply to a group of companies.

4.6.2 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.

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

£000	2023/24	2024/25	2025/26
Long term treasury management investments; invested for longer than 365 days	10%	10%	10%

4.7 Investment Approach

4.7.1 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.

4.7.2 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; and
- The rate of return on offer – the forecast bank rate is expected to peak at 4.50% in Q2 2023.
- Liquidity – The Council seeks to maintain liquid short-term deposits of at least £1m available with a week's notice and no bank overdraft.

4.7.3 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 Investment returns expectations and benchmarking

4.8.1 The benchmark SONIA (Sterling Overnight Index Average) 6-month rate was used following the discontinuation of the LIBOR index. 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. In order to take advantage of the changing base rate

the Council is undertaking a laddering approach to investments. Currently all maturities are less than 6 months, to reflect this approach the SONIA 1 month rate is a more appropriate benchmark and will be adopted from 2023/24.

4.8.2 The investment income budget proposed for approval in the Budget 2023/24 (Report 02/2023) is £1.68m. This is based on expected balances and forecast interest rate based on the anticipated base rate changes during 2023/24. This will be regularly monitored during the year and variances to budget will be reported in line with the reporting requirements detailed in section 1.2.

4.8.3 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%.

	2022/23 Forecast £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Total Investments at 31 March	38,000	35,000	31,000	30,000
Revenue impact of risk of default at 0.10%	38	35	31	30

5 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2023/24 – 2025/26 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.
- 5.2.4 The Council's practice is prudent and proposed changes will not affect its MRP policy.
- 5.2.5 **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).

%	2021/22	2022/23	2022/23	2023/24	2024/25
	Actual	Estimate	Estimate	Estimate	Estimate
Services	4.01	4.15	3.85	3.76	3.66

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	2021/22 Actual £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £
Services	0.01%	0.01%	0.01%	0.01%	0.01%
Commercial Investments	0%	0%	0%	0%	0%

- 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 per the table below. No variable rate borrowings are held and therefore an increase in interest rate has no impact on borrowing costs.

£'000	2023/24	2024/25	2025/26
Increase in interest payable on variable rate borrowings	0	0	0
Increase in interest receivable on variable rate borrowings	349	305	296

5.3.6 **Debt to net service expenditure (PI14)** - This indicator shows gross debt as a percentage of net service expenditure, this helps to explain the relationship between gross debt and resources available to deliver services. Net service expenditure is considered to be a proxy for the size and financial strength of a local authority. The Council has set the maximum level for this indicator to be 60%, which the Council is currently below at 47%.

£'000	Services	Commercial Activities
Gross Debt	21,386	0
Net Service Expenditure	45,693	45,693
Debt to net service expenditure %	47%	0%
Maximum Level	60%	0%*

*Current policy prohibits 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, the higher the percentage, the greater reliance on income arising from assets on which borrowing costs have been incurred. The figures shown relates to service investment (Oakham Enterprise Park) for which the Council has incurred borrowing cost, the indicator is less than 1%, therefore the Council is not reliant on this income.

£'000	2023/24	2024/25	2025/26
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Commercial investments net income	0	0	0
Service investments net income	97	114	133
Total net income	97	114	133
Net Revenue Stream	42,829	43,755	44,992
Net income to revenue stream %	0.23%	0.26%	0.29%

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 2022-23 Loan Repayment Premiums as at 8-Dec-2022					
Loan Reference	Start Date	Maturity Date	Principal Balance	Interest Rate %	Premium
461697	27-Mar-1987	31-Dec-2043	132,529.13	9.000	109,419
461698	27-Mar-1987	31-Dec-2044	212,550.13	9.000	181,083
461699	27-Mar-1987	31-Dec-2045	163,500.10	9.000	143,455
461700	27-Mar-1987	31-Dec-2046	196,200.12	9.000	177,475
476645	30-Nov-1995	28-Jul-2053	163,500.10	8.000	146,395
476646	30-Nov-1995	28-Jul-2054	163,500.10	8.000	150,150

PWLB 2022-23 Loan Repayment Premiums as at 8-Dec-2022

Loan Reference	Start Date	Maturity Date	Principal Balance	Interest Rate %	Premium
476647	30-Nov-1995	28-Jul-2055	163,500.10	8.000	153,879
476842	21-Dec-1995	13-Dec-2052	163,500.10	7.875	139,973
476843	21-Dec-1995	13-Dec-2051	163,500.10	7.875	136,264
476844	21-Dec-1995	13-Dec-2050	163,500.10	7.875	132,522
477672	05-Aug-1996	08-May-2048	163,500.10	8.375	136,511
477673	05-Aug-1996	08-May-2049	163,500.10	8.375	140,719
478210	26-Sep-1996	25-Sep-2047	217,138.76	8.125	169,463
478211	26-Sep-1996	25-Sep-2056	163,500.10	8.125	162,334
478214	26-Sep-1996	25-Sep-2047	28,111.39	8.125	21,939
479404	21-May-1997	08-May-2057	327,000.20	7.125	262,676
479405	21-May-1997	08-May-2056	147,150.09	7.125	114,921
481709	13-Oct-1998	25-Sep-2058	163,500.10	4.625	49,186
482002	14-Jan-1999	25-Sep-2058	320,460.20	4.375	79,432
482386	30-Mar-1999	25-Mar-2059	23,271.98	4.625	7,113
482875	08-Nov-1999	25-Mar-2059	163,500.10	4.500	45,431
483562	18-Nov-1999	25-Sep-2059	163,500.10	4.250	37,369
491043	19-Jan-2006	19-Jan-2034	465,521.00	4.000	39,093
491501	05-Mar-2006	03-Nov-2051	2,689,694.00	4.400	509,053
491580	19-May-2006	19-Nov-2046	1,303,000.00	4.250	171,196
492151	20-Sep-2006	20-Mar-2052	1,856,434.00	4.200	289,112
492927	19-Feb-2007	19-Aug-2052	2,000,000.00	4.400	393,045
492928	19-Feb-2007	19-Aug-2053	2,000,000.00	4.400	413,722
492929	19-Feb-2007	19-Aug-2054	1,427,410.00	4.400	307,130
493087	03-Aug-2007	19-Aug-2052	2,500,000.00	4.250	421,119
493088	03-Aug-2007	19-Aug-2053	2,000,000.00	4.250	356,261
493089	03-Aug-2007	19-Aug-2054	1,414,351.00	4.250	262,822
			21,386,323.30		5,860,262

ANNEXE A2 TREASURY MANAGEMENT GLOSSARY OF TERMS

<p>Authorised Limit (Also known as the Affordable Limit):</p>
<p>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).</p>
<p>Balances and Reserves:</p>
<p>Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.</p>
<p>Bank Rate:</p>

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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available on request**



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Appendix 2

Capital Investment Strategy

Version & Policy Number	CIS 23/24
Guardian	Andrew Merry, Head of Finance
Date Produced	December 2022
Next Review Date	December 2023

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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 has 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; and
- 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”; and
- to avoid unnecessary revenue costs e.g. investment to reduce repairs.

2.1.5 The Councils’ capital expenditure plans are therefore all linked to the Corporate Strategy, 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 Strategy - 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 has agreed a new Corporate Strategy and is doing significant work in all of the above areas that may 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 Rutland County Council has adopted a new Corporate Strategy which sets out our ambitions and priorities for the next five years (2022-2027). The Corporate Strategy guides everything we do as Council, across all our services. It lists a total of 25 commitments covering everything from sustainable development and carbon reduction, to reducing health inequalities and supporting vulnerable people.

3.2.2 In its Corporate Strategy, the vision for Rutland is "A county for everyone and a place to live your best life". This vision is supported by priorities:

3.2.3 The direction of travel and potential capital impact of the Council's key strategies are covered below:

Area	Details	Impact on investment plans
Leisure	<p>Council considering the future of leisure provision and exploring various options. The Council is tied into a long term lease at Catmose College that it will need to exit should Leisure provision not be affordable.</p> <p>Council retains long term aspirations for a new leisure facility if externally funding can be secured but for now this is not considered a capital priority.</p>	<p>No impact yet pending Council decision.</p> <p>Should Council retain assets then funding may be needed to meet any associated liabilities.</p>
Waste	<p>Council's Municipal Waste and Street Scene strategy aims to reduce waste and increase recycling rates in line with Government targets.</p> <p>The soft market testing for the Council's waste management contract highlighted the market preference for the Council to finance/provide fleet vehicles and the infrastructure to support delivery of the contract (depot and waste transfer station). The lack of waste infrastructure was identified</p>	<p>No impact on plans yet but outcome of the business case work could impact future plans.</p>

Area	Details	Impact on investment plans
	<p>as a key risk for bidders.</p> <p>The Council has commissioned a business case to address proposals to invest in Council owned waste infrastructure, namely depot, waste transfer station and Household Waste Recycling Centre.</p> <p>Following a decision to extend the current contract, the Council is also considering a detailed business case to consider ownership and fleet requirements for the re-procurement.</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 Executive has determined initial priorities for use of CIL/s106 and to meet infrastructure needs of housing growth. (Report 196/2022)</p>	<p>Priorities have been set out in the short term. As projects come forward they will be built into the capital programme.</p>
Health Plan	<p>Local health and care organisations have worked with the public to produce a new Health and Wellbeing Strategy for 2022-2027. The aim of Rutland's strategy is safe, healthy and caring communities where people start well and thrive together through their life.</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 proposals have been made but discussions are ongoing.</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</p>	<p>Short term transport projects built into plans.</p>

Area	Details	Impact on investment plans
	<p>Residents; and Health and Wellbeing.</p> <p>The issues of the transport network have been highlighted in the Future Rutland 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.</p>	
Education	<p>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. The Council has a project with Catmose College to deliver 30 additional places through the development of an 8 Form Entry secondary school. Work is expected to be completed by the summer 2024.</p>	<p>There are no further projects in the pipeline.</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>	<p>Plans include full use of Highways funding to improve infrastructure assets.</p>
Prosperity Investment Plan	<p>We have identified key investment priorities for our County that will deliver impact for our residents and business and meet the objectives of the UK Shared Prosperity Fund:</p> <p>We have received over £1m of funding to go towards the following priorities:</p> <ul style="list-style-type: none"> • Funding for town centre improvements • Support for local arts, cultural, heritage and creative activities. • Support for active travel enhancements in the local area. 	<p>Plans built into capital and revenue budgets</p>

Area	Details	Impact on investment plans
	<ul style="list-style-type: none"> • Funding for impactful volunteering and/or social action projects to develop social and human capital in local places. • Investment and support for digital infrastructure for local community facilities. 	
Climate change	<p>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.</p> <p>The Corporate Plan Strategy include an action to develop firm plans for the achievement of this commitment. Whilst this work has been deferred, Lincolnshire County Council led a bid for £935,355 for electric vehicle charging funding across a number of areas. The funding will in total see 322 standard and 27 rapid electric vehicle charging points across the Midlands. We await details about how the programme will be delivered and how many points will be created in Rutland.</p>	Externally funded programme is in the pipeline.
Levelling Up Bid	<p>The Council has submitted a Levelling Up Bid and awaits the outcome which is expected in early 2023. The bid focuses on:</p> <p>a) Food Innovation Showcase – Development of cattle market site for events infrastructure, food and drinks production units and supporting business support and tourism related activities by working with Melton Mowbray Market.</p> <p>b) Health and Digital Innovation Showcase – Development of a new digital innovation facility anchored around health at the Oakham Hospital Site supporting the creation of high growth digital businesses and extending into a new digital visitor experience showcasing the globally significant recent archaeological finds in Rutland.</p>	The Council may be required to provide match funding for any successful bid.

Area	Details	Impact on investment plans
	c) Mobility Showcase – Enhancing access, through the development of an e-enabled, community directed approach to demand focus travel, based on a Mobi-Hub , headquartered at the Oakham Hospital Site but providing links across the whole geography harnessing the economic potential of over 100,000 people.	

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, the Council had 110 property assets, with 72 of these relating to Public Open Space (32), Playing Fields (15), Other parcels of land (20) and Garage Sites (5). This leaves 38 assets that the Council uses for service delivery purposes.
- 3.3.3 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.
- 3.3.4 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.
- 3.3.5 In 2022/23 the Council completed a condition survey of the majority of properties which highlighted works required over the life of assets. For now, the capital programme includes emergency work required approved by Cabinet (Report 183/2022) in November valued at £565k.
- 3.3.6 The Council has also approved a Property Asset Strategy and guiding principles for the future management of the Council's assets. It includes the following aims:
- Manage property to support RCC objectives and priorities set out in the Corporate Plan;
 - Minimise the operation and long-term cost of the Council's estate;

- Provide Value for Money by using Council resources wisely and having the required information to make robust and informed decisions – developing a planned maintenance approach;
- Deliver and support services by providing assets fit for purpose and effective, modern ways of working;
- Consider the impact of sustainability in all decisions, making buildings as sustainable as possible and considering the impact of our carbon footprint;
- Take a dynamic approach to asset management including retention, repurposing and disposal;
- Work with Partners to maximise opportunities and consider the transfer of services/assets to Town and Parish Councils and others; and
- Implement a Corporate Landlord Model reduce running costs and maximise income.

3.4 Invest to Save

3.4.1 The Councils Financial Sustainability Strategy (158/2022) requires the Council to transform the way it works and its service offer. As part of this, the Council “will borrow to capital invest (and reduce revenue costs)”. The Councils Invest to Save Policy (Annex A1) sets out how any proposals will be assessed.

3.4.2 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 Indicative Capital Allocations Report (197/2022) sets out the Capital funds currently held by the Council and proposed indicative priorities over the five priorities set out in the Councils Corporate Strategy, these include

a) Priority One: A Special Place: Total £3.981m

- Investment in Highways, Heritage and Culture and the County's public spaces to improve the cultural offer, attractiveness, accessibility, and safety within the market towns and villages.
- It is proposed that a community grants scheme is established to promote and support the vibrancy of the County's communities. The community grants scheme will be the subject of a future report to Cabinet.

b) Priority Two: Sustainable Lives: Total £3.045m

- Investment in the County's waste and recycling services to secure long-term resilience and value for money.
- It is also proposed to invest in the redesign of a sustainable and integrated public transport network that supports the implementation of the approved Bus Service Improvement Plan, increases bus usage, and reduces the County's carbon footprint.

c) Priority Three: Healthy and Well: Total £1.797m

- Investment in improvements and increased health provision that meets the needs of all the County's residents. This investment must increase provision and not just upgrade or maintain existing provision.
- Use of ring-fenced adult social care capital funds to support the care and independence of the County's residents.

d) Priority Four: A County for Everyone: Total £1.730m

- Investment in the provision of services for early years, children, and young people and promoting the delivery of affordable housing within the County.
- It is also proposed to work with Police and Fire and Rescue services to invest in ensuring Rutland remains safe and welcoming.

e) Priority Five: A Modern and Effective Council: Total £2,249m

- Investment in optimising the use of assets to provide value for money and support future service delivery and the County's strategic priorities. The report to November cabinet on the high-level asset strategy will inform investment priorities and requirements for the Council's estate.

3.5.3 The Council will build on this work and be in a position to develop a longer term investment programme covering say the next 10 years aligned with its work on a new Local Plan.

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 2023/24 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 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 2023/24 and Medium Term Financial Plan (02/2023). 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>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>
<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.
- 6.1.3 Progress against delivery of the Capital Strategy/Programme will be reported periodically in Finance Reports to Cabinet.

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 The Council have the following delegations in place for approving capital investment:
 - Report 191/2016 - Cabinet agreed that authority be delegated to the Chief Executive and relevant Portfolio Holder to add small schemes (less than £50k) to the capital programme on the condition that all decisions are

reported in the Quarterly Finance Report (Report No. 191/2016, Appendix A, para 2.4.4).

- Report 95/2020 - Cabinet agreed that the Strategic Director of Place in consultation with the Section 151 Officer and Director of Legal and Governance, and the Portfolio Holders for Planning and Resources be able to make decisions relating to the expenditure of Section 106 monies up to a value of £500,000 to deliver infrastructure and community facilities in accordance with the provisions of each individual obligation (Approved by Cabinet 31st July 2020, Report No 95/2020)
- Report 25/2021 - Delegate authority to the Strategic Director for Places in consultation with the Portfolio Holder for Culture and Leisure, Environment, Highways & Transportation & Road Safety to: Approve the design, construction/ implementation and spend of/ on ITCP schemes with a value between £10,001 and £200,000.
- Report 111/2017 – Cabinet authorised the Director for Resources to allocate the IT capital allocation of £150k.

6.2.4 Part 8 of the Constitution - Financial Procedure Rules - Council/Cabinet determine how capital projects will be funded on advice from the Chief Finance Officer. There may be exceptional circumstances whereby it is financially beneficial to the Medium Term Financial Plan and thereby the Revenue Account to change how projects are funded (e.g. to avoid borrowing costs) if the financial context has altered when preparing the outturn. The Chief Finance Officer in preparing the outturn will seek approval of any changes from Cabinet or Council if changes involve using new funds are not listed in the original programme.

6.2.5 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.

6.2.6 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.

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.

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.

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.

6.6.1 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).

6.6.2 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. A summary version of the investment appraisal tool is included in Annexe A2.

6.7 **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.

6.7.1 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								

- 6.8 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.
- 6.9 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.

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 b) will consider the location and sector and

Risk	How addressed through risk assessment	Details
		<p>c) aims to hold assets for the long term so that it can “ride” out short term market impacts (solely property)</p> <p>d) for IT and other investment ensures payback before obsolescence</p>
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 4%	Fail

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	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%	scope for capital appreciation in respect of the investment.	Low Risk
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 failed the financial assessment and 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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on request**



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CABINET

12 January 2023

DRAFT REVENUE AND CAPITAL BUDGET 23/24

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

Strategic Aim:	All	
Key Decision: No	Forward Plan Reference: FP/140422	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor 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, Head of Finance	01572 758152 amerry@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the draft budget for consultation, including

- the General Fund Budget (Net Expenditure) for 2023/24 of £46.549m (section 9)
- budget reductions at service level (service savings, reversal of National Insurance rise and use of earmarked reserves) of £1.735m (Section 9.3) and corporate budget reductions of £1.889m as per section 9.3
- budget increases to meet service pressures of £5.401m arising from the inflation, cost of living and demand (Section 9.3) and a pay contingency of £743k
- the use of £589k of reserves to subsidise the main budget (Section 9) plus £900k set aside from general reserves to fund the Local Plan, Leisure and High Needs deficit (Section 7.1.4)
- an increase in Council Tax of 4.99% including 2% for the Adult Social Care precept resulting in a Band D charge of £2,013.04 (Section 8)
- the approach to consultation set out in Section 13
- additions/deletions to the capital programme as per Section 10

- changes to earmarked reserves as per Section 7

2. Notes that:

- assuming the draft budget is approved, Council tax rises of 4.99% continue to be applied and the Council delivers extra savings of £4m by 27/28, the Council's financial gap will still be £147k (Section 4.1.4);
- the funding position for 2023/2024 may change when the NNDR (business rates) tax base and local government finance settlement is finalised;
- that additional revenue or capital expenditure may be incurred in 2023/24 funded through 2022/23 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
- the estimated surplus of £38k on the Collection Fund as at 31 March 2023 (Section 8.3) of which £33k is the Rutland share
- that Council will be considering the Treasury Management Strategy and Capital Investment Strategy separately (Section 11)
- the position on the Dedicated Schools Grant budget (Section 12)

1 PURPOSE OF THE REPORT

- 1.1 The Council is required to set a balanced budget and agree the level of Council tax for 2023/24 in the context of its Medium Term Financial Plan. This report presents the draft budget for consultation. The final budget will be approved at Full Council in late February.

2 MESSAGE FROM THE LEADER OF THE COUNCIL

We set our budget at a time of global financial crisis. As our County, our Country, our World recovers slowly from the toll taken by the pandemic, (the impacts marked by globally high inflation rates, challenges with supply chains, high costs), war in Europe once more has created shock waves that are felt by us all. In short, everything is costing more from the diesel required to fuel our bin lorries collecting our rubbish, to the delivery of services that protect our most vulnerable residents. Costs will continue to escalate. You will recognise this position with your own finances.

This is why it is essential there is a 2.99% increase in Council Tax and 2% increase in the Adult Social Care levy, noting that inflation at time of writing sits at just under 10%. This rise is not sufficient to balance the books which is why we will be using the reserves we have prudently built up for a rainy day. The rainy day is here. We are in stronger position than other authorities to manage the financial challenges we face because we have reserves and, most importantly, we have a pragmatic plan to manage the challenges we face to ensure this Council is financially sustainable.

We know our services are incredibly important to our residents, whether this is the universal services such as bin collections, road maintenance or targeted services for our most vulnerable residents who need the support and help of

our council. We know that demand for our services continues to rise, Adult Social Care just one key service to hence the 2% levy. We know the taxation system is profoundly unfair for Rutland residents. We deal with the here and now.

This budget takes an honest approach to deliver well within our means whilst ensuring we are financially sustainable in the future. It is important to underscore the fact that even with a 4.9% overall rise and the use of reserves, the income does not match the current outgoings. We therefore must re – shape our services, focussing on need, driving a pragmatic approach to service delivery, spending within our means.

We know times are hard for us all, and for some the financial challenges are untenable. This budget protects our Council Tax support fund in addition to the £33,000 pledged by Government to ensure practical help is there for those most in need.

With elections in May, an administration might place their electoral ambitions ahead of the long – term needs of the County by offering a Council Tax freeze, running down reserves to fund this. This, as is clearly articulated by our section 151 officer, would be a risk verging on negligence and so therefore, financially reckless.

There is no magic money tree. There are few certainties. What there is, however, is an honest, hardworking and measured approach that can be taken. This budget enables a prudent, long – term approach to the financial sustainability of this Council to be taken for the benefit of us all.

We would welcome the opportunity to go through this budget with you. We welcome challenge and we welcome discussion. We will be holding in – person events at the following times and places:

Uppingham Neighbourhood Forum, 7:30pm 19th January, The Falcon Hotel

Rutland County Council Chamber , Oakham 10:00 – 12pm, 30th January

Ketton Congregational Hall (tbc) 10:00am – 12pm 6th February

Lucy Stephenson – Leader

3 EXECUTIVE SUMMARY

3.1 Director for Resources: Section 151 Officer overview

3.1.1 The 23/24 draft Local Government Finance Settlement was received on 19th December following the Chancellors Autumn Statement at the end of November. The Settlement covered 23/24 only although it is our expectation that 24/25 will essentially be a rollover settlement, with the overall funding envelope set at the Autumn Statement. There are still however some issues that Ministers have not yet finalised for 2024/25.

3.1.2 The Settlement is much more positive than was expected at the start of

2022. It is the best cash-terms settlement for local government in well over a decade but also less-good in real terms. The Government defines the amount of core funding that councils have available as “spending power”¹. **Our Core Spending Power is increasing by 7%, £2.674m.** After a year when inflation rates reached a peak of nearly 10%, the pay settlement amounted to just under 6.5% and demand for services continued to rise, it was much needed. The Council’s experience in the last 12 months is that doing “Council business” is more costly than it ever has been. **Against this backdrop an increase in the Council’s Spending Power of 7% still falls below the 12 month inflation rate of 9.3% (November 2022).**

- 3.1.3 **The main driver for the increased funding in the Settlement is social care.** Resources for adult social care (in core spending power) will increase by £1.4m in 2023/24, through a combination of new money and the postponement of the adult social care charging reforms but additional funding will also be received via the Better Care Fund and levying of the Adult Social Care precept.
- 3.1.4 **Whilst the Government is increasing overall Spending Power, it makes one important assumption – that Councils raise council tax by the maximum available – that means 4.99% with the Government allowing a 2.99% increase for core services and 2% extra for social care.**
- 3.1.5 **So what does the extra Government funding and Council Tax flexibility mean for 23/24?** The Council approved a Financial Sustainability Strategy (FSS) in November 2022 which stated that Members would be prepared to subsidise the budget by up to £2m from reserves (in the next 4 years) whilst the Council took the necessary action to right size the budget by 27/28.
- 3.1.6 The extra funding from Government, the savings proposals in the proposed budget, a one off reduction in the Council’s business rates appeals provision and a 5% tax rise would **leave the Council a 23/24 subsidy of £0.589m, a subsidy of c£1.4m in 24/25 which then falls to £147k after assuming the Councils saves £4.9m by 27/28 (the table in 4.1.3 shows this position).**
- 3.1.7 Conversely, a Council tax freeze would give the Council a 23/24 subsidy of £2.1m and leave a subsidy of £2.0m by 27/28. **The compound impact of any tax rise below the maximum threatens the Council’s financial independence.**
- 3.1.8 The reason for this is because the cost of delivering local authority services is rising way beyond the increase in funding. Pressures on labour supply, additional tax burdens, energy prices, inflation have seen eye-watering increases in cost **(the increase in the net expenditure budget compared to last year is £3m).**
- 3.1.9 **Simply put, if the Council wishes to do everything it can to preserve the Council’s independence and financial survival then rises of 5% are a necessity – not just this year but every year that the Council has the power**

¹ Core Spending Power may differ from actual funding received because the Government set a business rates baseline and Council’s may actually retain more, the Council tax yield expected by Government uses average growth in taxbase rather than the actual taxbase and some grants are not included in CSP.

to raise Council tax by this amount.

3.1.10 There are no scenarios that, in my opinion, would allow an alternative Strategy. Let's consider possible alternatives:

- Scenario 1 - *Government funding increases substantially in the future meaning the gap will be plugged.* The Chancellor has said growth after 25/26 will be at 1% per annum. Conversely, there are also those who speculate that implementation of the Fair Funding review will see a redistribution of funding to Unitary Councils. With 79% of Council spending power coming from council tax, it is very unlikely that additional funding will cover the gap without tax rises and delivery of savings.
- Scenario 2 - *The cost of doing local authority business and demand for services decreases substantially* when inflation returns to normal levels as expected by say March 2024 with suppliers dropping prices to pre pandemic levels – again very unlikely with pay inflation and costs embedded and new contracts agreed. This is not something you would want to take a risk on.
- Scenario 3 - *The Council can make savings but say £8m or £9m rather than just under £5m target in the MTFP.* In reality, out of a net budget of £44m, we would estimate that only £20m-£22m is controllable hence a £5m saving target is challenging at c25%. Setting a bigger target would be hopeful, bordering on reckless to the point that I would struggle to give positive assurance in my Section 25 Statement (Section 9.4).

3.1.11 The decision facing Elected Members is therefore difficult in the current circumstances. It is compounded because outside of known pressures, the **Council is working in an environment where risk and uncertainty are aplenty** and outside the control of the Council to the point that there is no guarantee that even maximum council tax rises and savings would achieve financial sustainability in the long run.

3.1.12 Whilst there is still a strong view that the sector and the Council is being treated unfairly by the overall financial settlement, **the Council is left with no choice but to own its financial position and** as outlined in the Financial Sustainability Strategy take the action it can take now:

- **Use reserves to balance the budget in the short term;**
- **Deliver its savings programme; and**
- **Use the Council tax flexibility it has been given as assumed by the Government in Spending Power.**

3.1.13 **If it does not follow this course of action, then the Council will still be solvent for the next few years but its long term future will be out of its hands and reliant on external forces over which it has no Control.**

3.1.14 In terms of the 23/24 the following summarises the main features of the proposed Budget:

- A balanced budget achieved in challenging circumstances using £0.589m of General Fund reserves to balance the main budget and £0.900m to meet future liabilities for the Local Plan, High Needs and Leisure;
- Statutory duties are met;
- Service pressures of £5.401m have been included arising from demand, market cost pressures, contracts etc;
- Budget reductions of £1.735m including the use of one-off funding which contributes to current costs;
- Pay contingency of 4% (£743k);
- Expected investment income of £1.68m;
- Average Council Tax increase of £1.84p per week for a Band D equivalent property but an additional £33k to support those on low incomes; and
- A £250k contingency to mitigate against demand led and other pressures.

3.2 Our financial objectives

3.2.1 We have two key financial objectives which are clearly stated in our approved Corporate Strategy:

- The Council is committed to being financially sustainable. This means ensuring it can live “within its means”, only spending the funding it receives and balancing the budget in any given year without using General Fund reserves. This is our number one priority. The Corporate Strategy reaffirms this commitment. In the short term and in recognition of the pressures caused by the pandemic and cost of living crisis, Members have approved a FSS which permits the use of reserves up to 27/28 whilst the Council makes the necessary savings.
- The second key priority is to maintain our reserves above the current recommended minimum limit of £3m as approved by Council. This is important because the context we are working in is changing all the time and is laced with uncertainty. We always want to keep a level of funding aside to respond to a crisis, unexpected costs or increased demand.

3.2.2 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.

3.3 Key Questions and Answers

Key questions	Status
<i>Funding outlook (section 4)</i>	
1. What resource does the Council	The Council’s Government funding and total available resources are known for 23/24. The

Key questions	Status
have available in 23/24 and over the next few years?	total of Government funding and Council Tax is not sufficient to balance the budget (assuming Council Tax of 4.99%) and as per its FSS, the budget is balanced by use of reserves of £0.589m. The Council has made assumptions about 24/25 based on the Autumn Statement. Beyond 25/26 and a General Election, funding is difficult to predict but the Council is still projecting a small gap of £148k in 27/28 but this assumes maximum Council tax savings, delivery of £4m new savings and the Council's overall funding increases by 7% in 25/26,
2. Are we projecting a financial gap?	Yes, the proposed use of reserves for 23/24 is £0.589, For 24/25 the gap is projected to be £1.4m assuming £1.485m savings are made and Council Tax is raised by a further 5%.
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 5), uncertainties in respect of assumptions and future funding (Section 4). The Council will keep this under review.
4. Have we got a plan to close the gap?	The Council approved a FSS and is now working through a Transformation programme (Section 6). Savings have been proposed for 23/24. As work progresses, there will be greater clarity over the deliverability of the programme for 24/25 and beyond. By the end of September, the Council needs to provide more certainty of savings proposals for 24/25.
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 23/24 (section 2)</i>	
6. What does the Directorate budget look like?	The Council's Directorate budget for 23/24 is £48.263m (section 9). The 22/23 budget at Outturn was £44.597m. The increase reflects inflation, contract costs, market pressures and pay inflation and savings (see Question 8 and 9).
7. Priorities – how does the proposed budget support the Council's priorities?	The Councils spending plans continue to promote the Council's priorities in line with the new Corporate Strategy (Section 9.2) despite savings made. The significant investment in the social

Key questions	Status
	care market helps sustain local provision of social care beds and support.
8. What new savings is the Council planning to make in 23/24?	The budget includes £1.735m of service savings (Section 9.3 and Appendix 5) including using ring fenced reserves to subsidise some current costs.
9. What pressures is the Council facing in 23/24?	The Council continues to experience pressure on its base budget of £5.4m (Section 9.3 and Appendix 5) plus the pay award pressure of £743k.
10. What choice does the Council have over the level of Council tax?	The Council can choose to raise council tax up to a maximum of 4.99% (including 2% for social care). Whilst Members do have a choice, not embracing a 4.99% increase would be extremely damaging to the point that the Councils' future would be dependent on outside factors such as extra Government funding (section 8).
<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 16 gives more detail.
<i>Consultation (section 16)</i>	
12. What consultation will Council be doing on the draft budget?	Details of consultation is included in Section 14. Consultation will span 3 weeks and include various questions and public meetings in the Council Offices.
<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 as per Section 10.

4 FUNDING OUTLOOK

4.1 Medium Term Financial Plan

- 4.1.1 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 2023/24 to 2027/28). 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.

- 4.1.2 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.
- 4.1.3 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.
- 4.1.4 The MTFP moves over time as assumptions change. The last detailed MTFP was produced at the Mid Year report. Since that time figures and assumptions have legitimately moved – some have made the position worse, some better. Key events triggering change include the 22/23 pay settlement, local government finance settlement, approval of FSS and savings target, interest rate movements and service pressures. We were predicting negative balances of £9.049m by 27/28 and the latest MTFP shows a balance of £10.897m as shown in the table below.
- 4.1.5 For example, increasing the council tax assumption from 3% to 5% for the life of the MTFP gives an additional £13m. Delivering £4m of transformation savings by 27/28 gives a total amount saved of £10.1m over the MTFP period.

Projected Balance Mid Year Report for 27/28	£000 9,049
Council Tax changes – 3% to 5%	(13,273)
Interest receivable – increases due to base rate changes	(3,480)
Pay Award changes – assumption changed from 2% to 4% in 23/24 and 3% in 24/25 and reflects 22/23 award settled after the mid year	6,055
Pressures	17,606
Savings 23/24 – the 5 year benefit of £1.7m saved in 23/24	(7,490)
Transformation savings – delivery of £4m	(10,182)
Government funding	(9,900)
Additional Transfer to Reserve	900
Other Minor Movements	(182)
Balance for Budget Setting 27/28	(10,897)

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

5 YEAR MTFP (23/24 – 27/28)

		23/24	24/25	25/26	26/27	27/28
General Fund	Opening value of General Fund Balances* (provisional subject to 22/23 outturn)	(14,611)	(13,172)	(11,791)	(11,310)	(11,045)
Net Service expenditure	Service expenditure, borrowing costs and contingencies	46,549	50,645	53,215	55,733	58,474
Less: Additional Savings	Additional savings to achieve the FSS	0	(1,485)	(1,820)	(2,877)	(4,000)
Equals: Net Expenditure		46,549	49,160	51,395	52,856	54,474
Less: Government funding	Social care grants, Share of Business rates, Other grants	(13,698)	(13,896)	(15,086)	(14,708)	(14,273)
Less: Council tax	Council tax	(32,074)	(33,882)	(35,828)	(37,883)	(40,054)
Less: Earmarked reserves	Use of set aside funds to offset expenditure	(188)	0	0	0	0
Equals: (Surplus)/deficit	Deficit means Council is not living within its means	589	1,381	482	265	148
Add: Transfer to Reserves	Additional transfer to reserves (see 7.1.4)	900	0	0	0	0
General Fund	Closing value of General Fund Balances	(13,172)	(11,791)	(11,310)	(11,045)	(10,900)



Local Government Settlement (4.2) - The Government funding settlement and value of other Government grants drive Government funding figures.

Risk/uncertainties (5) - 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 (7) - Planned use of earmarked reserves sustain expenditure and offset costs.

Assumptions (4.3) - Variables built into MTFP that influence the level of income, expenditure and funding. Some are known and some are not.

Savings (6) – Savings reduce expenditure or increase income.

Council Tax (8) - Assumed increases in Council Tax impact the future level of funding. The Government maximum limit is 5%.

4.2 COMPREHENSIVE SPENDING REVIEW AND PROVISIONAL

Local Government Finance Settlement 23/24

- 4.2.1 The Chancellor announced the Autumn Statement (AS) on 17 November 2022 and The Office for Budget Responsibility (OBR) has also published its updated forecasts. After the economic and fiscal turmoil of the last year, the Chancellor had the job of both calming nerves (in the market and the wider economy) and producing budget plans that are politically and economically credible.
- 4.2.2 On these terms, the Autumn Statement (AS) was successful. It provided a credible plan for the short term, and guidelines for the medium term beyond 2025.²⁶ There are no detailed spending plans for the medium term – it is hoped that the economy will improve faster than forecast.
- 4.2.3 A lower growth rate for Gross Domestic Product (GDP) is the driving factor behind the UK's worsening economic prospects. In March 2022, the OBR forecast that the UK would recover from the economic impact of the pandemic, and then continue to grow at around 1.7% per year from 2023 onwards.
- 4.2.4 Things have worsened sharply since then. The Bank of England forecast in its November Monetary Policy Committee (MPC) report that the economy will contract by 0.75% in the second half of 2022, and then continue to fall during 2023 and into the first half of 2024.
- 4.2.5 The spike in inflation is behind the cost-of-living crisis (higher energy prices) and the increase in debt interest payments (increase in interest rates). The peak in the Consumer Price Index (CPI, 12 month rate) is now expected to be around 9 -10% for 2022.
- 4.2.6 The Chancellor has responded to the worsening economic position by announcing very significant fiscal tightening. In doing this, his objective is both to bring the public finances under control and to demonstrate fiscal competence. Part of achieving this is to show that the fiscal plans are credible. Previously, the Government's fiscal mandate was "to reduce underlying debt as a percentage of GDP in the medium term". There was also a supplementary target that "require[d] current spending to be sustainably funded through tax revenues". The new rules require debt to be falling as a percentage of GDP by 2027/28 (year-5 of the fiscal plan), with a supplementary target that public sector borrowing must be under 3% of GDP.
- 4.2.7 The new rules allowed no change in departmental spending plans for the remainder of SR21 (2023/24 and 2024/25) but with new funding announced for social care alongside additional council tax flexibility, local government was expecting a growth in Core Spending power.
- 4.2.8 As expected, core spending power in England has increased to £59.544bn in 23/24 compared to £54.540bn in 22/23, a 9.18% increase. Overall, the picture for Rutland is slightly worse with core spending power at £41.06m compared to £38.33m in 21/22, an increase of 7%. There are two important comparative points to note in the Settlement:
- In 23/24 nationally 57% of CSP comes from council tax. In 23/24 78% of Rutland's spending power comes from Council tax, significantly higher than the national average;

- The average increase in CSP is 9.16% whereas in Rutland it is 7%. Council's with higher levels of deprivation have received over 11%;
- The average CSP per dwelling is £2,360 whereas in Rutland it is £2,298.

4.2.9 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 can distort spending power analysis.

Overall funding available since 19/20

	19/20	20/21	21/22	22/23	23/24
RSG	0	0	0	0	0
Transitional Grant	0	0	0	0	0
Rural Service Delivery Grants	0.849	0.849	0.890	0.890	0.890
Core government funding	0.89	0.89	0.890	0.890	0.890
Misc grants (2)	0.875	1.039	0.964	1.679	2.737
New Homes Bonus (3)	1.148	0.966	0.518	0.461	0.007
Better Care Fund (4)	2.215	2.330	2.705	2.712	2.794
Business rates (5)	5.244	5.532	5.638	3.462	7.269
Total government funding	10.372	10.757	10.715	9.204	13.697
<i>Council tax (inc collection fund and adult social care precept)</i>	<i>26.496</i>	<i>27.863</i>	<i>28.426</i>	<i>30.451</i>	<i>32.073</i>
Total resources available	36.868	38.620	39.141	39.655	45.770
Use of Council earmarked reserves	(0.384)	(0.292)	(1.288)	(2.683)	(0.589)

4.2.10 **Adult social care grants.** The Autumn Statement (AS22) announced a large increase in funding for social care via three separate grant streams (on top of the existing social care grant), all of which are within Core Spending Power:

- Adult social care grant of £1.792m in 23/24 and we estimate £2.048m in 24/25.
- Funding for the ASC charging reforms will be re-purposed to fund ongoing pressures (£317k in 2023/24, and we estimate £478k in 2024/25).
- Better Care Fund (local government's 50% share is £300m in 2023/24 and £500m in 2024/25) of which we expect c£300k and £500k

- Ringfenced grant “to support capacity and discharges”. This is £31k for Rutland.
- 4.2.11 The Independent Living Fund grant of £60k is being rolled into the Social Care Grant so will no longer be received separately.
- 4.2.12 The Council tax principles allow a 3% increase in “core” **council tax** plus a further 2% increase in the Adult Social Care precept. There is no option to defer the precept increase to future years. The decision around Council tax is discussed further in Section 8.
- 4.2.13 The decision to freeze the **business rates** multiplier will be fully funded, and, from 23/24 onwards, compensation to authorities for under-indexation would be paid based on Consumer Price Index (CPI). The Government have undertaken a Business Rates revaluation which is aimed at being cost neutral but at this stage, we cannot confirm that is the case and will update by the end of January.
- 4.2.14 In 23/24 the Council will benefit from an **additional £1.1m arising from a reduction in business rate appeals**. The Council provides for losses arising from businesses appealing their rates payments to the Valuation Office Agency. If businesses do not win or claims are withdrawn then the Council can release funding set aside. Around 11 claims have led to zero losses and other claims in the pipeline have not materialised. The release of the provision is a one off. This is included in the Business rate figures.
- 4.2.15 **Rural Services Delivery Grant (RSDG)** is the same as 22/23 at £890k.
- 4.2.16 The Council will receive £7k in **New Homes Bonus**.
- 4.2.17 **Services Grant** has reduced from £822m in 2022/23 to £464m in 2023/24, a reduction of £358m. The reduction includes removal of funding for the National Insurance Contribution increase (estimated at about £200m) and the funding increase for Supporting Families (£40m). Rutland is receiving £173k compared to £307k in 22/23.
- 4.2.18 The new **3% Funding Guarantee** replaces the “floor” element within the Lower Tier Services Grant. It ensures that no Council has a CSP increase of less than 3% without having to increase their Band D council tax. Rutland is receiving £121k.
- 4.2.19 **Public health** grant is outside CSP and is announced separately from the settlement itself, usually in the New Year. SR21 announced that public health grant would increase in line with inflation – but this seems unlikely. Our MTFP model assumes no increase in 2023/24.
- 4.2.20 The Council will also receive **£33k for additional Council tax support payments** for those in greatest need.

4.3 MTFP assumptions

- 4.3.1 The Policy Statement gave local authorities advanced notice of the principles that ministers would use in both the 2023/24 and 2024/25 local government finance settlements. There have been no changes in these principles in the provisional settlement.
- 4.3.2 There is still some uncertainty for 2024/25, so this is not a fixed two-year settlement.

We do not yet know the future of NHB, or the council taxbases for 2024/25. More importantly, we do not yet know the level of inflation next September (it is expected to be around 7.5%), and whether ministers will decide to freeze the multiplier again. Therefore, we have estimated figures for the 2024/25 settlement but assumed that a 3% funding guarantee for CSP (before Council tax increases) is maintained.

4.3.3 As explained in Section 4, beyond 24/25 the Government funding position is still unknown. The Government announced its intention to reform the funding regime, business rates retention and New Homes Bonus over four years ago and these reviews are still outstanding.

4.3.4 In the context of the current economic position, the Council has refreshed its assumptions about future funding.

Assumption	Description	23/24	Beyond
Pension contribution rates	Employer rates set by Pension Fund.	Lump Sum increased by £130k as per triannual review. Rate is 27.8% (up from 1%)	Rate fixed for 3 years.
Inflation	Assumed rates of inflation with the MTFP	Inflation rates amended based on latest information. Social Care rates increased to reflect outcome of Fair Cost of Care work (see Appendix 5, Ref P11) General Inflation 2% Other changes set out in Appendix 5	Same as 23/24
Interest rates	The rate at which the Council can invest surplus funds	Interest rates in the range of 3 – 5% for next 18 months.	Assume in 25/26 that rates drop to around 2%
Contingencies	Contingencies within the MTFP	The Council has a demand led contingency reduced to 0.5% (from 1%) of Net Cost of Services	Approx 1 % from 24/25
Staff pay award	Pay award for Chief Officers and other staff negotiated nationally.	Set at 4% for 23/24 only	3% in 24/25 and then 2%

Assumption	Description	23/24	Beyond
Social care grant	Specific grants given by Government	As per local government draft financial settlement	24/25 - see 4.2.10 25/26 - See 4.3.5 below
Rural Delivery grant	Grant for rural authorities	As per local government draft financial settlement	24/25 – as 23/24 25/26 See 4.3.5 below
Council tax base	Number of Band D properties	Taxbase estimated at 15,916.6 for 23/24	Growth set at 140 properties per annum approx. equivalent to 115 Band D properties
Council tax rate	Rate set by elected members	5% (with 2% for social care) as advised by the Executive	5%
Misc grants	Ad hoc grants	Assumed some grants will continue at the same rates unless known	See 4.3.5
Business Rates	Amount of funding Rutland is allowed to keep (its baseline) by Government from rates collected	Assume rates baseline continues as is (limited growth).	24/25 – in line with expected increase in funding as per 23/24 settlement 25/26 - See 4.3.5
Better Care Fund	Ringfenced funding shared with the CCG	As per Settlement	24/25 – as per 4.2.10 25/26 – no change

4.3.5 The issue of Government funding beyond 24/25 is difficult to gauge. There is a renewed commitment from the Government to implement fundamental funding reform in the near term. This is going to be after the next General Election, though, and possibly even under a different government. Changes in funding reform could then be very different than those that have been proposed by recent governments in recent years.

4.3.6 The Chancellor has stated that fiscal tightening is heavily back-loaded, with the vast bulk spending cuts in particular pencilled in for after April 2025. This suggests that growth will be nearer 1%. Notwithstanding these comments, there are

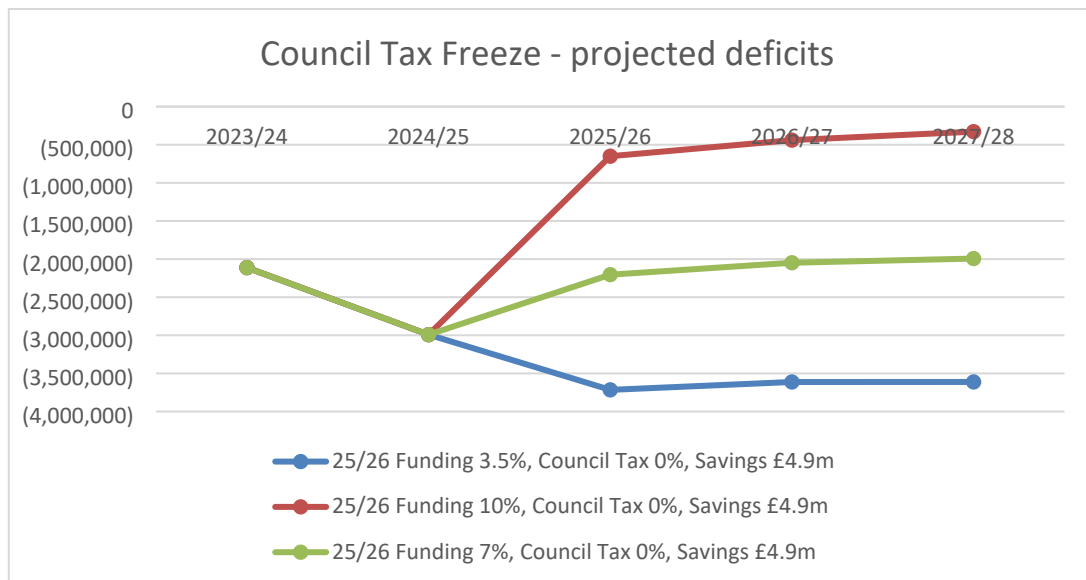
commentators suggesting that even without an injection of Government funding into the local government system, the implementation of Fair Funding will see a redistribution of funding from lower tier to upper tier Councils. This could see the Council receive up to £3m in additional funding but could also result in no additional funding depending on the method of redistribution. Should additional funding be received, then it may come with conditions or new responsibilities such as the implementation of the care cap.

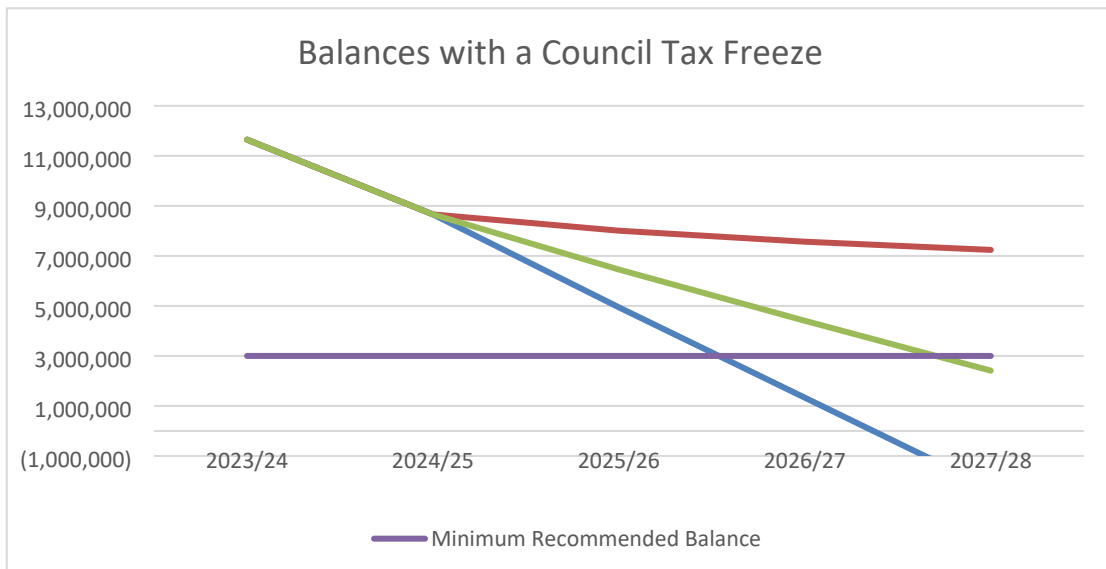
4.3.7 In short, speculating beyond 24/25 is difficult and assuming a significant increase in funding is wishful thinking and dangerous in the context of the current economic and political environment. For now, the Council has assumed a 7% increase in overall funding for 25/26 (represented by a Fair Funding Redistribtbn line on the MTFP) but with the assumption that the delayed care cap reforms will be implemented and will be c80% funded.

4.4 Alternative Scenarios

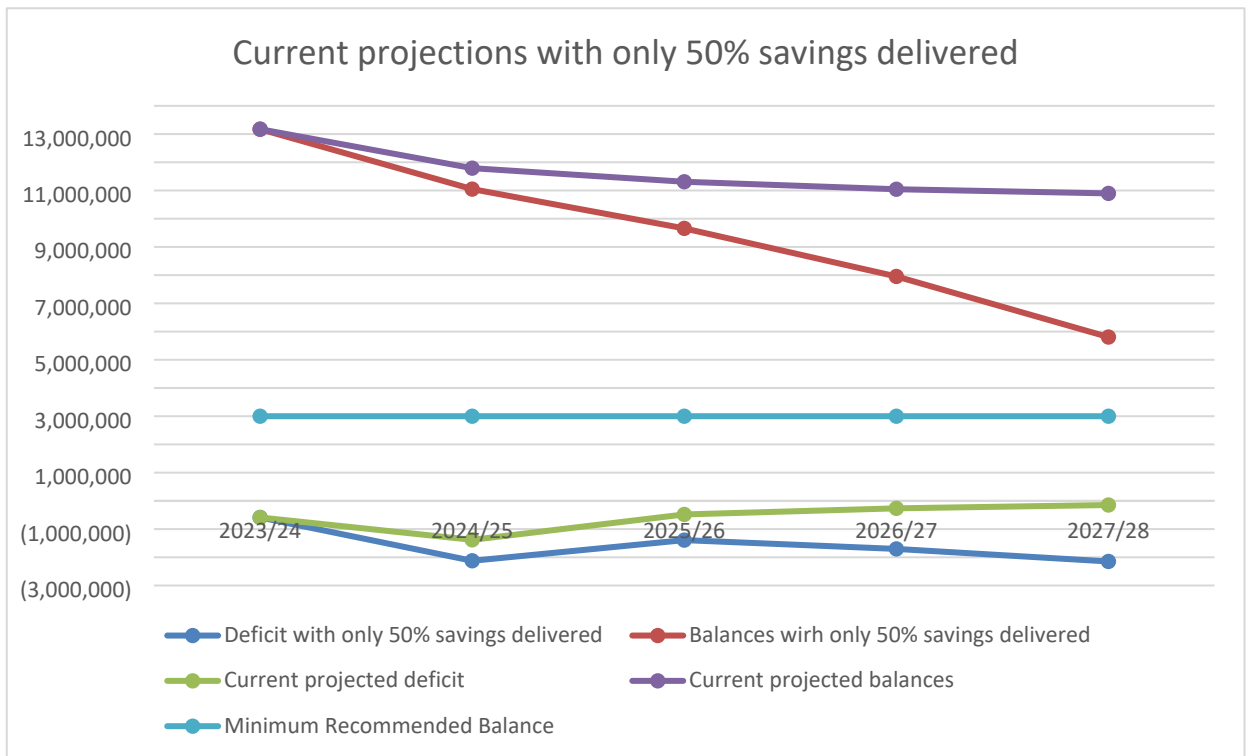
4.4.1 The MTFP sets out what we consider to be the most likely scenario but there are other alternatives revolving around three key variables: council tax rates, funding and savings/expenditure.

Alternative Council tax rates – applying a 5% increase will give the Council the most tax yield (see Section 8). Applying a lower rate in 23/24 increases the financial gap (1% represents c£305k in income so a freeze over 4.99% would give £1.5m less income in 23/24 and a total of over £8.5m over life of the MTFP) and requires more savings to be made (see below) or gambles on the Council receiving more funding in years to come.

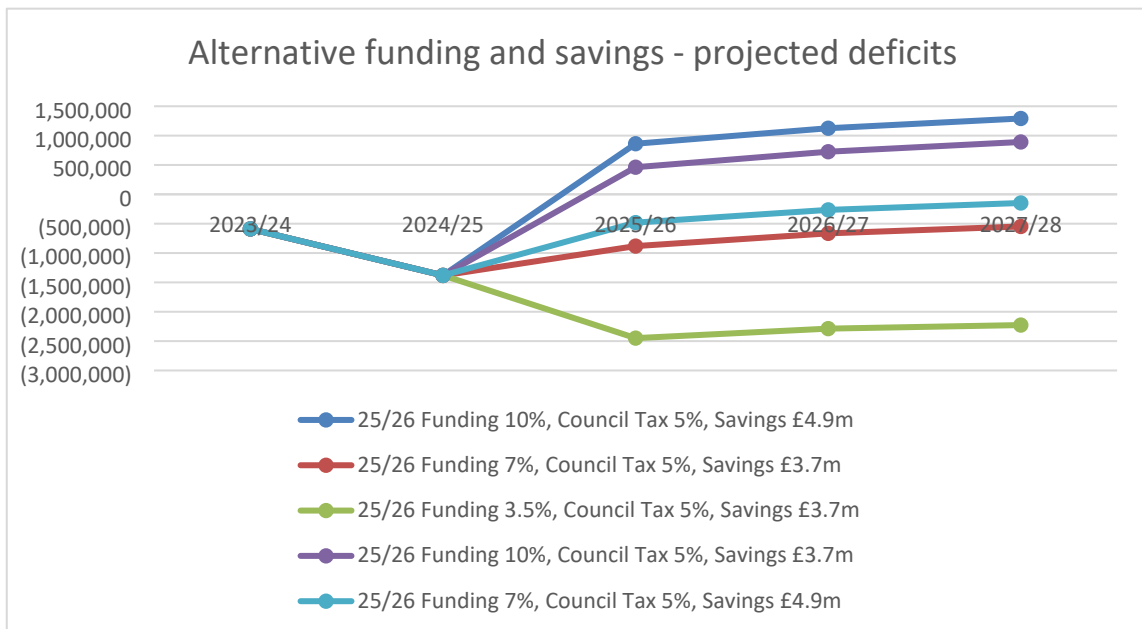


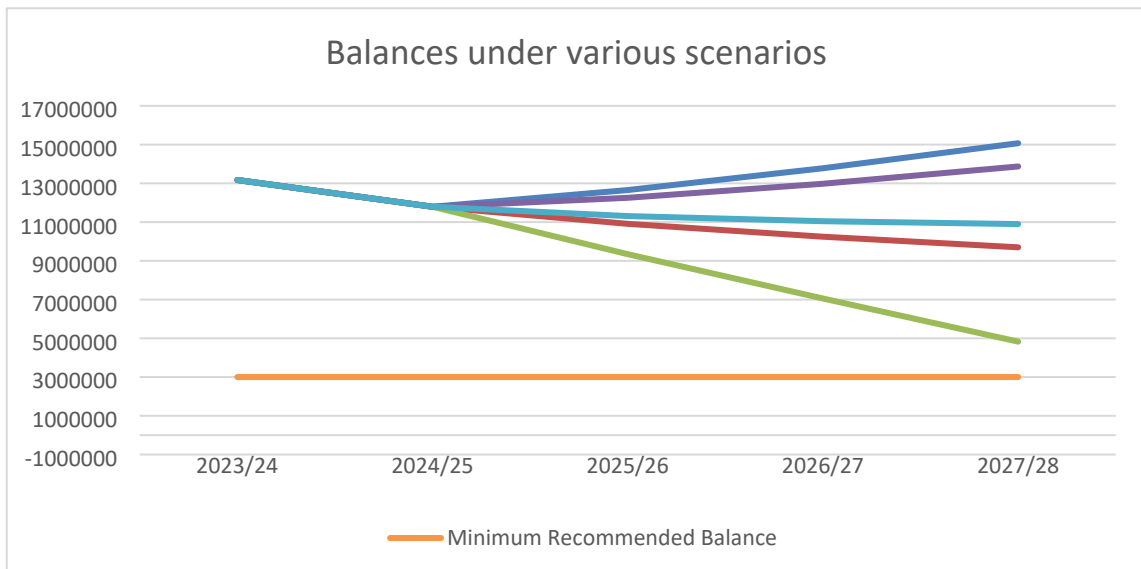


- 4.4.2 The above graph shows the position. A freeze and a low funding Settlement in 25/26 (of 3%) would see the Council with a deficit of over £3.6m (blue line) and would see balances reduce to below £0. If the Council decided to freeze council tax then it would hope for the best funding settlement in 25/26 (10%, red line). With a Settlement of this magnitude and delivery of an additional £4m savings (on top of what has been achieved in 23/24), the Council would still have a deficit of over £300k but balances of £8m. The risks associated with this option cannot be understated.
- 4.4.3 **Increasing the savings targets** – the MTFP includes a £4.9m savings target (£4m still to deliver). This is ambitious because the Council has already made substantial savings in previous years. In reality, out of a net budget of £46m, we would estimate that only £20m-£22m of the budget is controllable (some costs we simply cannot stop) hence a £4.9m saving target is challenging and represents around 25% of the controllable budget. Assuming that a bigger savings target could “fund” lower Council Tax rises is bordering on reckless. The Council would need to undertake due diligence to ensure any increased target is realistic.
- 4.4.4 More importantly, the target of £4m can only be achieved if Members support savings proposals – this is by no means guaranteed and under delivery of the target will have a significant impact. The table below shows the risk the Council runs if only 50% of the savings target is achieved. In this scenario, the Council would still be running a deficit of over £2m and balances would have reduced to c£5m.



4.4.5 Funding – funding for 24/25 is more or less certain but beyond that we are entering unknown territory (as per 4.3.5). The best thing financially would be to raise Council Tax now and then should additional funding be provided, reduce council tax increase in later years knowing that funding is certain. The graphs below illustrate the point.





4.4.6 A redistribution of funding to the level set out in 4.3.6 would at best give the Council future choices around council tax and the level of savings to be made. It does not allow the Council the luxury of “do nothing now and the problem goes away in a couple of years”. It is the combination of 10% increased funding and savings that would clear the Council’s deficit. The green line represents the worst scenario (failure to achieve £4.9m savings by £1.2m and a 3% funding increase in 25/26) but even in this case balances would remain above £3m if Council Tax is levied at 5% which would give the Council a chance to remedy the £2m deficit that would exist.

4.5 Funding outlook summary

4.5.1 With the MTFP updated for the Settlement, budget proposals for 23/24 and other assumptions, the overall position is clear – a 5% tax rise would leave the Council a 23/24 subsidy of £0.589m, a subsidy of c£1.4m in 24/25 which then falls to £147k after assuming the Councils saves £4.9m by 27/28. Even with the savings programme delivered in full and maximum Council tax rises, the Council will not achieve its two Corporate Strategy priorities during the period of the plan unless something else happens e.g. extra funding is received, demand reduces etc. The scenarios in 4.4 show that in the context of significant uncertainty, the Council’s best chance for financial sustainability is to continue with its savings programme and raise Council Tax to the maximum.

	23/24	24/25	25/26	26/27	27/28
Priority 1:	x	x	x	x	x
Living within our means					
Priority 2:	✓	✓	✓	✓	✓
Balances above £3m					

5 RISKS AND UNCERTAINTIES

5.1 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 4.1 and 4.4.) as it is not clear as to how the Government will implement Fair Funding or Business Rates Retention which we expect to happen in 25/26 following the next General Election.</p> <p>Funding allocation methods are also critical. For example, using the relative needs formula for Adults would see the Council receiving £3m more than it would under the current system which part equalises funding for those with high taxbases.</p>	<p>MTFP assumes some redistribution and a 7% increase in funding from 25/26 followed by increases of 3.3%.</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 5% will be the maximum Council tax rises permitted without the need for a referendum.</p>	<p>MTFP assumes 5% 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>
3	<p>The social care cap of £86,000 as part of adult social care reforms has now been deferred and will be implemented from 1 October 2025.</p> <p>Despite work done to date, there are significant unknowns:</p> <ul style="list-style-type: none"> • The number of people who will come forward for a care assessment; • The number of those coming forward who will be eligible for care; • The size of any care package required and the amount of financial contribution those people may require; 	<p>The Council has a working scenario that assumes the reforms are implemented in 2025, and costs are 80% funded.</p>

	Issue/risk	Impact/ Action to mitigate risk
	<ul style="list-style-type: none"> • How quickly people may reach the care cap meaning the Council picks up the full cost of care; • How much resource the Council will need to meet demand; and • Whether the reforms will be fully funded. <p>It is far too early for the Council, any Council for that matter, to assess with certainty what the costs might be or whether the Council will be fully funded. Previous analysis done in the sector suggested that the Government had underestimated costs by £10 billion.</p>	
4	<p>The Better Care Fund continues into 23/24 with additional investment of £600m in 23/24 and £1bn in 24/25.</p>	<p>The MTFP includes an additional £300k in 23/24 and £500k in 24/25. As this funding is likely to come with conditions, it assumes it will be used to fund new expenditure rather than subsidise current costs.</p>
5	<p>Schools funding (Dedicated Schools Grant) is outside of the General Fund and is ring fenced.</p> <p>The Council is carrying a deficit on the DSG, estimated by 2023 to reach £1.3m, caused by High Needs pressures which it aims to recover over time.</p> <p>In statute, the Council is not required to fund this deficit and an override continues until 25/26. It is not clear what happens beyond that date.</p> <p>The Council has joined the Delivering Better Value programme organised by the DfE which will provide support to the Council to tackle the issue of SEN demand and how to fund it.</p> <p>The Council will be able to access £1m of grant funding to help implement a DBV action plan.</p>	<p>The Council has set aside a reserve to cover the costs of the deficit and has no plans to change its position despite the existence of the override as it is not permanent.</p> <p>As the reserve balances is only £1m, it is proposed to increase this by £300k to meet the current deficit level.</p>

	Issue/risk	Impact/ Action to mitigate risk
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.</p> <p>The tax base has grown by 117 which is broadly as expected. There have been no major changes in discounts, exemptions, new homes or the collection rate.</p>	<p>The MTFP assumes net tax base growth of c115 Band D properties in line with the assumptions set out opposite.</p>
7	<p>The Council voted in September 2021 to restart its Local Plan process and set aside c£1.4m to fund this which was topped up to £1.7m at Outturn.</p> <p>The latest information is that costs are estimated at £2.3m (covering costs of a new Local Plan and extra costs from operating without one). Additional planning income above that budgeted will reduce this cost.</p>	<p>The Council has a ringfenced reserve set aside for the Local Plan. If this is not sufficient then additional funding would have to be drawn down.</p> <p>Cabinet is proposing that £300k is set aside to top up the Local Plan reserve whilst the budget is reviewed.</p>
8	<p>Pay inflation rate for 23/24 is not finalised.</p> <p>The Council normally assumes a 2% increase but in the current economic climate and based on the 22/23 settlement, the budget assumes 4% in line with most other Councils.</p> <p>The pay settlement is not expected to be concluded before the end of the 22/23 financial year.</p>	<p>The MTFP has provided for 4% in 23/24, 3% in 24/25 and reverts back to the normal 2% assumption for 25/26 onwards.</p>
9	<p>The Government target is to keep inflation below 2%. Inflation, as measured by the Consumer Price Index (CPI) is 9.3% (November 2022).</p> <p>The Council has seen the impact of inflation in all of its business as it has extended and renewed contracts. Contract extensions have led to increased costs. In various other markets, energy costs and recruitment</p>	<p>The Council has amended inflation rates in the MTFP to reflect increases in energy costs and contract price changes. The costs are shown in individual budgets.</p>

	Issue/risk	Impact/ Action to mitigate risk
	and retention issues have pushed up prices.	
10	<p>Interest rates have increased in 2022 from 0.25% to 3.5% and are expected to rise again to as much as 5% increasing the Council's ability to earn investment income and the potential to repay long term debt earlier.</p> <p>The Bank of England uses the base rate to influence how much people spend and as a consequence, keep inflation rates in line with the Government target of 2%.</p>	<p>Advice from our Treasury advisors is factored into investment returns expectations which have been increased to over £1.6m.</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>
11	<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 is in the middle of an asset review and will need to consider plans when this is completed.</p> <p>The Capital Investment Strategy highlights the need for a long term (10 year) capital plan. This could require further borrowing. For now, Cabinet has set out priorities for funding held (Report 197/2022) but it is possible that the Council may need to generate additional funding (borrowing, capital receipts) to meet needs. For example, a business case for infrastructure requirements for waste management (that could create revenue savings) may require capital investment beyond available resources.</p>	<p>The Council will aim to minimise borrowing unless there is an Invest to Save rationale.</p> <p>All other proposals for investment will be judged on their individual merits.</p>
12	<p>The Government reform agenda continues and can have an impact on the Council's work and budget:</p> <ul style="list-style-type: none"> • Care cap reforms – deferred to October 2025 • The Schools Bill – has now been dropped 	<p>Care cap reform costs are built into the MTFP from 2025/26 assuming they are 80% funded.</p> <p>There is still some uncertainty around whether the Council will be able to charge for Green Waste, at present the Council</p>

	Issue/risk	Impact/ Action to mitigate risk
	<ul style="list-style-type: none"> • Elections Act 2022 – this has been passed but regulations are awaited as to how we implement voter ID • Environment Act 2021 – this has been passed but regulations are awaited which will cover green waste charging and food waste collections. <p>Regulations will determine how legislation should be implemented and the advent of new burdens funding will tell us whether we will have to bear any cost.</p>	<p>have assumed that charging will be allowed</p> <p>It is assumed Food Waste collection will come in from 25/26 and be funded.</p>
13	<p>The Council has completed its condition survey work and has begun a £565k project to fund major essential works. This is a core part of its work on Asset Management.</p> <p>A Corporate Asset Programme has now begun with the plan to produce outline business cases for each Primary Key Asset. Focus will be on Catmose due to changes in the way we are working and Oakham Enterprise Park as the single-largest asset.</p>	<p>The capital programme includes a capital project.</p> <p>Future capital works and needs will be driven by the outcome of business case work. Capital funds and reserves are available but adequacy will depend on the extent of the long term programme.</p>
14	<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 and no expenditure has been incurred to date.</p>	<p>The Council is proposing to remove its £500k earmarked reserves to fund ongoing work as no costs have been incurred to date.</p> <p>Any future costs will be picked up by the General Fund.</p>
15	<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</p>	<p>As explained in 4.2.13 the Council has now released its provision as claims have not led to losses.</p> <p>A new rating list has been produced for 2023 and the Council will continue to provide for losses.</p>

	Issue/risk	Impact/ Action to mitigate risk
	<p>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 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>	
16	<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 lasting impact of the pandemic (, 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> <p>The Council is trying to recruit for two Director positions but has not built in any pressure should it be unsuccessful.</p>
17	<p>The Council has undertaken a review of the County's leisure and wellbeing needs and has recently tendered for a contractor to run dry side provision at Catmose at zero cost to the Council.</p> <p>The Council has not secured any viable bids with suppliers unwilling to take the risk of rising energy costs.</p> <p>The Council is now assessing its position but it could mean that public leisure provision may close. As the Council has a lease with Catmose College and facilities were funded with external grant, there may be financial implication of any decision to close.</p>	<p>The MTFP allows for £300k to meet the potential costs of either ceasing provision or continuing at cost.</p>

6 SAVINGS: DELIVERING FINANCIAL SUSTAINABILITY

6.1 Objective and priorities

6.1.1 The Council has approved a FSS which it is implementing. The strategy is geared around the two objectives set out in 3.2 and is built around three principles:

- raising council tax to maximise yield – this is our biggest income source;
- delivering a transformation programme and an “affordable service offer” and any other savings required; and
- using up to £2m of reserves to subsidise the budget to allow savings to be delivered. The savings per the FSS are set out below.

	23/24	24/25	25/26	26/27	27/28
Total recurring savings required (per FSS)	0.800m	2.443m	2.778m	3.835m	6.989m
Delivered in 23/24 inc one off savings	1.593m	0.958m	0.958m	0.958m	0.958m
New savings required (per MTFP)	0.800m	1.485m	0.335m	1.057m	1.123m
Cumulative to be delivered (per MTFP)	-	1.485m	1.820m	2.877m	4.000m
NB: The MTFP includes recurring savings of £4.958m which is less than the £6.989m originally envisaged but is based on the current programme and acknowledges that the 25/26 funding position is uncertain.					

6.2 Transformation programme

6.2.1 The Chief Executive and Corporate Leadership Team are leading the Transformation programme. From our work to date and conversations thus far with our Transformation Partner, it is clear that any plan will have to achieve two things:

- i) transform the way we deliver so that we reduce waste and maximise efficiency, and we get maximum value for our spend. Our Transformation work will allow us to develop an operating model that achieves this. But, the notion that a change of operating model will in itself will deliver the extent of savings required is unrealistic with the vast majority of savings expected from moving to an “affordable service” offer (we call this our strategic portfolio).
- ii) delivers a smaller but functional Council that spends less on its strategic portfolio whilst protecting the most vulnerable and enabling the community to do more for itself.

6.2.2 The Council has included savings targets in the MTFP and is working on the following workstreams:

Area	Mission statement
Operating Framework	To design a new operating framework that makes decision making lean and strips out unnecessary bureaucracy making it easier to deliver services for customers.
Customer	We will simplify access to customer services and look for opportunities to enhance customers lives and lived experience by reviewing how customer access works and our model for customer services.
Community Offer	To have an integrated all-age community offer including the Voluntary Community Sector (VCS) that allows individuals and communities to help themselves, provides preventative support and targeted intervention to prevent escalation of needs.
Commissioning and Contracting	The Council manages fragile marketplaces, effectively supports services to source and secure commercially viable contracts and ensures there are skilled contract managers in place to maximise value from contract arrangements in place.
Digital, Data and Technology	Customers are able to self-serve through online interactions and integrated systems create efficiencies and give better access to data and insight, meaning evidence-led decision making is easier.
Enabling Services	The Council's support services function is reviewed, with clear consideration given to a centralised or decentralised model for each support function which will maximise the value offered by service delivery units.
Public Realm	To reorganise public realm services, rescale our revenue commitment whilst maintaining a safe public realm and develop a standardised and affordable offer across the County that is clear on the role and remit of the Council and partner organisations and who pays.
Cultural Services	To develop an enabling cultural offer that enhances the visitor economy for reduced financial impact to the Council.
Asset Management	To optimise our estate, reduce cost and maximise revenues.
Special Educational Needs	To identify sustainable changes that can drive high quality outcomes for children and young people with SEND (within their locality) and secure a more efficient and cost effective model.
Integrated Care Organisation	To redesign and integrate health and adult social care services, utilising shared resources to secure a more efficient and cost effective model and one that improves

Area	Mission statement
	the customer experience.
Transport	To design and implement a demand led public transport model which is sustainable and costs less and drives up passenger use and improves accessibility to services including health and education.

6.2.3 The Council's aim is to progress each workstream with a view to coming up with proposals and options for Members to consider post the May election. At this stage, it should be noted that Members have taken no decision in respect of the future delivery of services other than those reflected in this budget but Members have acknowledged that all areas of Council business need to be examined.

6.2.4 Savings for 23/24 are included in the budget (Section 9). There is also a target in the MTFP for 24/25. There is work to done to translate the target for 24/25 into one that is deliverable. By the end of April, the Council should be in a better position as workstream activity will be significantly progressed. **By September 2023 at the latest, the Executive should present detailed proposals (worked up proposals that can be actioned from 1 April 2024) for the achievement of 24/25 savings.**

7 RESERVES

7.1 Our approach

7.1.1 The Council has various reserves as set out below.

Reserve	Description
1.General Fund	General reserve available to fund shortfalls in expenditure or unexpected costs
2.Earmarked Reserves	<p>There reserves are established by Council, they are set up for a specific purpose e.g., health and safety claims. The Council has generally two types:</p> <p>a) reserves set aside in case an event arises e.g. redundancies; and</p> <p>b) reserves set aside where the Council knows spending will take place but is not sure how much or when e.g. Local Plan reserve. The latter is effectively a ring fenced reserve.</p> <p>In either case, the Council could chose to return the balance on these reserves to the General Fund.</p>
3.Ringfenced reserves	Where the Council receives ring fenced funding, any unspent funds must be held in a reserve and only used for that intended purpose.

7.1.2 For the purposes of its FSS, the Council proposed to use the term non ringfenced reserves to include the General Fund balances plus earmarked reserves that whilst earmarked could in effect be made available to subsidise the budget (those that meet the definition of 2a above).

7.1.3 This classification is helpful as it excludes statutory ringfenced reserves and those such as the Local Plan reserve which are already committed. The use of non ringfenced reserves in the MTFP effectively means that Members know the total amount of funds available to meet any costs outside of the budget.

7.1.4 The Council will be asked to:

- release all balances held in 2a) above as per Appendix 6 back into the General Fund.
- set aside an extra £300k for the Local Plan reserve (Section 5, Risk 7);
- set aside an extra £300k to cover the SEN deficit (Section 5, Risk 5);
- set aside an extra £300k to cover the potential costs from a decision on Leisure provision (Section 5, Risk 17).

7.1.5 This will give the Council balances (after budget setting) as follows with earmarked reserves constituting those reserves already committed for specific issues e.g. Local Plan costs.

Reserve	£
General Fund	13.173m
Earmarked reserves	4.100m
Ringfenced reserves	1.954m

7.2 The minimum level of reserves required

7.2.1 One of the reasons that a budget deficit (plugged by reserves) 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.

7.2.2 These reserves can be called upon in the short term to balance the budget and meet any additional in year costs. Balancing the budget using reserves is not good practice but is legitimate in the short term alongside a plan to reduce reliance on reserves in the future. The Council’s FSS allows for the use of up to £2m of reserves alongside a programme to reduce this usage to £0 by 27/28.

7.2.3 It is important to note that in its Local Government Finance Policy Statement, the Government encouraged “local authorities to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures, taking account, of course, of the need to maintain appropriate levels of reserves to support councils’ financial sustainability and future investment.” The Council’s FSS is

commensurate with this direction.

7.2.4 The current financial position and events like the decision to restart the Local Plan process in 2021 (which calls upon £2m of Reserves) demonstrates the importance of having available funds.

7.2.5 The minimum level of reserves is set to take account of:

- strategic, operational and financial risks (see Section 5);
- key financial assumptions underpinning the budget; and
- the quality of the Council's financial management arrangements.

7.2.6 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 2023, reserve levels are budgeted to be at £13.173m (Appendix 1).

7.2.7 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:

- despite a good savings track record, the Council has work to do to deliver future savings but does have a programme in place being driven by the Chief Executive;
- there are potential risk and cost pressures as set out in Section 5; and
- the financial outlook is uncertain.

8 COUNCIL TAX AND COLLECTION FUND

8.1 Council tax – options

8.1.1 The Government has increased the Council Tax referendum limit to 5% for 23/24 (3% for general council tax and with 2% for social care).

8.1.2 The draft budget proposes to raise Council Tax by the maximum available in light of its financial difficulties.

8.1.3 The rationale for applying the 2% Adult Social Care (ASC) precept is that the Council's budget assumes that the rate it will pay for increase to care rates following its fair cost of care work. The budget provides for substantial increases (subject to a report to be presented in February) for residential care, homecare and direct payments. As there are now few providers who will accept the current negotiated rate of £535 for a residential care bed, the Council is required to act to sustain the market – this is also an expectation from Government attached to extra funding.

8.1.4 The table below summarises the position for ASC and shows that the pressure on costs is not covered by all the additional funding.

Extra funding (compared to 22/23)		Extra costs (excludes general inflation and pay uplift for social workers and other staff)	
Better Care Fund	£300,000	Demand	£260,000
iBCF	£0	Better Care Fund	£300,000
Fair Cost of Care	£227,000	Fair Cost of Care	£2,000,000
Social care grant	£732,000	Care Cap Reforms	£117,000
Discharge Fund	£31,000		
Precept	£637,000		
Total	£1,927,000	Total	£2,677,000

8.1.5 The precept of £637,000 pays for c1,160 weeks of residential care (at the existing negotiated rate) or c35,400 hours of homecare.

8.1.6 The table below gives shows the difference between the various options that Members could apply for Council tax as a whole. **The compound impact of any tax rise below the 4.99% maximum is significant. For example, a tax freeze and a loss of £8.5m funding over 5 years would threatens the Council's financial independence.**

Change from 22/23	Council tax rate	23/24 Council tax revenue £m	Loss against maximum yield in 23/24	MTFP Impact (5 years)
4.99%	£2,013.04	£32.043m	N/A	N/A
3.99%	£1,993.86	£31.738m	£0.305m	£1.7m
2.99%	£1,974.69	£31.433m	£0.610m	£3.4m
1.99%	£1,955.52	£31.127m	£0.917m	£5.1m
0.99%	£1,936.34	£30.822m	£1.220m	£6.8m
0%	£1,917.36	£30.518m	£1.525m	£8.5m

NB: The losses over a 5 year period will vary according to a number of factors including growth, council tax support, collection rates, discounts and empty homes.

8.2 Impact on residents

8.2.1 The Council runs a Local Council Tax Support scheme. The Scheme gives a maximum 75% 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 25% of the value of Council tax for their property.

8.2.2 The Council also has a discretionary hardship fund which would allow us to reduce Council tax for the most vulnerable and we have also received £33k from Government to make additional payments for those on low incomes.

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

Impacts	22/23	23/24
<i>On residents</i>		
Council tax per Band D property	£1,917.36	£2,013.04
Weekly cost (Band D)	£36.77	£38.61
Maximum weekly cost for those receiving full council tax support	£9.19	£9.65 (£0 if residents are of pensionable age)
Number of households paying the full charge*	10,025	10,096
Number of households receiving single persons discounts/ council tax support*	6,705	6,715
Council tax support funding available for hardship cases	£20,000	£20,000 plus an additional £33,000 from Government
NB: The Council offers various support for those on low incomes which can be found at https://www.rutland.gov.uk/my-community/cost-of-living-support .		

8.3 Council Tax Collection Fund – the estimated balance for 2022/23

8.3.1 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.

8.3.2 The estimated financial position on the Collection Fund at 31 March 2023 is shown below.

Estimated Surplus at 31 March 2023	£38,756
Share of Deficit	
Rutland County Council	£33,012
Leicestershire Police Authority	£4,476
Leicestershire Fire Service	£1,268

8.3.3 Regulations provide for the Council's share of the estimated deficit to be transferred to the General Fund in 23/24.

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

8.4.1 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.

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

8.4.3 For 22/23, the P8 position showed a deficit position of £75k. This is largely down to an increase in unoccupied property relief and small changes across a number of other reliefs.

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

8.4.5 To help neutralise this impact the Council will use the additional funds held in the NNDR reserve in order to meet the estimated deficit in the Collection Fund in January 2023. The Business Rates position will be confirmed in January when the annual report is completed.

9 **REVENUE BUDGET**

9.1 **Revenue budget**

9.1.1 The Council is proposing a net revenue budget of £46.549m. The table below sets out the detailed make-up of the draft budget.

	Draft budget 23/24 £000
People (Adult and Children's Services)	23,943
Places	16,221
Resources	8,073
<i>Sub-Total Directorate budgets</i>	48,237
Pay Inflation contingency	743

Demand Led Contingency	245
<i>Sub-Total Contingencies & Corporate Savings</i>	988
Net cost of services	49,225
Appropriations	(2,643)
Capital financing costs	1,647
Interest income	(1,680)
<i>Sub-Total Capital</i>	(2,676)
Total Net Spending	46,549
Funding	(45,771)
Contribution from Ring Fenced Reserves	(188)
Use of General Fund reserves	590

9.1.2 The draft budget does not include all expenditure that will likely be incurred in 23/24. Updates will be required for the following in due course:

- **Homes for Ukraine** – the Scheme will continue into 23/24. Hosts' 'thank you' payments to increase to £500 a month after a Ukrainian's first year of sponsorship, and will be extended from 12 months to 24 months. From 1st January 2023, Council's will receive £5,900 to help support each new arrival. Government will also provide £150million of new UK-wide funding in the 23/24 financial year to local authorities and devolved governments to help mitigate homelessness in place of the tariff. The Council has current funding which has been spent and will receive additional funding, as indicated above, so it is envisaged that funding will be drawn down as costs are incurred.
- **Local Plan** – the Council has set aside funding for a new Local Plan in a reserve. As expenditure is incurred, that funding will be drawn down to match expenditure.
- **UK Shared Prosperity Fund** – the Council has been awarded funding and will draw this down as expenditure is incurred.
- **Household Support Fund** – this scheme is fully funded by Government and will continue into 23/24 (funding level unknown).

9.2 Contribution to Corporate priorities

9.2.1 The budget will allow the Council to deliver on Corporate Strategy 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 investing new funding into the care sector which will allow care providers to receive an increased rate for care provision mitigating the cost rises they are facing;
- the Council is maintaining current Local Council tax support scheme arrangements and its discretionary funds for the most financially vulnerable residents;
- the Council continues to work closely with Health and will invest some new funding in supporting hospital discharge;

- the Council is investing in the waste management service and maintaining service provisions at the same levels;
- the Council continues to invest c£2m of capital funding 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;
- 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; and
- the Council is investing in the development of a new Local Plan and has set aside significant funding for this.

9.2.2 For now the budget protects the majority of key services, and avoids service reductions that may be forced in the future. The Council will keep its Corporate Strategy priorities under review in light of how its Transformation work progresses.

9.3 Key assumptions

9.3.1 The **Directorate budgets** are detailed by functional areas in Appendices 2 to 4. The detailed budgets show how they have changed from 22/23 for the following items.

	Description	Directorate Budgets £000	Corporate Budgets £000	Total Budget
	Starting Budget	44,597	(568)	44,029
Inflation +	General inflation is applied to budgets. To illustrate the impact of inflation on different parts of the budget, inflation is shown separately for utilities and contracts.	421*	0	421
Utilities +	Utilities inflation	118*	0	118
Contracts +	Contract inflation pertaining to extension or renewal of contracts	810*	0	810
Pay +	The impact of any pay award for 23/24 (still yet to be decided) is included in the Corporate provision. The Directorate Budgets includes any pay related costs such as pension costs, regrades etc.	361*	743*	1,104

	Description	Directorate Budgets £000	Corporate Budgets £000	Total Budget
Pressures +	A pressure represents an increase in the budget arising from: <ul style="list-style-type: none"> • A loss of income or funding • An increase in demand • Implementation of reforms 	3,285*	0	3,285
Changes in Depreciation +	Changes in depreciation for the assets the council holds	169*	(169)	0
Changes in funding -	Additional funding may be provided for new duties as outlined above or to help subsidise existing duties. Funding can take the form of grants, use of reserves or external funding.	237*	0	237
National Insurance -	Reversal of NI uplift giving a saving	(142)*	0	(142)
Savings =	Directorate Savings arising from: <ul style="list-style-type: none"> • A reduction in demand • Stopping/reduction in service • Efficiencies Corporate Savings Arising From <ul style="list-style-type: none"> • Investment Income • Reduction in Demand Contingency 	(1,593)*	(1,720)*	(3,313)
	23/24 budget	48,263	(1,714)	46,549
	Budget Reductions	(1,735)	(1,889)	(3,624)
	Budget Increases	5,401	743	6,144

9.4 Reserves and Estimates - robustness

9.4.1 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.

9.4.2 The most substantial risks in 23/24 pertain to demand led budgets, delivery of savings and inflationary pressures on budgets. The Council has prudently assumed

that:

- current trends of increased demand etc will continue but also has some contingency included in the budget for any pressures;
- social care rates will be increased to a level that is sustainable in the current care economy;
- savings of £1.735m can be realised.

9.4.3 It is my view that estimates made in the plan are prudent. In the medium term, the risks to the budget strategy arise from the risks detailed in Section 5 but can be summarised as follows.

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

9.4.4 The risk of economic downturn continuing, nationally or locally, is a distinct possibility as noted in the risk section. 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.

9.4.5 In 23/24, it was my view that the Council's financial resilience is adequate. In light of the risks highlighted in section 5, **my view is that the position is deteriorating as reserves continue to be used to balance the budget but this is manageable in the short term because:**

- The Council 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
- A savings programme is in place, year 1 savings have been delivered and work is progressing on workstreams which will deliver savings in year 2.

9.4.6 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.

10 CAPITAL PROGRAMME PRIOR YEAR

10.1 Overall Programme – existing and new projects

10.1.1 The Capital Programme is developed around specific projects. The programme comprises of 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 2023/24);
- Ring Fenced Grants: These grants can be awarded following a successful application process or passported by Government to support objectives. Projects will automatically be included in the existing capital programme (e.g. disabled facilities grants) if there is a project to spend the funding;
- Non Ring-Fenced Grants: New projects to be approved in the budget or in-year; and
- Funding available but not yet allocated.

10.1.2 The table below is an overview of the position for 2023/24. Projects that make up the total £16.420m are listed in Appendix 7.

Capital Programme	Budget Approved to Date	New Capital Projects	Budget 2023/24
	£000	£000	£000
Strategic Aims and Priorities	6,000	282	6,282
Asset Management Requirements	10,138	0	10,138
Total Projects	16,138	282	16,420
Grant	(13,685)	(282)	(13,967)
Prudential Borrowing	(349)	0	(349)
Capital Receipts	(595)	0	(595)
RCCO	(309)	0	(309)
Developers Contributions	(1,200)	0	(1,200)
Total Budget Funding	(16,138)	(282)	(16,420)

10.2 Changes to the Capital Programme

10.2.1 In October 2022, £15.509m was approved as the new capital programme, amendments of £629k have been made since this report, A further £282k of ring fenced projects have been added within the 2023/24 budget setting process. These amendments are shown within the table below, therefore giving the council a revised capital programme of £16.420m.

	Project	Capital Project Approval or Delegation	Value	Value
			£000	£000
Approved Capital Programme (Mid-Year Report Report 157/2022)			15,509	
New Capital Programme – Approved Since Outturn				
Strategic Aims and Priorities	Exton Play Area Refurbishment	S106 Delegation	14	
Asset Management Requirements	Asset Review	Report 183/2022	565	

	Project	Capital Project Approval or Delegation	Value	Value
			£000	£000
Strategic Aims and Priorities	Schools Energy Efficiency Improvement	Ring Fenced Funding	26	
Strategic Aims and Priorities	UK Share Prosperity Fund	Ring Fenced Funding	24	
Total New Capital Programme – Approved Since Mid-Year Report				629
New Capital Programmes for 2023/24 Budget Setting				
Strategic Aims and Priorities	Devolved Formula Capital	Ring Fenced 2023/24 Funding	12	
Strategic Aims and Priorities	Disabled Facilities Grants	Ring Fenced – 2023/24 Funding	270	
Total New Capital Programme – Approved for 2023/24 Budget Setting				282
Revised Capital Programme 2022/23				16,420

10.3 Approved projects – approved projects continuing into 2023/24

10.3.1 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 2023/24. The estimated spend in 2023/24 will depend primarily on the outturn position (the amount spent) for 2022/23. Examples include the school expansion project at Catmose and the council's asset review.

10.4 Approved projects – projects delivered with ring fenced funding

10.4.1 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.

10.4.2 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.

10.5 Projects in pipeline – to be submitted for approval or added in due course

10.5.1 In a few areas, works are ongoing and some proposals for new projects are being developed. In these areas, Cabinet reports are expected in 2023/24. Funding for any future projects will be met in full or in part from the unallocated funding (set out in 12.6 below). Areas under review include:

10.5.2 Levelling Up fund bid – Cabinet approval was given in June 2022 to submit a joint application with Melton Borough Council for Levelling Up Funding. If successful, the Council may be asked to provide match funding for up to 20% of the award value. An update will be given once the Council is notified on the outcome of the bid.

10.5.3 UK Share Prosperity Fund Allocation (UKSPF) – the funding has been launched to support the Levelling Up agenda. The Council is now allowed to draw down its £1m share of the allocation over the next 3 years. The 2022/23 allocations have been added to the Councils revenue and capital budget. The allocations for 2023/24 and 2024/25 will be included once detailed plans are known.

Allocation 22/23			23/24	24/25
Capital	Revenue	Capacity	£117,344	£823,984
£23,469	£35,203	£20,000		

- 10.5.4 The Rural England Prosperity Fund was announced by Government on 3rd September 2022. It complements the UKSPF and is a top-up to help address the extra needs and challenges facing rural areas. The Council submitted an investment plan (28th November 2022) and received an indicative allocation of £100k in 2023/24 and £300k in 2024/25. This is subject to government review. An update will be provided once the funding has been officially awarded.
- 10.5.5 Property Asset Review – Cabinet approval was granted in November 2022 for a capital project for emergency works on the Council’s estate. The next phase of work will now focus on the options for each class of assets and subsequently the development of a longer term planned maintenance programme.
- 10.5.6 SEND Capital Funding – Funding for High Needs Provision Capital Allocation (HNPCA) has been confirmed for 2022/23 (£500k) and 2023/24 (£540k) but are not included in the capital programme yet. The funding is to support local authorities to deliver new places and improve existing provision for children’s and young people with special educational needs and disabilities or who require alternative provision. The Council is joining the Delivering Better Value programme in January 2023, these works will feed into the process and where appropriate, to a Cabinet paper. Proposals will be presented in the new year.
- 10.5.7 Highways – the Department for Transport provided indicative funding of £2.381m for 2023/24 for local roads and upgrades to tackle potholes, relieve congestion and boost connectivity. This is included within the unallocated table in 12.6 until a paper is presented to Cabinet for approval.
- 10.5.8 10 year capital investment plan – There is a commitment in the Corporate Strategy for the Council to develop a 10 year capital investment plan to guide future spending on infrastructure and facilities. As this will link to and be informed by the development of the new Infrastructure Delivery Plan (IDP) it is anticipated that capital investment plan will now be developed in the latter half of 2023.

10.6 Unallocated Funding (funding available)

- 10.6.1 Currently the Council is holding capital funds that have not yet been approved to a project. A breakdown of these funds is shown in the table below.

	Developers Contributions			Other funds		
	Section 106	Community Infrastructure Levy Fund	Oakham North Agreement	Ring fenced Grants	Non ring-fenced Grants /Capital receipts	Total
	£000s	£000s	£000s	£000s	£000s	£000s

Opening Balance at P5	(2,695)	(2,569)	(3,168)	(1,327)	(3,281)	(13,039)
Changes since Mid Year report						
Changes since P5	0	0	0	(26)	0	(26)
New Projects Approved since P5	14	0	0	26	565	605
Total Changes since P5	14	0	0	0	565	579
Changes at Budget Setting 2023/24						
Estimated Grant Award 2023/24	0	(430)	0	(937)	(2,943)	(4,310)
New Capital projects approved at budget setting	0	0	0	282	0	285
Leisure Commitment	0	250	0	0	0	250
Total Changes at Budget Setting	0	(180)	0	(655)	(2,943)	(3,778)
Closing Balance Unallocated	(2,681)	(2,749)	(3,168)	(1,981)	(5,659)	(16,238)
Breakdown of Funding		Ring fenced Grants	Non ring-fenced Grants/ Capital receipts			
SEND Funding		(1,039)				
Schools Capital Maintenance Funding		(717)				
Other Social Care Funding		(225)				
Highways			(2,458)			
Integrated Transport			(1,929)			
Capital Receipts			(1,195)			
Other Non Ring Fenced Funding			(77)			
Total		(1,981)	(5,659)			

10.7 Indicative Allocations

10.7.1 A report (No: 197/2022) went to Cabinet in December, to set out the capital funds currently held by the Council, also to approve indicative allocations for the Council's investments. The report aligns the capital resources to the Council's strategic priorities that are set out in the Corporate Strategy and shows provisionally how the £16.2m held above might be used.

10.7.2 The indicative allocations will enable services and partners to develop their investment plans and bring forwards proposals for specific projects to meet the County's infrastructure needs and strategic priorities. Details of the indicative allocations can be found in the table below

	Developers Contributions					
	Section 106	Community Infrastructure Levy Fund	Oakham North Agreement	Ring fenced Grants	Non ring-fenced Grants	Total

	£000s	£000s	£000s	£000s	£000s	£000s
Opening Balance as above	(2,681)	(2,749)	(3,168)	(1,981)	(5,659)	(16,238)
Priority 1: A Special Place	1,383	0	1,000	0	4,526	6,909
Priority 2: Sustainable Lives	45	1,000	2,000	0	0	3,045
Priority 3: Health and Well	72	1,500	0	225	0	1,798
Priority 4: A County for Everyone	1,180	0	0	1,205	0	2,385
Priority 5: A Modern and Effective Council	0	0	0	551	1,133	1,684
Total Indicative Allocations	2,681	2,500	3,000	1,981	5,659	15,821
Unallocated (after indicative allocations)	0	(249)	(168)	0	0	(417)

10.7.3 Priority One: A Special Place: Total £6.909m

10.7.4 Investment in Highways, Heritage and Culture and the County's public spaces to improve the cultural offer, attractiveness, accessibility, and safety within the market towns and villages. This investment will enhance the public realm and support the development of the Council's cultural offer.

10.7.5 It is proposed that a community grants scheme is established to promote and support the vibrancy of the County's communities. The community grants scheme will be the subject of a future report to Cabinet.

10.7.6 Priority Two: Sustainable Lives: Total £3.045m

10.7.7 Investment in the County's waste and recycling services and facilities to secure long-term resilience and value for money and address the pressure of additional waste arising created by growth.

10.7.8 It is also proposed to invest in the redesign of a sustainable and integrated public transport network that supports the implementation of the approved Bus Service Improvement Plan, increases bus usage, and reduces the County's carbon footprint.

10.7.9 Priority Three: Healthy and Well: Total £1.798m

10.7.10 Investment in improvements and increased health provision that meets the needs of all the County's residents. This investment must increase provision and not just upgrade or maintain existing provision. The County's health services are under pressure and additional development means further investment is required to support local residents.

10.7.11 Use of ring-fenced adult social care capital funds to support the care and independence of the County's residents.

10.7.12 Priority Four: A County for Everyone: Total £2.385m

10.7.13 Investment in the provision of services for early years, children, and young people and promoting the delivery of affordable housing within the County. The Council is exploring options for the provision of 'family hub' services which this investment

could support.

10.7.14 It is also proposed to work with Police and Fire and Rescue services to invest in ensuring Rutland remains safe and welcoming.

10.7.15 **Priority Five: A Modern and Effective Council: Total £1.684m**

10.7.16 Investment in optimising the use of assets to provide value for money and support future service delivery and the County's strategic priorities. The report to November cabinet on the high-level asset strategy will inform investment priorities and requirements for the Council's operational estate.

11 TREASURY MANAGEMENT

11.1 Overview

11.1.1 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 draft budget where known but there are also issues that may impact the MTFP in the future.

11.2 Key issues

11.2.1 Over the past few years, Treasury Management has become high profile as a number of Council's treasury activity has hit the headlines. Excessive borrowing and investments in property and other commercial ventures has got some Council's into financial trouble to the point that they now face intervention and/or have been issued with s114 notices.

11.2.2 In response to this activity, regulations have been tightened to prevent what regulators including CIPFA believe is reckless activity and now the requirements placed on all Council's is greater than ever. The Council's treasury activity has always been prudent and the new regulations do not impact the way it works.

11.2.3 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.

11.2.4 Nor does the Council propose to borrow purely for investment gain. This is not allowed now under CIPFA guidance and under the Council'

11.2.5 The Council's capital financing costs include any borrowing charge. Presently, the capital plans include limited borrowing. There may be borrowing implications from future projects that could impact the MTFP. This work will be prioritised after the Council had produced its new corporate plan.

11.2.6 The Council's Capital Investment Strategy will still permit borrowing for capital expenditure where financial return is a key priority alongside service considerations.

11.3 Prudential indicators – indicators to be approved

11.3.1 Local authority capital expenditure is based on a system of self-regulation, based

upon a code of practice (the “prudential code”).

11.3.2 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 Treasury report includes all relevant indicators.

11.4 Minimum Revenue provision – method of calculation

11.4.1 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).

11.4.2 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.

11.4.3 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.

11.4.4 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.

12 SCHOOL FUNDING

12.1 Overview – How school funding works

12.1.1 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.

12.1.2 The Government has announced indicative allocations for all blocks (Schools, High Needs, Early Years and Central Services for 2023/24).

12.1.3 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 2023/24. This transfer will equate to approximately £0.140m being transferred between blocks

12.1.4 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. The options are limited.

12.1.5 Schools have reserves they can call on, and the Council will work closely with any maintained school (there are 3 in Rutland) that is experiencing financial difficulty to draw up a recovery plan.

12.2 Allocations – funding received and allocated

DSG

- 12.2.1 The Schools Block allocation for Rutland is £30.294m compared to 2022/23 of £28.182m (an increase of £2.112m) equating to an increase of 7.5%. The National Funding Formula sets the Primary and Secondary units of funding for each authority based on the previous year's census data and these are used to calculate the funding received by the authority for the following year.
- 12.2.2 The two units of funding for Rutland County Council for 2023/24 have been set as follows:
- Primary Unit of Funding is £4,712.25 (£4,487.63 in 2022/23)
 - Secondary Unit of Funding is £5,746.146 (£5,525.00 in 2022/23)
- 12.2.3 The High Needs block allocation for 2023/24 is £5.872m compared to 2021/22 of £5.272m (an increase of £0.600m) equating to 11.4%.
- 12.2.4 The current level of spending on high needs is projected to be £5.7m in 2022/23, and continues to rise, and therefore the allocation for 2023/24 is likely to be insufficient to cover costs next year. The transfer of 0.5% from the Schools Block (approximately £0.140m) is for one year only.
- 12.2.5 The Council is likely to be carrying a DSG deficit of c£1.37m by the end of March 2023. The Council does have a plan to address the issue and is part of the Delivering Better Value programme which will start in January which is aimed at helping Councils to improve delivery of SEND services for children and young people while ensuring services are sustainable. As part of DBV the Council will be able to apply for up to £1m of grant funding to help implement change and reform.
- 12.2.6 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 Council do have a ringfenced reserve of £1.025m (balance on the DSG as at 31st March 2022) to cover its liability if the deficit is not recovered. The will be increased to cover the projected balance of £1.37m.
- 12.2.7 The Early Years block allocation for 2023/24 has been provisionally set as £1.718m based on an increase rate for 2 year old funding of £5.63 (£5.57 2022/23) and funding for 3 and 4 year olds of £4.87 (£4.61 2022/23).
- 12.2.8 The Council will review the funding and will set individual rates paid over to nurseries (after deducting 5% for Council statutory duties). It is expected that rates will increase from the 2022/23 rates of £5.57 for 2 year olds and £4.38 for 3 and four year olds. This will be confirmed in the final budget report.
- 12.2.9 The Central School Services block allocation is £0.198m for 2023/24 a slight increase (£0.01m) from the allocation in 2022/23. 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.

12.3 Pupil Premium Grant (PPG)

12.3.1 The DfE have not yet published the pupil premium rates for 2023/24. Any allocations are passported straight to schools.

12.4 Universal Infant Free School Meals (UIFSM)

12.4.1 The DfE have not yet published the pupil premium rates for 2023/24. Any allocations are passported straight to schools.

13 CONSULTATION

13.1 The Council is required to consult on the budget and has plans in place to meet those requirements. It is proposed that consultation for 23/24 includes:

- Consideration by Scrutiny at a special meeting in January;
- Correspondence with businesses about the budget and business rates issues inviting online comments;
- Consultation online and publicity through the local print and broadcast media from 13th January to 3rd February; and
- Public events to be held in the County, hosted by the Leader, where the Council will outline its financial position, explain what this means and how it is seeking to address it through its Transformation work.

13.2 Consultation will focus on some questions as set out in Appendix 8.

14 ALTERNATIVE OPTIONS

14.1 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.

14.2 Revenue savings/pressures

14.2.1 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. 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.

14.2.2 Option 2 - Members could not accept 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 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. Officers have already absorbed pressures where possible.

Members could request that more savings are made in 23/24. Members would need to give clear direction as to where additional savings would need to be made. Simply requesting an additional say £500k is saved with no direction would be unacceptable in light of the savings already proposed in 23/24. Reducing the savings to be made would be equally damaging and Members would need to be mindful of the financial implications of doing this on the overall financial position. Option 2 is not recommended.

14.3 Capital programme

14.3.1 Option 1 - The capital programme for 23/24 includes projects already approved by Cabinet/Council. Some additions/deletions are proposed and Members could approve the capital programme as stated.

14.3.2 Option 2 – Members could reject all or some of the additions/deletions. This is not recommended as changes reflect Council priorities.

14.4 Funding – Council Tax

14.4.1 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.

14.4.2 Option 1 - Members could approve the draft budget which assumes a 4.99% Council Tax increase (2% for Adult Social Care).

14.4.3 Option 2 – Members could vary the Council Tax rate. The impact of not making this decision is set out in Section 4. The loss of income for different rates is shown in Section 8. Given the financial gap already projected, the risks highlighted in Section 5 and the comments made by the s151 Officer in Section 3.1.

14.5 Final budget

14.5.1 In approving the draft budget for consultation, Cabinet will still be able to revisit the alternative options above after consultation and prior to recommending the final budget to Council in due course.

15 FINANCIAL IMPLICATIONS

15.1 The draft budget as presented relies on a contribution from the General Fund of £0.598m and £0.900m to be put into earmarked reserves.

16 LEGAL AND GOVERNANCE CONSIDERATIONS

16.1 The Council is on course to agree its budget and set its Council Tax for 2023/24 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>	

Requirement	Status
To levy and collect council tax	To be approved at Council in February 2023
To calculate budget requirements and levels of council tax	To be approved at Council in February 2023
To consult representatives of persons subject to non-domestic rates about proposals for expenditure	Covered in consultation (section 13)
To approve the budget and set Council Tax by 11th March in each year	To be approved at Council in February 2023
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 8.3
<i>Statutory requirements under Local Government Act 2003:</i>	
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 9.4
<i>Constitution</i>	
The Council is required to consult on the budget for a minimum of 3 weeks.	Section 13 covers consultation plans.

17 EQUALITY IMPACT ASSESSMENT (EIA)

- 17.1 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.
- 17.2 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 2% taking Band D Council Tax from £1,917.36 to £2,013.04 (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 2023/24 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 £1.84. 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. On top of the 75% discount, for those on LCTS 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. The Council has a webpage dedicated to showing the support available to those in need. https://www.rutland.gov.uk/my-community/cost-of-living-support/

18 COMMUNITY SAFETY IMPLICATIONS

18.1 There are no community safety implications.

19 DATA PROTECTION

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

20 HEALTH AND WELLBEING IMPLICATIONS

- 20.1 There are no health and wellbeing implications.

21 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 21.1 The Council is required to set a balanced budget and agree the level of Council tax for 23/24. The draft budget for consultation is affordable within the context of the MTFP.

22 BACKGROUND PAPERS

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

23 APPENDICES

Appendix 1	Medium Term Financial Plan
Appendix 2	Resources Directorate budget 22/23
Appendix 3	Places Directorate budget 22/23
Appendix 4	People Directorate budget 22/23
Appendix 5	Pressure / Savings
Appendix 6	Earmarked Reserves
Appendix 7	Capital
Appendix 8	Consultation

Appendix 1 – Medium Term Financial Plan

	2022/23 P8 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
People	21,240,700	23,942,704	25,135,804	25,794,304	26,545,204	27,312,704
Places	15,843,200	16,221,200	17,470,100	17,859,200	18,260,000	18,671,400
Resources	7,833,000	8,072,500	8,020,900	8,115,500	8,241,500	8,470,400
Additional Savings		0	(1,485,000)	(1,820,000)	(2,877,000)	(4,000,000)
ASC Reform Costs	0	0	0	200,000	400,000	600,000
Contribution to Overheads	(162,000)	0	0	0	0	0
Projects	433,600	0	0	0	0	0
Pay Inflation Contingency	0	743,200	1,329,500	1,722,800	2,111,000	2,505,100
Demand Led Contingency	0	244,900	764,500	1,299,400	1,851,000	2,420,600
Net Cost of Services	45,188,500	49,224,504	51,235,804	53,171,204	54,531,704	55,980,204
Capital financing and related items	(588,200)	(996,000)	(996,000)	(996,000)	(996,000)	(996,000)
Interest Receivable	(1,091,900)	(1,680,000)	(1,080,000)	(780,000)	(680,000)	(510,000)
Net spending	43,508,400	46,548,504	49,159,804	51,395,204	52,855,704	54,474,204
Other Income	(1,819,100)	(376,600)	(380,000)	(330,700)	(330,700)	(330,700)
New Homes Bonus	(461,300)	(7,000)	(7,000)	0	0	0
Improved Better Care Fund	0	(218,800)	(218,800)	(218,800)	(218,800)	(218,800)
Better Care Fund	(2,712,300)	(2,793,500)	(2,993,500)	(2,993,500)	(2,993,500)	(2,993,500)
Social Care Grant	0	(1,793,000)	(2,048,000)	(2,048,000)	(2,048,000)	(2,048,000)
ASC Market Sustainability		(318,000)	(478,000)	(478,000)	(478,000)	(478,000)
ASC Discharge Fund		(31,000)	(51,000)	(51,000)	(51,000)	(51,000)
Rural Delivery Grant	(890,400)	(890,400)	(890,400)	(890,400)	(890,400)	(890,400)
Fair Funding Redistribution				(2,607,657)	(2,002,859)	(1,318,763)
Retained Business Rates Funding	(3,462,200)	(7,269,300)	(6,829,700)	(5,467,900)	(5,694,600)	(5,943,500)
Government funding subtotal	(9,345,300)	(13,697,600)	(13,896,400)	(15,085,957)	(14,707,859)	(14,272,663)
Council Tax/Social care precept	(30,292,100)	(32,040,700)	(33,882,200)	(35,827,600)	(37,882,900)	(40,054,000)
Collection fund Deficit/(Surplus)	(159,000)	(33,012)	0	0	0	0
Total available Resources	(39,796,400)	(45,771,312)	(47,778,600)	(50,913,557)	(52,590,759)	(54,326,663)
Earmarked Reserve	(2,369,800)	(188,000)	0	0	0	0
Use of General Fund Balances	1,342,200	589,192	1,381,204	481,647	264,945	147,541
Balance brought forward	(13,026,162)	(14,661,868)	(13,172,676)	(11,791,472)	(11,309,825)	(11,044,880)
Transfer in of Earmarked Reserves	(4,002,906)					
Local Plan	0	300,000	0	0	0	0
Leisure		300,000				
High Needs	1,025,000	300,000				
Balance carried forward	(14,661,868)	(13,172,676)	(11,791,472)	(11,309,825)	(11,044,880)	(10,897,339)
Ringfenced ER b/f	(6,882,607)	(5,342,107)	(6,054,107)	(6,054,107)	(6,054,107)	(6,054,107)
Ringfenced ER c/f	(5,342,107)	(6,054,107)	(6,054,107)	(6,054,107)	(6,054,107)	(6,054,107)

Appendix 2 – Resources Directorate Budget 22/23

22/23 Restated Budget – this is the budget for 22/23 (as presented at Outturn) adjusted for one off budgets (Budget Carry Forwards etc.) and 21/22 and 22/23 pay awards

Pressures – These are new pressures identified during the budget setting process. These link to appendix 5 and will be referenced started “P”

Savings – These are savings identified during the budget setting process. These link to appendix 5 and will be referenced started “S”

National Insurance (NI) Social Care Levy Removal – This is the saving from the governments decision to reverse the 1% social care levy on National Insurance.

Government Funding – These dictate changes to Government Funding within the Directorate Budgets

Pay Inflation – this column represents changes to pay (increments, pension changes, regrades etc.)

255 **Contractual Inflation** – These are pressures from Contracts identified during the budget setting process. These link to appendix 5 and will be referenced started “CI”

Utility Inflation – Pressures due to hyper inflation on utilities (Gas, Water and Electric)

General Inflation – general allowance for items costing more (not linked to a contract)

Depreciation – Adjustments for Depreciation within the Directorate Budgets

Transfers – Transfers within the budget to reflect operational changes and depreciation adjustments. Where depreciation is adjusted this will be denoted with a “D” in the reference field

	22/23 Restated Budget	Pressures	Savings	NI Levy Removal	Government Funding	Pay Inflation	Contractual Inflation	Utility Inflation	General Inflation	Depreciation	Transfers	23/24 Budget	Saving and Pressure References
Resources	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Chief Executives Office	273	0	0	0	0	7	0	0	0	0	0	280	
Directorate Management Costs	320	0	0	(1)	0	(1)	0	0	0	0	0	318	
Communications	241	0	0	(2)	0	4	0	0	0	0	0	243	
Corporate Costs	173	0	0	0	0	0	5	0	3	0	0	181	CI1
Pensions	1,044	0	0	0	0	0	0	0	(1)	0	0	1,043	
Audit Services	199	0	0	0	0	0	97	0	0	0	0	296	CI1, CI2
Finance and Insurance	942	0	0	(11)	0	12	17	0	11	0	0	971	CI3
Information Technology	1,535	64	(42)	(5)	0	11	78	0	5	(4)	10	1,652	P2, P15, S10, S11, S15, CI1, CI4
Business Support Services	1,012	0	(150)	(6)	0	21	0	0	1	0	2	880	S13, S14
Members Services	290	5	0	0	0	0	0	0	5	0	0	300	P4
Customer Services Team	202	0	0	(2)	0	4	0	0	0	0	(10)	194	
Elections	130	87	(27)	(1)	0	0	0	0	1	0	0	190	P3, S25
Legal and Governance	677	0	(74)	0	0	11	0	0	6	0	0	620	S12, S17

	22/23 Restated Budget	Pressures	Savings	NI Levy Removal	Government Funding	Pay Inflation	Contractual Inflation	Utility Inflation	General Inflation	Depreciation	Transfers	23/24 Budget	Saving and Pressure References
Resources	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Human Resources	488	0	(23)	(3)	0	9	0	0	0	0	0	471	S1, S16
Revenues and Benefits	363	43	0	(8)	0	4	0	0	(4)	0	0	398	P1
Financial Support	40	0	0	0	0	0	0	0	0	0	0	40	
Total Resources	7,929	199	(316)	(39)	0	82	197	0	27	(4)	2	8,077	

Appendix 3 – Places Directorate Budget 22/23

	22/23 Restated Budget	Pressures	Savings	NI Levy Removal	Government Funding	Pay Inflation	Contractual Inflation	Utility Inflation	General Inflation	Depreciation	Transfers	23/24 Budget	Saving and Pressure References
Places	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Directorate Management Costs	402	0	(40)	(3)	0	(7)	0	0	0	0	0	352	S10
Development Control	183	0	(38)	(6)	0	12	0	0	1	0	0	152	S15
Drainage & Structures	143	0	0	0	0	0	0	0	3	0	10	156	
Emergency Planning	37	0	0	0	0	0	0	0	1	0	0	38	
Environmental Maintenance	1,439	0	(24)	(2)	0	5	179	0	4	0	0	1,601	CI1
Forestry Maintenance	108	0	0	0	0	0	0	0	2	0	0	110	
Crime Prevention	125	0	(5)	(1)	0	1	0	0	1	10	0	131	S2
Highways Capital Charges	1,828	0	0	0	0	0	0	0	0	116	0	1,944	
Highways Management	283	94	(10)	(4)	0	8	0	0	2	0	0	373	P5, P6
Commissioned Transport	2,357	256	(18)	(3)	0	5	14	0	29	0	0	2,640	CI1, P7, S10
Lighting, Safety Barriers and Traffic Signals	169	0	0	0	0	0	0	68	2	0	(10)	229	
Parking	(191)	0	(16)	(1)	0	3	0	1	5	3	0	(196)	S5
Pool Cars & Car Hire	107	0	0	0	0	0	22	0	1	0	0	130	CI1

	22/23 Restated Budget	Pressures	Savings	NI Levy Removal	Government Funding	Pay Inflation	Contractual Inflation	Utility Inflation	General Inflation	Depreciation	Transfers	23/24 Budget	Saving and Pressure References
Places	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Public Protection	417	0	(1)	0	0	0	59	0	0	0	0	475	S6, C11
Public Rights of Way	35	16	0	0	0	0	0	0	1	0	0	52	P9
Public Transport	835	0	(25)	0	0	0	0	0	18	0	0	828	S26
Road Maintenance	339	0	(20)	0	0	0	0	16	7	0	0	342	
Transport Management	602	0	(126)	(3)	0	6	0	0	0	15	0	494	S10, S20
Waste Management	3,276	0	(179)	0	0	1	0	0	96	4	0	3,198	S3, S30, S31
Winter Maintenance	280	0	0	0	0	0	0	0	6	0	0	286	
Planning Policy	363	0	0	(3)	0	7	0	0	1	0	0	368	
Tourism	1	0	0	0	0	0	0	0	0	0	0	1	
Health & Safety	44	0	(2)	0	0	1	0	0	0	0	0	43	S4
Property Services	1,217	74	(45)	(5)	0	10	24	11	14	(26)	0	1,274	CI5, P?, P8, S21
Building Control	15	0	0	0	0	0	3	0	0	0	0	18	CI1
Commercial & Industrial Properties	(178)	0	0	0	0	1	0	16	7	0	0	(154)	
Economic Development	208	0	(87)	(1)	0	2	0	0	1	1	0	124	S18, S19
Culture & Registration Services	168	0	0	(2)	0	4	0	0	(6)		0	164	
Libraries	496	0	0	(2)	0	5	0	2	2	9	0	513	
Museum Services	475	0	0	(1)	0	3	0	3	3	5	0	488	

	22/23 Restated Budget	Pressures	Savings	NI Levy Removal	Government Funding	Pay Inflation	Contractual Inflation	Utility Inflation	General Inflation	Depreciation	Transfers	23/24 Budget	Saving and Pressure References
Places	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Sports & Leisure Services	93	0	(6)	(1)	(6)	2	0	1	2	11	0	96	S27
Total Places	15,677	440	(642)	(38)	(6)	69	301	118	203	148	0	16,227	

Appendix 4 – People Directorate Budget 22/23

	22/23 Restated Budget	Pressures	Savings	NI Levy Removal	Government Funding	Pay Inflation	Contractual Inflation	Utility Inflation	General Inflation	Depreciation	Transfers	23/24 Budget	Saving and Pressure References
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
People	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Directorate Management Costs	1,404	2,090	(102)	(9)	0	51	0	0	1	0	38	3,473	P11, S13, S7
Public Health	(214)	0	0	0	0	0	0	0	21	0	(5)	(197)	
BCF Enablers	128	0	0	0	300	2	0	0	1	0	0	430	
BCF Unified Prevention	343	0	0	0	0	1	0	0	0	0	(36)	307	
BCF Holistic Management of Health & Wellbeing	1,033	0	(40)	0	0	6	0	0	11	0	(142)	865	S28
BCF Hospital Flows	1,264	0	0	(2)	0	1	0	0	7	0	6	1,276	
Non BCF Contract & Procurement	531	0	0	0	0	5	0	0	2	0	(65)	470	
ASC - Community Inclusion	1,269	39	(52)	(13)	0	23	0	0	1	0	(25)	1,242	P10, S8, S28
ASC Prevention and Safeguarding	72	0	(128)	0	0	0	0	0	2	0	67	13	S23
ASC Prevention and Safeguarding - Staffing	303	0	0	(3)	0	6	0	0	0	0	(98)	208	
ASC Housing	252	0	0	0	0	17	0	0	3	0	0	270	
ASC Support and Review - Daycare	104	0	0	0	0	0	0	0	2	0	(75)	31	

	22/23 Restated Budget	Pressures	Savings	NI Levy Removal	Government Funding	Pay Inflation	Contractual Inflation	Utility Inflation	General Inflation	Depreciation	Transfers	23/24 Budget	Saving and Pressure References
People	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
ASC Support and Review - Direct Payments	1,414	0	0	0	0	0	62	0	0	0	(216)	1,260	CI1
ASC Support and Review - Homecare	1,998	13	0	(3)	0	9	53	0	23	0	632	2,725	P14, CI1
ASC Support and Review - Homecare	(425)	0	0	0	0	0	0	0	0	0	55	(370)	
ASC Support and Review - Other	323	0	0	0	0	0	0	0	7	0	0	330	
ASC Support and Review - Residential and Nursing	4,001	247	0	0	0	0	197	0	12	0	(347)	4,110	P14, CI1
ASC Support and Review - Staffing	552	0	0	(5)	0	14	0	0	0	0	279	840	
Hospital and Reablement	720	0	(135)	(6)	0	14	0	0	15	0	0	608	S8, S9
Safeguarding	378	0	0	(2)	0	1	0	0	2	0	(50)	329	
CSC Referral, Assessment and Intervention Service	262	0	(25)	0	0	30	0	0	0	0	(41)	226	S24
CSC Permanency and Protection Service	476	0	(23)	(3)	0	3	0	0	5	0	(51)	407	S24, CI1

	22/23 Restated Budget	Pressures	Savings	NI Levy Removal	Government Funding	Pay Inflation	Contractual Inflation	Utility Inflation	General Inflation	Depreciation	Transfers	23/24 Budget	Saving and Pressure References
People	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
CSC Fostering, Adoption and Care Leaver Service	2,281	0	(56)	(2)	0	5	0	0	53	0	143	2,424	S24, S32
Early Intervention - Targeted Intervention	1,085	300	(72)	(4)	0	9	5	0	7	0	(2)	1,328	P16, S7, S29, S33, CI1
Early Intervention - SEND & Inclusion	878	0	0	0	0	10	0	0	4	0	0	892	
Early Intervention - Universal and Partnership	316	0	(2)	(2)	0	(1)	0	0	3	0	0	314	S7
Schools and Early Years	222	0	0	(4)	(57)	2	0	0	0	25	(69)	119	
Rutland Adult Learning and Skills Service (RALSS)	21	0	0	(4)	0	2	0	0	4	0	0	23	
Total People	20,991	2,689	(635)	(65)	243	210	312	0	191	25	(2)	23,952	

Appendix 5 – Savings and Pressures

The tables below shows changes to the budget from 22/23 including the impact of pressures and savings.

Table Reference	Resources	Places	People	Corporate	Total
Table 1 – Contractual Inflation	196	301	312	0	809
Table 2 – Pressures	199	397	2,689	0	3,285
Pay Inflation (Directorate Appendices)	82	69	210	0	361
Utility Inflation (Directorate Appendices)	0	118	0	0	118
General Inflation (Directorate Appendices)	27	203	191	0	421
Government Funding (Directorate Appendices)	0	(6)	243	0	237
Depreciation (Directorate Appendices)	(4)	148	25	0	169
Service Pressures	500	1,230	3,670	0	5,400
Table 5 – Corporate Pressure	0	0	0	375	375

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Table Reference	Resources	Places	People	Corporate	Total
Table 3 – Budget Re-alignment and change in Funding	(5)	(212)	(248)	0	(465)
Table 4 – Service Led Savings	(311)	(430)	(390)	0	(1,131)
NI Savings	(39)	(38)	(65)	0	(142)
Service Savings	(355)	(680)	(703)	0	(1,738)
Table 5 – Ring Fenced Funding	0	0	0	(188)	(188)
Table 5 – Corporate Savings	0	0	0	(1,480)	(1,480)
Total	(355)	(680)	(703)	(1,668)	(3,406)

Table 1 – Contractual Inflation

Ref		Resources £000	Places £000	People £000	Total £000	Comments
	Contractual Inflation – Two types of Pressure 1) Inflation built into contract and due to hyper inflation has led to higher than assumption within MTFP 2) Re-procurement led to higher cost					
CI1	General Contract Inflation	75	277	312	664	Pressure due to inflation built into contracts
CI2	External Audit	92	0	0	92	The Council opted into the National Procurement process ran by the Public Sector Audit Appointments (PSAA). Following the results of the tender all Councils have been advised that fees are expected to increase by 150%, The Councils current scale fee for Audit is £57k plus £17k for specific Grant Audits.
CI3	Asset Valuations	17	0	0	17	The Council has to undertake a rolling programme of asset valuations to support the production of the Statement of Accounts. This is a key piece of work that is prescribed within the CIPFA Code. The Council re-procured its Asset Valuation Contract in 2022/23. The result of the procurement was an uplift in cost from the £8k currently paid to £25k.
CI4	Internet and Intranet	12	0	0	12	The new website has moved hosting provider and the annual costs for support and maintenance have increased. In addition, a project has commenced for the hosting of a new intranet for staff and members.

Ref		Resources £000	Places £000	People £000	Total £000	Comments
CI5	Cleaning Contract	0	24	0	24	Revised value for cleaning contract as per report 194/2022 presented to Cabinet 13th December
	Total Contractual Inflation	196	301	312	809	

Table 2

Ref		Resources £000	Places £000	People £000	Total £000	Comments
	One-Off Pressures					
P1	Community Care Finance Staffing	43	0	0	43	The service has been unable to recruit to a full time role and this has been covered by an agency worker (37 hours per week) and Civica On Demand service (20 hours per week). This will need to continue to enable the service to operate, increasing by 5 hours to cope with an increase in workload. The original pressure for both posts is £105k but is offset by reducing staff in other areas to help mitigate the pressure.
P2	IT Schools Admissions	37	0	0	37	The current costs of the Capita system are around £108,000 per annum. The end of the contract is April 2024 and options are being considered for a system replacement that will offer better value for money. Any system go live would need to be September and therefore we are unable to match the end data of the Capita cost and we will have duplicate costs in 23/24 before starting

Ref		Resources £000	Places £000	People £000	Total £000	Comments
						to save costs when compared to the main Capita contract. The above costs are based on current proposal of £64,000 annual costs but 7 months in 23/24
P3	Local Elections	87	0	0	87	This is the cost of running the local elections in 23/24. Some costs are recharged to parishes and shown in savings.
P4	Members Training	5	0	0	5	All-out elections to the Council in May 2023 mean there will be a large amount of Member training to deliver in the 23/24 financial year. This goes beyond the normal amount of training required in-year for which the budget would otherwise be £1,000. There is some specialist training that will be delivered externally which comes with associated costs e.g. planning training etc.
P5	Highways Contract Procurement	0	40	0	40	The pressure is to cover legal costs and the use of Social Value Engine to evaluate and monitor social value.
P6	Highways Staffing	0	54	0	54	To cover maternity leave from 1 st April 2023 to 5 th March 2024.
	Total One-Off Pressures	172	94	0	266	
	Recurring Pressures					
P7	Commissioned Transport	0	256	0	256	Forecasted spend for next year, based on growing trends for the past 2 full academic years is showing a pressure of

Ref		Resources £000	Places £000	People £000	Total £000	Comments
						<p>£255,000 required in addition to existing budget allocation. The pressure reflects an:</p> <p>Increase in the number of SEND students requiring transport to out of county placements on the ground of enhanced need; and</p> <p>Price increases across the board for the transport sector resulting in higher bid prices for contracts.</p>
P8	Property Asset Review	0	31	0	31	Pressure approved as per Asset Review Report 183/2022 presented to Cabinet on the 15 th November.
P9	Public Rights of Way	0	16	0	16	Seasonal vegetation clearance that was previously undertaken by the now vacant PROW post is currently being undertaken by a contractor (Tarmac), at a cost of approximately £8,000 per cut (2 cuts each year). There can be some off-setting against savings in the salary budget (highways management) whilst the PROW post remains vacant. This is being included as an option in the specification for the new Highways Term Maintenance contract.
P10	Community Support Services	0	0	39	39	Previously some tenants were assessed by health to be eligible to receive Health funding, however on a review by health it was decided that these tenants are no longer eligible but still require staffing support.

Ref		Resources £000	Places £000	People £000	Total £000	Comments
P11	ASC Fair Costs of Care	0	0	2,000	2,000	<p>Fair Cost of Care is focused on delivering a sustainable local care market.</p> <p>Paying a fair rate enables providers to cover the cost of care delivery and be able to make a reasonable profit (including re-investment in their business), surplus or meet their charitable objectives.</p> <p>For local authorities, it recognises the responsibility they have in stewarding public money, including securing best value for the taxpayer.</p>
P14	ASC Demand	0	0	260	260	<p>The Homecare budget is under pressures due to the cost of fuel and an increase in people receiving homecare packages of care</p> <p>Homecare PD:</p> <ul style="list-style-type: none"> • Increase due to one case which will not receive health funding. <p>Older People Residential and Nursing exceeding budget due to</p> <ul style="list-style-type: none"> • 4 new non banded rated placements • 3 new service users • Increases due to depleted fund cases (were self-funders but now ASC funded)

Ref		Resources £000	Places £000	People £000	Total £000	Comments
P15	ASC Reforms	27	0	90	117	Although the care cap reforms have been delayed some elements will be implemented as they support the Councils transformation agenda e.g. digital access and self serve and will be required to be in place for October 2025.
P16	Childrens Demand	0	0	300	300	New Domiciliary support for small number of children with very complex health and care needs.
	Total Recurring Pressures	27	303	2,689	3,019	
	Total Pressures	199	397	2,689	3,285	

Table 3

Ref		Resources £000	Places £000	People £000	Total £000	Comments
	Savings - Budget Re-Alignment					
S1	HR	(5)	0	0	(5)	Review of Professional Fees
S2	CCTV	0	(5)	0	(5)	Reduction in Fees - not used in last 2 years
S3	Environmental Services	0	(1)	0	(1)	Reduce Car Mileage Budget as not being used
S4	Health & Safety	0	(2)	0	(2)	Fees and Charges Budget reduced in line with spending

Ref		Resources £000	Places £000	People £000	Total £000	Comments
S5	Parking	0	(16)	0	(16)	Various budget(s) reduced in line with spending
S6	Dog Warden	0	(1)	0	(1)	Reduce budget in line with current spend
S7	Children's	0	0	(10)	(10)	Reduction in some small third-party budgets e.g. Furniture, equipment, books
S8	Adults	0	0	(8)	(8)	Minor Budgets not required
	Total Budget Alignment	(5)	(25)	(18)	(48)	
Savings - Change in Funding Source from General Fund to Ringfenced						
S9	Adults	0	0	(130)	(130)	We will widen the use of available Disabled Facilities Grant to cover other costs.
S10	Transport Grants	0	(149)	0	(149)	We will use transport grants to fund (where possible) work being done by current officers rather than bring in external consultants.
S13	SEN	0	0	(100)	(100)	We will use SEN capital grants to fund (where possible) costs of staff working on proposals for use of capital grants
S15	Development Control	0	(38)	0	(38)	Removal of Post - Funding from Reserves (Grant)
	Total Change in Funding Source	0	(187)	(230)	(417)	

Table 4

Ref		Resources £000	Places £000	People £000	Total £000	Description of Saving	Impact
Service Led Savings							
S10	IT Hardware	(10)	0	0	(10)	IT Hardware - Agreed saving of 20/21 Budget Review	Staff will be asked to use laptops for longer than a reasonable life and it is unlikely that that end user hardware will not be replaced unless the device is not functioning. Investment in central IT server hardware will not be carried out during the financial year 23/24 unless absolutely essential.
S11	IT Mobile phones	(7)	0	0	(7)	Mobile Phones - Agreed Saving of 20/21 Budget Review	Replacement for additional phones will not be possible and there will be no options to extend the number of staff that have a mobile phone.
S12	Legal	(50)	0	0	(50)	The Council is reviewing its legal arrangements with a view to optimising spend and getting better value for money	Commissioning process to be tightened up. More work will be delivered in house (within central legal or in service areas). Reduction in core offer with additional projects may need to ask for additional budget provision. Legal support to be reduced for non-essential/low risk matters and Member requests for ad hoc external legal advice may not always be possible e.g. Planning matters.
S13	Business Support Staffing	(100)	0	0	(100)	Interim staffing savings by removing four vacancy posts	These savings have been enabled by a number of changes to working practices e.g. subsumed some tasks into the work of others, made better use of technology to

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Ref		Resources £000	Places £000	People £000	Total £000	Description of Saving	Impact
						from the budget pending further support service review	reduce administrative burden, deprioritised some low value work e.g. minuting of certain meetings and rationalised management.
S14	Postage and Printing	(50)	0	0	(50)	Remove vacancy in corporate support which supports post and reprographics	<p>Revision to the post and reprographics offer for the Council includes a freeze on a staff vacancy. This means:</p> <ul style="list-style-type: none"> - less capacity to deal with work beyond post and reprographics e.g meeting support, 18 pointing, website support. - reducing how much the Council posts, limiting postage to statutory and essential items only. - reducing the amount of days post is posted/collected from 3 days to 1 day per week. - we will stop printing and posting to Parish Councils. - we will stop printing in colour. - we will recharge services printing anything which is not meeting a statutory requirement for distribution. - we will move more towards digimail as the method for printing and posting bulk services such as council tax reminders. - we will minimise printing for Council meetings.

Ref		Resources £000	Places £000	People £000	Total £000	Description of Saving	Impact
S15	IT	(25)	0	0	(25)	Various IT savings including removal of IT health check, additional savings on phones and data connection between sites.	The removal of the PSN certification process is expected also remove the need for an external health check which provides external assurance around the security of the network. Clearly any reduction in overall assurance might lead to additional risks in managing a secure network Review of data connections between sites will be the result of new procurement and no significant loss of service.
S16	Training	(18)	0	0	(18)	Reduce training to priority areas only. Budget has already been reduced by £20k, further reductions of £18k.	Some planned training will be cancelled and training offered to staff will be reduced or sourced via less costly routes if possible. This may limit career development and potentially impacting recruitment.
S17	Governance Staffing	(24)	0	0	(24)	Reduction in staffing (1 post)	The team is planning measures to reduce service offer, including: <ul style="list-style-type: none"> - Reducing meeting schedule where meetings are not required. - Items for noting to instead be suggested for circulation by email or Members bulletin circulation thereby reducing workload required for quality checks and printing prior to publication. - Reducing level of detail in minuting in line with sector norms (recognising existence of recordings online). - Reducing broader administrative support available to staff and Members

Ref		Resources £000	Places £000	People £000	Total £000	Description of Saving	Impact
							such as through booking of meetings and training courses.
S18	Climate Change	0	(49)	0	(49)	Holding Climate Change officer post	<p>No proactive work will be done on Carbon Reduction plan/strategy over and above what services are already indirectly contributing through existing activities or can do through embedding environmental strategic thinking in the Local Plan, key procurement activity such as waste management, highways and transport. Community led initiatives will have to be self-managed and organised without support or co-ordination from the Council.</p> <p>This may also limit the Council's response to delivering on new government targets on biodiversity net gain.</p>
S19	Economic Development Staffing	0	(38)	0	(38)	Holding Economic Development post	<p>The Council will develop a new Strategy focusing on its enabling role through planning, transport, securing funding etc.</p> <p>Direct engagement with the County's business community will be more limited, potentially impacting the development and ownership of the economic strategy. Capacity to arrange and host business liaison activities, and events will be limited to business events.</p>

Ref		Resources £000	Places £000	People £000	Total £000	Description of Saving	Impact
							Should Government introduce further business grant support, additional resources would be needed. Currently working with Melton and Harborough to explore scope for shared resource to manage UKSPF £1m with Melton and Harborough. There is a risk of clawback if the Council does not adequately monitor and manage.
S20 276	Transport Staffing	0	(35)	0	(35)	Holding Sustainable Transport Officer post and reconfigure management of Transport services	<p>A fundamental redesign of the Council's transport network is underway as part of the Transformation programme.</p> <p>At a micro level, there will be limited proactive support on promoting sustainable transport and road safety campaigns within community and schools. Reduced staffing has meant a corresponding reduction in work in this area.</p> <p>Reductions in staff within the team will result in other workstreams being delayed such as independent travel training (which can lead to savings on home to school transport/SEN transport) and Road safety education and monitoring (which can increase risk of accident/injury)</p>

Ref		Resources £000	Places £000	People £000	Total £000	Description of Saving	Impact
							<p>The Council has a comparatively high standard highways network as recognised through Government incentive funding.</p> <p>It will proactively take local traffic concerns and manage them through the annual Highways capital programme rather than in year activity. This may involve a change in the way the Council engages with local communities.</p>
S21 277	Property Staffing	0	(45)	0	(45)	Holding Building Surveyor	<p>The lack of capacity arising from the vacant Building Surveyor role will result in ongoing delays in dealing with reactive repairs and other property matters. Should unforeseen/urgent/serious work arise it will result in reprioritised and may mean other work will need to be paused/stopped this will mean needing to stop some work.</p>
S22	Highways & Environment	0	(89)	0	(89)	Highways & Environment - pausing and reducing works	<p>Some revenue costs have been capitalised which increases risk of overspend if the capital programme is not delivered in full. A portion of fixed costs was removed which again increases risk if capital programme is not delivered. There is reduced budget for emergency works and unplanned remediation.</p> <p>Drainage and jetting budget has reduced due to reserves being exhausted over</p>

Ref		Resources £000	Places £000	People £000	Total £000	Description of Saving	Impact
278							<p>recent years so the capability in this area is under pressure and will impact on both planned and reactive work.</p> <p>Reduced capacity to deliver unplanned grounds maintenance on ad-hoc land in RCC responsibility and in closed church yards. This work will be introduced to a programme of work within the contract in future years, however this is longer-term. The savings reduce capacity to deliver on reactive requests in the short-term.</p> <p>It will proactively take local traffic concerns and manage them through the annual Highways capital programme rather than in year activity. This may involve a change in the way the Council engages with local communities.</p>
S23	Adults	0	0	(128)	(128)	Carers grant to be withdrawn. Rutland is one of very few LA's who have continued funding carers in this way especially as we have two posts in ASC who offer support as well as the specialist Admiral Nurse service.	A carers assessment is a statutory responsibility which Rutland will continue to meet, through our current staffing resource. With 400 people badged as a carer in Rutland and only 27 receiving a direct payment we currently have an inequitable service. The carers budget is £128,000, which is currently due to save £57,000, if we do not commission any further direct payments this year. It is proposed we stop them completely which will save the whole

Ref		Resources £000	Places £000	People £000	Total £000	Description of Saving	Impact
							128K (Made up of LPT contribution, BCF and establishment). There is a risk of complaints however, a carers voucher could be considered at a greatly reduced rate as other LA's do which possibly could be financed from the LPT contribution.
S24	Children's Third Party Fees and Charges	0	0	(75)	(75)	Improved practice, better assessments for courts and undertaking family help meetings has led to less use of External Experts.	There is no immediate impact. However, if staffing levels reduce or case numbers are high, there would be limited capacity to outsource additional assessments which leads to reduced timeliness and quality of service.
27 S25	Elections recharges	(27)	0	0	(27)	Charges for Contested Parish Elections. If Parishes are uncontested the saving not available.	None to the Council. Parishes have been notified of likely charges so should provide for this amount
S26	Public Transport	0	(25)	0	(25)	Contribution from Oakham Town Council towards Oakham Hopper	No direct impact to the Council – additional income. It could result in Parish Councils raising Council Tax by a higher percentage.
S27	Active Rutland	0	(6)	0	(6)	Release of small sink fund (set aside for small repairs)	Future repairs will have to be absorbed in the budget.
S28	Adults Learning Disabilities day-care	0	0	(90)	(90)	Stopping support for elements of Learning Disabilities day-care and a dementia support worker.	The risk of not appointing to the dementia support worker for one year, to save £26,700 would mean the service would need to delay its time to respond to people. At a time when memory services have a backlog of people waiting for a diagnosis

Ref		Resources £000	Places £000	People £000	Total £000	Description of Saving	Impact
							staff will continue to triage risk and prioritise the most complex cases. Freeze recruitment for two community support workers for LD day opportunities for 12 months – this will reduce the capacity to expand the new day opportunities service, resulting in fewer service users being able to attend the service and a reduction in income generated from health, self-funder, and other local authorities service users
S29	Children with Disabilities	0	0	(20)	(20)	Holding of Children with Disabilities Social Worker post (0.5) once interim contract ends.	Increased caseloads for existing staff risks affecting timeliness and quality of service delivery. There will be a risk of increased complaints and legal challenges and costs. This includes reduced capacity towards meeting statutory timescales for plans, such as CiN plans and Section D of the EHCPs.
280							
S30	Refuse Collection	0	(50)	0	(50)	Align budget to expected contract position	None. The MTFP assumed c8% in the MTFP for the 22/23, but the actual increase was significantly less than this.
S31	Refuse Collection	0	(93)	0	(93)	Reduce disposal costs based on current gate fees.	If gate fees increase, which are outside of the Councils control, this will result in a pressure.
S32	Adoption	0	0	(28)	(28)	Reduce budget to revised contract sum	May reduce the offer of services commissioned by Lincolnshire should they

Ref		Resources £000	Places £000	People £000	Total £000	Description of Saving	Impact
							continue to increase the costs of the contract based on inflation.
S33	Children's Staffing	0	0	(49)	(49)	Holding of Participation and Engagement Officer post	Reduced participation and engagement opportunities for children and young people to influence service planning and regional national work. Increase in workload for existing staff.
	Total Service Savings	(311)	(430)	(390)	(1,128)		
281	Total Savings	(316)	(642)	(638)	(1,596)		

Table 5

	Total £000	Comments
Ring Fenced Reserve Funding		
Adults Micare (BCF)	(48)	We will recharge more of the MiCare service to Better Care Fund (BCF) as it contributes towards achieving health outcomes.
Hospital Discharge	(140)	Additional BCF fund hospital discharge will cover social worker costs from those helping on hospital discharges.
Total Savings	(188)	

	Total £000	Comments
Corporate Savings		
Interest Receivable	(1,430)	Updated assumptions based on expected rate profile. Tails off from 24/25.
Grants	(50)	The Council plans to set aside a % amount of new grants to cover the associated service and management overhead subject to terms and conditions.
Reduction in Demand Contingency	(239)	Reduce demand contingency by 50% to offset some of the service pressures.
Total Corporate Savings	(1,719)	
Corporate Pressures		
Pay Award	743	The Council had assumed a 2% pay award for 23/24, but this seems unlikely in the current market so are proposing increasing this to 4% which will create a pressure of £375k

Appendix 6 – Earmarked Reserves

Reserve	Balance 31/03/22	Budget Report Drawdown 22/23	Movement at P8	Total Movement 22/23	Balance 31/03/23	Transfer To General Fund	Budget Report Drawdown 23/24	Balance 31/03/24
National Non Domestic Rates	(2,772,850)	2,314,000		2,314,000	(458,850)			(458,850)
Tourism	(11,136)			0	(11,136)			(11,136)
Leisure					0		(300,000)	(300,000)
High Needs Reserve			(1,025,000)	(1,025,000)	(1,025,000)		(300,000)	(1,325,000)
Local Plan	(1,704,700)			0	(1,704,700)		(300,000)	(2,004,700)
Locally Set Ring Fenced	(4,488,686)	2,314,000	(1,025,000)	1,289,000	(3,199,686)	0	(900,000)	(4,099,686)
Public Health	(407,121)		(33,000)	(33,000)	(440,121)			(440,121)
Grants	(1,050,100)		173,200	173,200	(876,900)			(876,900)
Better Care Fund	(936,700)	200,000	(88,700)	111,300	(825,400)		188,000	(637,400)
Total Ring Fenced by Statute	(2,393,921)	200,000	51,500	251,500	(2,142,421)	0	188,000	(1,954,421)
Total Ring Fenced Reserves	(6,882,607)	2,514,000	(973,500)	1,540,500	(5,342,107)	0	(712,000)	(6,054,107)
Invest to Save	(172,721)		100,000	100,000	(72,721)	72,721		0
Internal Audit	0			0	0			0
Staffing Contingency	0		(290,800)	(290,800)	(290,800)	290,800		0
Training	(125,144)		15,600	15,600	(109,544)	109,544		0
Repairs	(249,000)			0	(249,000)	249,000		0
Highways	(396,438)	30,000		30,000	(366,438)	366,438		0
Brexit	(266,000)		266,000	266,000	0	0		0
Digital Rutland	(25,775)			0	(25,775)	25,775		0
Social Care Reserve	(1,316,454)		34,000	34,000	(1,282,454)	1,282,454		0
Legal & Insurance	(100,000)			0	(100,000)	100,000		0

Hardship Reserve	(187,174)	40,000		40,000	(147,174)	147,174		0
Pressure Reserve	0			0	0	0		0
Ash Die Back	(500,000)			0	(500,000)	500,000		0
Budget Carry Forward	(641,100)		404,000	486,300	(154,800)	154,800		0
CST Improvements	(145,900)		49,000	49,000	(96,900)	96,900		0
Rutland Adult Learning	(40,000)			0	(40,000)	40,000		0
Covid	(613,100)	79,000		79,000	(534,100)	534,100		0
Neighbourhood Plans	(27,000)			0	(27,000)	27,000		0
Culture Reserve	(6,200)			0	(6,200)	6,200		0
Total Non-Ring-Fenced Earmarked Reserves	(4,812,006)	149,000	577,800	809,100	(4,002,906)	4,002,906	0	0
General Fund	(13,026,162)			2,367,200	(10,658,962)	(4,002,906)	1,489,192	(13,172,676)
Total Non-Ring Fenced Reserves	(17,838,168)	149,000	577,800	3,176,300	(14,661,868)	0	1,489,192	(13,172,676)

Highways Capital Projects	The highways capital project is for the permanent repair of carriageways, footways, surface dressing and bridges in Rutland (Report 39/2021 & 65/2021)	2,606	0	2,660	2,660	0	0	2,660	0
Integrated Transport Block	The capital project is for the improvement of new transport schemes within Rutland (Report 25/2021)	1,324	0	1,324	445	450	429	1,324	0
Emergency Active Travel Project	The project is to support the installation of temporary projects for the COVID-19 pandemic (Ring Fenced Funding & Report 25/2021)	103	0	103	85	18	0	103	0
St Eabbass Close	The capital project is to improve existing infrastructure at St Eabbass Close, Ryhall. (Delegated Approval)	4	0	4	0	0	4	4	0
ITCP 2019/42 Barlethorpe Roundabout	The capital project is to provide a formal pedestrian crossing at the Barleythorpe roundabout. (Delegated Approval)	100	0	100	100	0	0	100	0
Total Asset Management Requirements		10,138	0	10,138	8,216	1,307	616	10,139	0

Strategic Aims and Priorities Capital Programme									
Project	Project Description	Total Project Budget at M8	Approval Sought	Total Project Budget	Prior Year's Outturn (include estimate for 2022/23)	Estimated spend for 2023/24	Estimated Project Outturn for future years	Total Estimated Project Outturn	Project Over/ (Under) spend
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	0
Schools Energy Efficiency Improvement	The capital project is for eligible schools and six form colleges to improve buildings and facilities, prioritising works to improve energy efficiencies. (Ring Fenced Funding)	26	0	26	26	0	0	26	0
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)	495	270	765	365	400	0	765	0
Changing Place at Anglian Water	Grant funding was awarded for the installation of a changing place toilet at Rutland Water (Ring Fenced Funding)	78	0	78	0	78	0	78	0

Changing Place at Uppingham	Grant funding was awarded for the installation of a changing place toilet at Uppingham (Ring Fenced Funding)	80	0	80	0	80	0	80	0
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	731	400	418	1,549	0
Sports Grants	The project allowed communities to bid for funds relating to sports, recreation, leisure and community facilities (Report 80/2015)	418	0	418	343	0	75	418	0
Catmose Pool - contribution towards demolition	This is a contribution to Catmose College to facilitate the demolition of the Swimming pool (Report 76/2022)	150	0	150	150	0	0	150	0
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	1,686	0	543	2,229	0

Uppingham Town Centre WC	The project is a contribution towards the refurbishment of the public convenience at Uppingham Town Centre (Report 90/2020)	27	0	27	27	0	0	27	
Exton Play Area Refurbishment	The project is to support the improvement and safety requirement of Exton children's play area (Delegated Approval)	14	0	14	14	0	0	14	0
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	0
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	6	0	11	17	0
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	0
UK Share Prosperity Allocation (UKSPF)	The project is a contribution towards the delivery and implementation of the council's investment plan. (Ring Fenced Funding)	24	0	24	24	0	0	24	0
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	0

Website Development	The capital project is for a new council website platform (Report 173/2021)	49	0	49	49	0	0	49	0
IT Projects	The allocation will support a number of IT capital projects within the council (Delegated Approval required)	30	0	30	0	0	30	30	0
Total Strategic Aims and Priorities		6,000	282	6,282	3,542	970	1,771	6,282	0
Total Capital Programme		16,138	282	16,420	11,758	2,277	2,387	16,420	0

Appendix 8 – Consultation

Rutland County Council budget consultation 2023/24

Introduction

Public consultation on Rutland County Council's latest annual budget runs until 5.00pm on Friday 3 February 2023. All the feedback received as part of this consultation will be reported to Cabinet and Full Council at the end of February, helping to councillors to make their decision.

Key points

A full copy of our latest draft budget can be read and downloaded on our website. Some of the key points to note in our 2023/24 budget are:

- The total cost of funding local services in Rutland in 2023/24 is **£46.5million** (up from **£42.3million** last year)
- The latest Local Government Finance Settlement has awarded Rutland County Council more money than it did in 2022/2023. However, this increase is not enough to cover the rising cost of services
- Service pressures of **£5.401m** have been included in the budget. This has been driven largely by inflation, which averaged around 10% for the year 2022. This has added to costs across every one of the council's services and contracts. Increased demand for services like social care is also a contributing to these increased costs
- National government continues to give councils the flexibility to raise Council Tax by as much as **4.99%** (half the 12-month rate of inflation for 2022) and expects local authorities to make full use of this to help fund local services
- Rutland's budget therefore includes a Council Tax increase of **2.99%**, together with **2%** precept to help fund adult social care services.
- If approved, the average Council Tax increase for a Band D equivalent property would be just under **£8 per month**
- The draft budget for 2023/24 is balanced using **£589k** of the Council's General Fund reserves
- Rutland's funding gap is projected to be **£1.4m** in 2024/35, assuming **£1.485m** savings are made in the next year and Council Tax is raised by a further 5%.

Budget consultation survey

Q1. Setting the council's budget

Rutland County Council must set a balanced budget each year. The amount we spend on running your local services can't be more than the total amount of money we get from our three main sources of income – money given to us by national government, fees and charges and Council Tax.

National government uses something called 'Core Spending Power' to measure the total resources available to councils to fund local services. Core spending power for councils in England has increased this year. However, it is based on the government's assumption that councils will raise Council Tax by the maximum 4.99% allowed (2.99% Council Tax and 2% just for Adult Social Care).

The current government funding formula does nothing to make up for historic inequalities in the way Council's have been funded over many years. Some councils get more money from the government than others, which means Council Tax makes up a smaller proportion of their overall Core Spending Power. Under the current funding model, Rutland gets less government funding per household than other councils with the same responsibilities. As a result, Council Tax accounts for 78% of our Core Spending Power. Nationally, other authorities rely on Council Tax for around 57% of their Core Spending Power. This is a big difference.

Do you understand the role that Council Tax plays in funding local services?

- Yes
- No
- Not sure

Do you understand why Council Tax is even more important in Rutland than many other local authority areas?

- Yes
- No
- Not sure

Do you support Rutland County Council's view that there should be fairer government funding for local councils?

- Yes
- No
- Not sure

Please use the space below to leave any additional comments:

Q2. Our financial health

The Council has worked hard to manage its budget carefully over many years. We consistently receive positive value for money assessments from independent auditors, while the Local Government Association recently highlighted Rutland as a national example of good practice for the quality of its financial management. This is because we spend less money to deliver the same services as other local authorities and often achieve better results.

Our approach to financial management has worked well over the past 10 years – allowing us to absorb much of the pressure caused by rising inflation and growing demand for key services like adults and children’s social care. To put this in context, Rutland County Council made savings of almost £12.5million between 2011 and 2021 while still managing to protect local services.

The current state of the UK economy is placing even more pressure on the public sector. The cost of delivering local services is rising way beyond any increase in council funding or Core Spending Power. Despite making even more savings in 2022, increased demand for local services, rising energy prices and an inflation rate of 10% over the past 12 months mean that it will cost us £5million more to deliver the same local services in 2023/24, compared to last year.

Do you think that Rutland County Council manages its finances well?

- Yes
- No
- Not sure

Do you understand why the cost of running local services has increased significantly in the past 12 months?

- Yes
- No
- Not sure

Please use the space below to leave any additional comments:

Q3. Transforming the council

Because of the current economic climate and the severe financial pressure on councils, Rutland is facing a big funding gap – the amount of money we need to run local services is now much bigger than the funding we have available to us. Knowing this, Councillors recently approved new plans to use Council Tax, cost reductions and a safe amount of reserve funding to balance Rutland’s annual budget in each of the next four years, while using this time to reorganise the council and make it as efficient as it can be. Our total savings target over this period is around £4.9million.

Although the situation is very serious, many other councils are in a worse position and face the prospect of sweeping cuts to balance their budgets. Rutland has enough reserves to manage the situation carefully and create a more sustainable council over the next four

years – one where we spend less money by fundamentally changing the way we work. This process of wholesale change is taking the form of a council-wide ‘Transformation Programme’ As well as changing how we work, it is inevitable that we will need to reduce our overall spending and prioritise key services for vulnerable people if we are to continue operating in the current economic climate.

Do you agree with the following principles that form the basis of Rutland County Council’s Transformation Programme:

We will transform the way we deliver local services so that we reduce waste and maximise efficiency, getting maximum value for the money we spend

- Agree
- Disagree
- Not sure

We will create a smaller but functional council that spends less overall, while protecting the most vulnerable and enabling the community to do more for itself

- Agree
- Disagree
- Not sure

Please use the space below to leave any additional comments:

Q4. Our latest budget

While councils feel that they are being treated unfairly, we are left with little choice but to set a budget based on the UK’s current economic outlook, rate of inflation and local government funding model. This means using our reserves to balance our budget in the short term, implementing a Transformation Programme to reshape the council (create more savings) and raising Council Tax by the maximum amount allowed, to fund local services.

If we do not follow this course of action, our funding gap will grow and our ability to balance the budget will be reliant on external factors like inflation and the level of

government funding, over which councils have no control. Rutland County Council would be solvent for the next few years. However, our long-term future would be out of our hands, effectively risking bankruptcy.

With the 12-month rate of inflation running at 10% for 2022, the government expects councils to raise Council Tax by the maximum amount allowed (4.99%), as well as using reserves and making savings to balance their budgets and keep delivering local services.

Do you agree with the following actions, as proposed on the council's draft budget for 2023/24:

Use a safe amount of the council's financial reserves to balance the budget in the short term

- Agree
- Disagree
- Not sure

Implement a Transformation Programme to reshape the council and create more savings

- Agree
- Disagree
- Not sure

Use the Council Tax flexibility given to us by national government on the explicit understanding that councils will make maximum use of this to help fund local services

- Agree
- Disagree
- Not sure

Please use the space below to leave any additional comments:

Q5. Do you have any other suggestions on how the Council could increase income, reduce costs or make savings to help us balance the budget?

ENDS

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CABINET

12 January 2023

REVENUE BUDGET MONITORING 22/23 - PERIOD 8

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

Strategic Aim:	All	
Key Decision: No	Forward Plan Reference: FP/221222	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor 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, Head of Finance	01572 758152 amerry@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet:

1. Notes the revenue forecast at the end of November (para 3.3).
2. Notes that any emerging pressures that will continue have been provisionally built into the 23/24 draft budget.
3. Notes that the balance of the Local Plan reserve may not be sufficient to cover estimated costs. This position should be reviewed by September 2023 and a decision made as to whether the reserve balances should be increased.

1 PURPOSE OF THE REPORT

- 1.1 To provide all Members with an update on the revenue budget position for 22/23. The forecast is based on estimates made for the end of November.
- 1.2 This report does not focus on the medium term financial position as this is covered in the 23/24 budget paper and was also covered in the Financial Sustainability Strategy.

2 EXECUTIVE SUMMARY

2.1 Financial priorities

2.1.1 The short-term priority for the 22/23 budget is for the Council to minimise reliance on reserves to balance the budget whilst still achieving its corporate objectives.

2.1.2 The original budget set in February 2022 was £42.346m. Officers highlighted pressures in the Outturn report (Report 104/2022) arising from contract extensions, utilities, pay, demand and the implementation of Government reforms which meant that use of reserves could reach £3.895m if all materialised. The challenge for 22/23 was to minimise use of reserves as far as possible.

2.2 Key questions and answers - budget performance in 22/23

	Key questions	Position	Comments and where you can find out more
1	Are we on track to achieve overall budget?	Green	Yes, under budget by £337k (see 3.3) because Officers have changed the budget in line with approvals received. Against our original budget, the Council is just under £1.3m overspent which shows the impact of the cost of living and other pressures.
2	How confident are we about forecasts?	Amber	Confident about most areas but demand led budgets have the potential to change quickly.
3	Are there budgets under pressure?	Red	Yes, Appendix B highlights a number of areas where the Council is seeing pressures.
4	Have we committed all the additional funding requested in the outturn report?	Green	No, see 3.1.2.

3 BUDGET PERFORMANCE IN 22/23

3.1 Overall position

3.1.1 This reports sets out the latest financial position as at the end of Period 8 (November 2022). It includes:

- a) Update on how the budget has changed (3.2)
- b) A summary of the revenue budget forecast for 22/23 (3.3)
- c) Local Plan budget Position (3.4)

3.1.2 At a headline level at budget setting, the total reserve usage was expected to be £2.689m (of which £2.314m relates to business rates timing differences). This was increased at outturn to a potential £5.917m for a range of new pressures. In the mid year, the use of reserves was estimated to be £3.389m. At Period 8, this figure is

now £3.658m and has increased because of the pay settlement and other pressure listed in 3.2.2 offset by underspends. This, rather than performance against budget, is a key indicator of success for the current position.

3.2 How the budget has changed

3.2.1 The Council approved its budget in February 2022 and revised this as part of the Revenue and Capital Outturn Report (104/2022). Appendix A shows how the budget has moved since the Mid Year report. The key changes are:

- a) The pay award for 22/23 was settled in November and cost an additional £312k.
- b) The Council has been awarded £113k to facilitate hospital discharge working closely with the Integrated Care Board and Leicestershire Partnership Trust. This all needs to be spent in 22/23 and is conditional on completion of a planned spending report and provision of weekly activity data;
- c) Cabinet approved additional funding to support the procurement and extension of the waste contract. £185k has been added to the budget to cover the cost of negotiating extensions, developing a waste infrastructure business case and appointing a financial partner to assist in the re-procurement work.
- d) The Better Care Fund programme has been finalised and resulted in extra funding being available including some draw down of reserves. This funding led to both new schemes and subsidized some existing costs.
- e) The Council is allowed to draw down its £1m share of the UK Share Prosperity Fund Allocation (UKSPF) following submission of its local investment plan. The revenue and capacity allocation is built into the budget and the capital elements of the funding will be added when the funding is drawn down.

Allocation 22/23			23/24	24/25
Capital	Revenue	Capacity	£117,344	£823,984
£23,469	£35,203	£20,000		

3.3 2022/23 Revenue forecast

3.3.1 The updated finance position is that the Council is forecasting a deficit position of £1.288m compared to a budgeted deficit position of £1.625m, resulting in a underspend of £0.337m. The table below shows the forecast position at the end of November.

	Original Budget	Total Revised Budget	Mid Year Forecast	Period 8	Variance to Budget
People	19,807	20,584	20,467	21,241	657
Places	14,701	15,901	15,500	15,843	(58)
Resources	7,667	8,064	7,693	7,833	(231)
Projects	0	217	217	434	217

	Original Budget	Total Revised Budget	Mid Year Forecast	Period 8	Variance to Budget
Contribution to Overheads	0	0	(162)	(162)	(162)
Directorate Total	42,175	44,766	43,715	45,133	367
Pay Inflation	674	0	678	0	0
Social Care Contingency	429	0	0	0	0
Net Cost of Services	43,277	44,766	44,393	45,133	367
Appropriations	(2,478)	(2,478)	(2,478)	(2,478)	0
Revenue Contribution to Capital	0	243	243	243	0
Capital Financing	1,647	1,647	1,648	1,648	1
Interest Receivable	(100)	(200)	(761)	(1,092)	(892)
Net Operating Expenditure	42,346	43,978	43,045	43,454	(524)
Financing	(39,656)	(39,796)	(39,656)	(39,796)	0
Transfers to / (From) Reserves	(2,683)	(2,557)	(2,428)	(2,370)	187
(Surplus) / Deficit	7	1,624	961	1,288	(337)

3.3.2 The overall position of the Council shows that the Council is experiencing significant additional cost pressures but these pressures are offset by staffing vacancies, other underspends including better than expected returns on investments and top slicing of some grants to contribute towards existing overheads.

3.3.3 Details of the functions over / underspending by more than £25k can be found in Appendix B.

3.4 Local Plan

3.4.1 A new Local Plan was approved by Council (Report 105/2021). A £1.545m reserve was created to resource the making of a new local Plan for the County, which included funding for the expected pressure of operating without a local plan. A further £172.7k was added as part of the outturn report. The Local Plan budget is accounted for as a memorandum account and is not included within the table in 3.3.

3.4.2 The table below shows the latest position of the Local Plan budgets, which shows a pressure of £601k. No additional top up is requested as some of the figures are not known and there could be further fluctuation but a decision should be made on whether additional top up is needed by September giving time for the position to be reviewed. The oversight of the budget is within the scope of the Local Plan working Group.

Local Plan	Budget	2021/22 Outturn	Forecast 2022/23	Future Years Forecast	Total Forecast	Projected Overspend
	£000	£000	£000	£000	£000	£000
Local Plan	(983)	12	411	678	1,101	118

Local Plan	Budget	2021/22 Outturn	Forecast 2022/23	Future Years Forecast	Total Forecast	Projected Overspend
No Local Plan	(736)	(26)	121	1,124	1,219	483
Total	(1,719)	(14)	532	1,802	2,320	601

3.5 Funding Bids

3.5.1 The Rural England Prosperity Fund was announced by Government on 3rd September 2022. It complements the UKSPF and is a top-up to help address the extra needs and challenges facing rural areas. Rutland has a notional allocation of £400k.

3.5.2 The Council submitted an investment plan and have had confirmation that Council will be awarded capital funding of £100k in 23/24 and £300k in 24/25. This is in addition to the UKSPF mentioned in para 3.2.

4 CONSULTATION

4.1 Formal consultation is not required for any decisions being sought in this report. Internal consultation has been undertaken with officers to assess the impact of the forecast on the budget in future years.

5 ALTERNATIVE OPTIONS

5.1 Cabinet are requested to note the current position. There are no alternative options.

6 FINANCIAL IMPLICATIONS

6.1 The report highlights the impact of the current forecast for 22/23. Reducing spend maximises the balances available for future years.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

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

7.2 There are functions within the People and Places Directorates that fall into this category, but no specific request has been made because overspends can be contained within the overall budget.

8 EQUALITY IMPACT ASSESSMENT

8.1 An Equality Impact Assessment (EqIA) has not been completed as this report does not impact on Council policies and procedures.

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 report updates Cabinet and all members of the forecast financial position for 22/23 which is positive as the Council is not intending to draw down all of the additional budget approved at Outturn.

12 BACKGROUND PAPERS

12.1 None

13 APPENDICES

Appendix A	Approved Budget Changes
Appendix B	Variances Over/underspent £25k

Appendix A. Approved Budget 22/23 changes

This Appendix shows budget changes since Outturn.

Description	Net Cost of Services		Capital Financing	Funding	Transfer to/(from) Reserves	Spend on Capital	(Surplus)/ Deficit
	£000	£000	£000	£000	£000	£000	£000
Mid Year Budget	47,862	(3,761)	(1,031)	(39,656)	(2,481)	243	1,176
Pay Award 2022/23 (i)	312	0	0	0	0	0	312
Waste Procurement (ii)	185	0	0	0	0	0	185
Transport Fleet Drivers (iii)	9	0	0	0	(9)	0	0
Better Care Fund (iv)	158	0	0	(141)	(66)	0	(49)
Hospital Discharge Funding (v)	113	(113)	0	0	0	0	0
UK Share Prosperity Fund Allocation (UKSPF) (vi)	35	(35)	0	0	0	0	0
Current Budget	48,674	(3,909)	(1,031)	(39,797)	(2,556)	243	1,624

Figures shown in brackets denotes income/surplus position

- i) The Mid Year Budget position included 4% contingency for the pay award, but the final award of £1,925 per employee equated to c6% (pressure of c£312k).
- ii) The Waste and Streetscene Services Contract Options paper (174/2022) was presented to Cabinet in October and Council in November.
- iii) An additional £9k has been drawn down from the SEN transport outturn request due to continuing demand and the need to appoint 2 new officers.
- iv) To reflect the Better Care Fund Programme (Report 163/2022) as submitted to the Health and Well Being Board on the 11th October 2022.
- v) The Council has been awarded £113k to facilitate hospital discharge working closely with the Integrated Care Board and Leicestershire Partnership Trust. This needs to be spent in 22/23 and is conditional on completion of a planned spending report and provision of weekly activity data.
- vi) The Council is allowed to draw down its £1m share of the UK Share Prosperity Fund Allocation (UKSPF) following submission of its local investment plan. £20k for capacity was already in the budget.

Appendix B. Functions Over/Underspent by £25k

Ref	Function	Budget	Forecast	Variance	Comment
1	Contracts and Procurement	£523k	£458k	(£64k)	Underspend mainly due to vacancies
2	Development Control	£184k	£40k	(£144k)	This is largely due to an increase in planning income. The Council have currently collected c£420k of the £444k budget. The trend is expected to continue throughout the rest of the year. There are no major planning applications expected for the rest of the year.
3	Parking	(£204k)	(£158k)	£47k	There is a £70k shortfall in income mainly due to a reduction in income from staff parking permits. This has been partly mitigated by salary savings c£8k and reduced pay by mobile contract costs c£16k.
4	Public Transport	£834k	£719k	(£115k)	<p>The Cost of Public transport provision has reduced with Oakham Town Council contributing £25k to the service and reduced costs for operating service 9 in-house for 7 months.</p> <p>Concessionary fares usage levels are still lower than predicted having not fully recovered following Covid.</p> <p>Additional Funding (£60k) from the Local Transport Fund. It is not expected there will be additional cost associated with this funding as it is to support the rising costs of providing Public Transport.</p>
5	Highways Management	£419k	£525k	£106k	Overspend largely relates to staffing position due to additional demand within the team and interim cover for

Ref	Function	Budget	Forecast	Variance	Comment
					maternity.
6	Transport Management	£412k	£283k	(£129k)	Underspend mainly due to vacancies.
7	Finance	£691k	£744k	53k	Overspend due to interim staffing arrangements.
8	Revenues and Benefits	£393k	£430k	£37k	Overspend due to interim staffing arrangements associated with implementing the Care Cap reforms.
9	Communications	£213k	£151k	(£62k)	Underspend mainly due to vacancies.
10	Business Support Services	£774k	£661k	(£113k)	Underspend mainly due to vacancies. £100k is planned and will be a saving in 23/24.
11	Customer Services	£202k	£173k	(£29k)	Underspend mainly due to vacancies.
12	Members Services	£290k	£265k	(£25k)	Underspend due to Councillor vacancies.
13	Economic Development	£249k	£138k	(£111k)	Underspend mainly due to vacancies.
13	Interest Receivable	(£200k)	(£1,092k)	(£892k)	Better returns on investments as base rate continues to rise and Council's cash balances remain high.
14	Contribution to Overheads	£0k	(£162k)	(£162k)	We have set aside grant income to contribute towards management costs and overheads.
15	Adult Social Care Reforms	£117k	£334k	£217k	The Council had begun work on the reforms which have been delayed as part of the government's Autumn Statement. Some element of the project will continue ahead of the reforms as they align to the Councils transformation agenda e.g. enabling people to self-serve more.

CABINET

12 January 2023

CATMOSE SPORTS LEISURE CONTRACT

Report of the Portfolio Holder for Communities, Environment and Climate Change

Strategic Aim:	Vibrant Communities	
Key Decision: Yes	Forward Plan Reference: FP/221222	
Exempt Information	Yes, Appendix B	
Cabinet Member(s) Responsible:	Councillor Marc Oxley, Portfolio Holder for Communities, Environment and Climate Change	
Contact Officer(s):	Penny Sharp, Strategic Director for Places	01572 758160 psharp@rutland.gov.uk
	Robert Clayton, Head of Culture and Registration	01572 758435 rclayton@rutland.gov.uk
Ward Councillors	All	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves one of the options outlined in the exempt appendix.
2. Authorises the Strategic Director for Places, in consultation with the Cabinet Member with Portfolio for Finance and the Portfolio Holder for Communities, Environment and Climate Change to conclude arrangements for any financial liabilities to the Council arising from the option chosen.

1 PURPOSE OF THE REPORT

- 1.1 To update Cabinet on the outcome of the procurement exercise for the operation of the Catmose Sports Centre in Oakham, and to outline the options available to the Council.

2 MAIN CONSIDERATIONS

- 2.1 The Council continues to operate in a challenging budgetary position, with the Council's expenditure exceeding its income by around £2m per annum.
- 2.2 As a result of the financial situation, the Council must endeavour to reduce expenditure wherever possible, and seek to mitigate any financial risks to the

authority and Council Tax payers. The Council must therefore ensure that any new commitments must, wherever possible, be either nil net cost to the authority, or contribute positively to the Council's finances.

3 BACKGROUND

- 3.1 A timeline describing the development of the Catmose Sports Centre is provided in Appendix A.
- 3.2 While Cabinet has agreed to date to underwrite the costs of operating the Catmose Sports Centre in the short term due to the Covid pandemic and dramatic utility price increases, the Centre must operate without any subsidy as soon as this can be achieved, in line with the recommendations of the Growth, Infrastructure and Resources Scrutiny Committee, Report No. 156/2021, agreed by Cabinet on 16th November 2021.
- 3.3 Following Cabinet approval on 5th April 2022 a procurement exercise for a new Catmose Sports Leisure Contract was initiated with Welland Procurement, on the basis of nil net cost to the Council and the College, with the award of any contract being subject to Cabinet approval.
- 3.4 Bidding closed on Friday 4th November 2022 with no compliant bids having been submitted. The procurement process was therefore unsuccessful.

4 OPTIONS APPRAISAL

- 4.1 The options are assessed in the Exempt Appendix B to this document. The appendix is exempt as it contains commercially sensitive information. Cabinet's decision on the approved option will be made public as soon as possible after commercial negotiations have been concluded.
- 4.2 In order to support the Council's Medium Term Financial Plan, it remains the case that any subsidy for the Catmose Sports Centre must be short-term and ceased as soon as possible, if approved.

5 CONSULTATION

- 5.1 Consultation is outlined in the exempt appendix.

6 ALTERNATIVE OPTIONS

- 6.1 Exempt Appendix B outlines the alternative options open to the Council.

7 FINANCIAL IMPLICATIONS

- 7.1 Financial details which are commercially sensitive are included in Exempt Appendix B.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 Legal and governance considerations are incorporated into this report.

9 DATA PROTECTION IMPLICATIONS

- 9.1 A Data Protection Impact Assessment (DPIA) has been completed. No adverse or

other significant risks / issues were found arising from Cabinet considering this issue. A copy of the DPIA can be obtained from Robert Clayton, rclayton@rutland.gov.uk

10 EQUALITY IMPACT ASSESSMENT

10.1 A full Equality Impact Assessment (EqIA) has been completed which outlines the potential areas of impact.

11 COMMUNITY SAFETY IMPLICATIONS

11.1 Implications are outlined in the exempt appendix.

12 HEALTH AND WELLBEING IMPLICATIONS

12.1 Implications are outlined in the exempt appendix.

13 ORGANISATIONAL IMPLICATIONS

13.1 Implications are outlined in the exempt appendix.

14 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

14.1 This report summarises the outcome of the procurement exercise for the Catmose Sports contract.

14.2 With the Council's contract with SLL ending on 31st March 2023, a decision must be made in January to enable suitable arrangements to be put in place.

15 BACKGROUND PAPERS

15.1 There are no additional background papers

16 APPENDICES

16.1 Appendix A: Catmose Sports Timeline

16.2 EXEMPT Appendix B: Commercially Sensitive Information

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

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Appendix A: Catmose Sports Timeline

- 11/2004 Government announced all local authorities should have capital funding allocated to rebuild at least one secondary school by 2011.
- 2005 Council agreed to plan a new centre for sports and leisure in Oakham to expand the provision of community facilities at the Vale of Catmose College (report 91/05).
- 10/07/2006 Council agreed to accept Building Schools for the Future (BSF) finance to rebuild Catmose College as part of the One School Pathfinder programme.
- <https://rutlandcounty.moderngov.co.uk/CeListDocuments.aspx?Committeeld=145&MeetingId=703&DF=10%2f07%2f2006&Ver=2>**
- 05/09/2006 Cabinet agreed to the establishment of a Project Board to take forward the College Rebuild, combined with new sports facilities and a public art gallery, and a Disabilities Resource Centre.
- <https://rutlandcounty.moderngov.co.uk/CeListDocuments.aspx?Committeeld=133&MeetingId=464&DF=05%2f09%2f2006&Ver=2>**
- 02/07/2007 Council agreed the preferred option for developing a Master Plan for the project now termed “The Big Build”.
- <https://rutlandcounty.moderngov.co.uk/CeListDocuments.aspx?Committeeld=145&MeetingId=719&DF=02%2f07%2f2007&Ver=2>**
- 15/10/2007 Council agreed the Master Plan for the Big Build. Rutland County Council directly undertook the rebuild of the College, receiving and expending the funding for the project.
- <https://rutlandcounty.moderngov.co.uk/CeListDocuments.aspx?Committeeld=145&MeetingId=723&DF=15%2f10%2f2007&Ver=2>**
- 01/09/2008 RCC accepted a £500,000 grant from Sport England to assist with funding the construction of the Catmose Sports facilities. The agreement is directly between Rutland County Council and Sport England. The College was not a party to the funding arrangement as this took place prior to academisation, at a time when the Vale of Catmose College was a Foundation Comprehensive School.
- 02/03/2009 Details of the £29.86m Big Build project approved by Council. Key assumptions for the project were that the Campus would become a multi-functional shared use community space, incorporating learning, arts, sport, culture, disability resources, and that the College would remain a Foundation School.
- <https://rutlandcounty.moderngov.co.uk/CeListDocuments.aspx?Committeeld=145&MeetingId=743&DF=02%2f03%2f2009&Ver=2>**
- 12/10/2009 Stevenage Leisure Ltd (SLL) appointed to operate the Catmose Sports Centre

under a 10-year contract which commenced 1st April 2011, running to 31st March 2021.

<https://rutlandcounty.moderngov.co.uk/CeListDocuments.aspx?Committeeld=145&MeetingId=751&DF=12%2f10%2f2009&Ver=2>

01/04/2011 Catmose College academised, becoming independent of local authority control and focusing on academic and curriculum excellence. Over subsequent years as pressure of numbers on roll have increased, community hub elements of the campus have ceased or relocated off site, with the exception of the sports facilities. The public art gallery was closed in 2011, the Adult Learning suite in 2014, the café in 2015, the Sure Start Children's Centre in 2017, and the Brightways disability provision in 2021.

21/01/2020 Cabinet agreed to extend SLL's contract by one year to 31st March 2022, to allow time to procure a new contract.

<https://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CId=133&MId=2055&Ver=4>

23/03/2020 First Covid Lockdown as part of the pandemic response, including the mandatory closure of sports facilities.

15/09/2020 Cabinet agreed financial support for SLL, in common with most local authorities across the country. Details of the potential financial impact of the operator failing were included in the exempt appendix to the report.

<https://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CId=133&MId=2263>

12/01/2021 Cabinet agreed to the commissioning of a Leisure Needs Analysis and Options Appraisal to define what leisure provision would be needed for the county in the future. Cabinet also agreed to extend SLL's contract to 31st March 2023 to allow this work to be completed and if necessary a procurement process to be undertaken.

<https://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CId=133&MId=2267&Ver=4>

07/10/2021 The Growth, Infrastructure and Resources Scrutiny Committee received a presentation outlining the results of the Leisure Review. Scrutiny's views were sought on the future of the Catmose Sports facility, and whether there should be capital investment in leisure provision.

<https://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CId=346&MId=2518&Ver=4>

16/11/2021 Cabinet received the Leisure Needs Analysis and Options Appraisal and Report No. 156/2021 from the Scrutiny Committee, which included recommendations that the pool at Catmose should not be re-opened; and that the dry side operation should be maintained with zero cost to RCC and with public access where possible. Cabinet agreed these recommendations and directed the Strategic Director for Places to explore whether procurement of a dry side nil-cost contract was achievable.

<https://rutlandcounty.moderngov.co.uk/documents/g2357/Printed%20minutes%2016th-Nov-2021%2010.00%20Cabinet.pdf?T=1>

05/04/2022 Cabinet approved a procurement exercise for a Catmose Sports contract to be undertaken with Welland Procurement, on the basis of nil net cost to the Council and the College, with the award of any contract being subject to Cabinet approval.

<https://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CId=133&MId=2516>

29/07/2022 Invitation to Tender for the Catmose Sports Contract issued.

04/11/2022 Bidding closed.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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