

Rutland County Council

Catmose, Oakham, Rutland, LE15 6HP

Telephone 01572 722577

Email democraticservices@rutland.gov.uk

Ladies and Gentlemen,

A meeting of the **STRATEGIC OVERVIEW AND SCRUTINY COMMITTEE** will be held in the Council Chamber, Catmose, Oakham, Rutland LE15 6HP on **Thursday, 25th January, 2024** commencing at **7.00 pm** when it is hoped you will be able to attend.

Yours faithfully

Mark Andrews
Chief Executive

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

Although social distancing requirements have been lifted there is still limited available seating for members of the public. If you would like to reserve a seat, please contact Democratic Services at democraticservices@rutland.gov.uk. The meeting will also be available for listening live on Zoom using the following link: <https://us06web.zoom.us/j/88166640282>

A G E N D A

1) WELCOME AND APOLOGIES RECEIVED

2) RECORD OF MEETING

To confirm the record of the meeting of the Strategic Overview and Scrutiny Committee held on 23rd November 2023.
(Pages 7 - 24)

3) ACTIONS ARISING

To review and update the actions arising from the previous meeting.

No.	Ref.	Action	Person
1.	12	2023/24 QUARTER 2 - REVENUE AND CAPITAL FORECAST REPORT The Chief Executive confirmed that he	Mark Andrews

		would provide a progress update on the transformation initiatives in the next Members' Briefing.	
2.	13 a)	<u>Asset Review</u> Councillor Rosemary Powell, Chair of the Asset Review Task and Finish Group to arrange a meeting for the Chief Executive to update the Task and Finish Group on the current situation and possibly identify any actions for the group moving forward.	Councillor Rosemary Powell
3.	13 b)	<u>Levelling Up Fund (LUF)</u> The Chief Executive confirmed that the process for the LUF was on track and that he would ask Councillor Gale Waller, Leader of the Council to send an update briefing to all Councillors.	Mark Andrews

4) DECLARATIONS OF INTEREST

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

5) PETITIONS, DEPUTATIONS AND QUESTIONS

To receive any petitions, deputations and questions received from Members of the Public in accordance with the provisions of [Procedure Rules 25 and 159](#).

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

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

6) QUESTIONS WITH NOTICE FROM MEMBERS

To consider any questions with notice from Members received in accordance with the provisions of [Procedure Rule No 161 and 162](#).

7) NOTICES OF MOTION FROM MEMBERS

To consider any Notices of Motion from Members submitted in accordance with the provisions of [Procedure Rule No 163](#).

8) CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO THE CALL-IN OF A DECISION

To consider any matter referred to the Committee for a decision in relation to call in of a decision in accordance with [Procedure Rule 149](#).

9) INTEGRATED BUDGET PLAN (IBP) AND MEDIUM-TERM FINANCIAL STRATEGY (MTFS) - 2024/25 AND 2027/28

To receive Report No. 16/2024 from the Deputy Leader and Portfolio Holder for Resources.
(Pages 25 - 210)

10) REVIEW OF THE WORK PLAN

To consider the current Forward Plan and identify any relevant items for inclusion in the Strategic Overview and Scrutiny Committee Annual Work Plan or to request further information.

The Forward Plan is available on the website at:
<https://rutlandcounty.moderngov.co.uk/mgListPlans.aspx?RPId=133&RD=0>
(Pages 211 - 218)

11) ANY URGENT BUSINESS

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

12) DATE OF NEXT MEETING

Thursday, 21st March 2024 at 7 pm in the Council Chamber, Catmose, Oakham, Rutland LE15 6HP.

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TO: ELECTED MEMBERS OF THE STRATEGIC OVERVIEW AND SCRUTINY COMMITTEE

Name	
1.	Councillor R Ross (Chair)
2.	Councillor L Stephenson (Vice Chair)
3.	Councillor T Carr

4.	Councillor M Chatfield
5.	Councillor K Corby
6.	Councillor H Edwards
7.	Councillor S Lambert
8.	Councillor K Payne
9.	Councillor R Powell

Quorum: 5 Councillors

STATUTORY CO-OPTED MEMBERS – EDUCATION REPRESENTATIVE:

Name	Title
10. Andreas Menzies	Roman Catholic Diocese
11. Peter French	Diocesan Deputy Director of Education, Dioceses of Peterborough

PORTFOLIO HOLDERS:

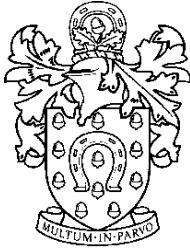
Name	Title
12. Councillor G Waller	Leader of the Council
13. Councillor A Johnson	Deputy Leader and Portfolio Holder for Resources
14. Councillor P Browne	Portfolio Holder for Planning and Property
15. Councillor D Ellison	Portfolio Holder for Adults and Health
16. Councillor T Smith	Portfolio Holder for Children and Families
17. Councillor C Wise	Portfolio Holder for Highways, Transport and the Environment

OFFICERS:

Name	Title
18. Mark Andrews	Chief Executive
19. Angela Wakefield	Strategic Director of Law and Governance (Monitoring Officer)
20. Dawn Godfrey	Strategic Director of Children and Families
21. Kim Sorsky	Strategic Director of Adult Services and Health
22. Kirsty Nutton	Strategic Director of Resources (S151 Officer)
23. Penny Sharp	Strategic Director of Places
24. Jane Narey (Clerk)	Scrutiny Officer

FOR INFORMATION:

Name	Title
25. Angela Hillery	Chief Executive, Leicestershire Partnership NHS Trust
26. Peter Cantley	Diocesan Director of Education, Diocese of Peterborough



Rutland County Council

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Minutes of the **MEETING of the STRATEGIC OVERVIEW AND SCRUTINY COMMITTEE** held in the Council Chamber, Catmose, Oakham, Rutland, LE15 6HP on Thursday, 23rd November, 2023 at 7.00 pm

PRESENT Councillor R Ross (Chair)
Councillor T Carr
Councillor M Chatfield
Councillor K Corby
Councillor H Edwards
Councillor S Lambert
Councillor K Payne
Councillor R Powell

APOLOGIES Councillor L Stephenson (Vice Chair)
Andreas Menzies Roman Catholic Diocese
Peter French Diocesan Deputy Director of
Education, Dioceses of Peterborough

PORTFOLIO HOLDERS PRESENT Councillor A Johnson Deputy Leader and Portfolio Holder for
Resources
Councillor D Ellison Portfolio Holder for Adult Care and Health

OFFICERS PRESENT Mark Andrews Chief Executive
Angela Wakefield Strategic Director of Law and Governance
(Monitoring Officer)
Kim Sorsky Strategic Director of Adult Services and
Health
Kirsty Nutton Strategic Director of Resources (S151
Officer)
Mike Sandys Director of Public Health for Leicestershire &
Rutland
Debra Mitchell Deputy Chief Operating Officer, Leicester,
Leicestershire and Rutland Integrated Care
Board (LLR ICB)
Kevin Quinn Head of Corporate Services
Jane Narey (Clerk) Scrutiny Officer

1 WELCOME AND APOLOGIES RECEIVED

The Chair welcomed everyone to the meeting. Apologies were noted from Councillor Lucy Stephenson, Mr Peter French and Mr Andreas Menzies.

2 RECORD OF MEETING

The minutes of the meeting of the Strategic Overview and Scrutiny Committee held on the 21st September 2023 were approved as an accurate record.

3 ACTIONS ARISING

There were no actions arising from the previous meeting.

4 DECLARATIONS OF INTEREST

There were no declarations of interest.

5 PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions were received.

6 QUESTIONS WITH NOTICE FROM MEMBERS

No questions with notice with notice were received from Members.

7 NOTICES OF MOTION FROM MEMBERS

No notices of motion were received from Members.

8 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO THE CALL-IN OF A DECISION

No call-ins were received.

9 SCRUTINY COMMITTEE RECOMMENDATIONS/OUTCOMES

Details of the recommendation regarding the Transport Network Review Business Case & Post 16 Travel Options made and the response from Cabinet were noted.

10 PLAN OF HEALTH RESPONSIBILITIES AND KEY DECISIONS

A presentation was received from Councillor Diane Ellison, Portfolio Holder for Adult Care and Health, Kim Sorsky, Strategic Director of Adult Services and Health, Debra Mitchell, Deputy Chief Operating Officer, Leicester, Leicestershire and Rutland Integrated Care Board (LLR ICB) and Mike Sandys, Director of Public Health for Leicestershire & Rutland. During the discussion, the following points were noted:

- The Portfolio Holder for Adult Care and Health thanked Scrutiny Members for their questions and reported that a copy of the questions plus responses would be distributed with the minutes.
- The Strategic Director of Adult Services and Health introduced 4 additional slides to the committee which identified the good practice currently happening in Rutland – copy attached.
- The Rutland Health and Wellbeing Board had updated their Terms of Reference to include the World Health Organisation’s definition of health – ‘A state of complete

physical, mental and social well-being and not merely the absence of disease or infirmity.’

- The Deputy Chief Operating Officer, LLR ICB informed attendees that an additional sub-group of the Health and Wellbeing Board had been established to improve the quality and distribution of communications to members of the public.
- The role of the Health & Care Infrastructure Group was to look at the planned areas of housing/population growth within Rutland, review the implications on all health services including primary care e.g. GP practices and then align services to support the planned growth but, with limited capital funding and decreasing public funding, this was challenging.
- Rutland currently had a sufficient number of GP’s and GP appointments to support its population but there was a national issue regarding the management of the public’s expectations on accessing primary care.
- Primary care services had changed with the provision of other medical professionals e.g. Advanced Nurse Practitioners, Nurses, Pharmacists, etc so that the public could access health services without the need for a GP appointment.
- The LLR ICB Communications Officer and Rutland County Council’s Communications Team would be working in the future with GP practices within Rutland to help them improve their communications with residents regarding the different services available.

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Councillor Diane Ellison, Kim Sorsky, Debra Mitchell and Mike Sandys left the meeting at 7.47 p.m.

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11 CORPORATE PERFORMANCE - MID YEAR REPORT

Report No. 170/2023 was received from Councillor Andrew Johnson, Deputy Leader and Portfolio Holder for Resources, Angela Wakefield, Strategic Director of Law and Governance and Kevin Quinn, Head of Corporate Services. During the discussion, the following points were noted:

- The Deputy Leader and Portfolio Holder for Resources thanked Scrutiny Members for their questions and reported that a copy of the questions plus responses would be distributed with the minutes.
- The report demonstrated how realistic and transparent Rutland County Council was regarding its own performance.
- Some Key Performance Indicators (KPIs) were not currently available but would be as data recording improved but the overall aim was to provide a better service at a lower cost.
- More affordable housing was needed in Rutland and the Council’s Housing Services team was investigating the possibility of renovating empty houses into habitable and affordable housing for Rutland residents.
- There continued to be recruitment issues within the care services and other skilled or technical roles, but this was nationwide.
- All services were being provided to Rutland residents but where understaffed this was impacting on the welfare of the workforce.

RESOLVED

That the Committee:

- a) **NOTED** the contents of the performance report and the progress in delivering the strategic aims within the Corporate Strategy 2022-2027 as set out in Report No. 167/2023.

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Kevin Quinn left the meeting at 8.17 p.m.

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12 2023/24 QUARTER 2 - REVENUE AND CAPITAL FORECAST REPORT

Report No. 171/2023 was received from Councillor Andrew Johnson, Deputy Leader and Portfolio Holder for Resources, Kirsty Nutton, Strategic Director of Resources and Andrew Merry, Finance Manager. During the discussion, the following points were noted:

- The Deputy Leader and Portfolio Holder for Resources thanked Scrutiny Members for their questions and reported that a copy of the questions plus responses would be distributed with the minutes.
 - The deficit balance on the Dedicated Schools Grant (DSG) continued to be a national issue. Mark Andrews, Chief Executive confirmed that the Council had to cover the deficit in 2025-26, as central government would not be providing additional funding and that work was ongoing with the Delivering Better Value in SEND programme to decrease this deficit.
 - The Strategic Director of Resources informed attendees that approximately £300k was expected in business rates from the creation of the Mallard Pass Solar Farm though the solar power industry was reviewing a standard approach to community benefit payments.
 - The Chief Executive confirmed that he would provide a progress update on the transformation initiatives in the next Members' Briefing.
- ACTION: Mark Andrews**
- It was confirmed that the risk of increased external audit fees had been included within the budget.
 - The Strategic Director of Resources stated that cash limits had been set for all managers, with the challenge of changing services for the better whilst decreasing costs so ensuring the sustainability of Rutland County Council.

RESOLVED

That the Committee:

- a) **NOTED** the contents of the 2023-2024 Quarter 2 Revenue and Capital Forecast report as set out in Report No. 168/2023.

13 REVIEW OF THE WORK PLAN

The work plan and the list of proposed items were reviewed. During the discussion, the following points were noted:

- a) Asset Review
The Chief Executive informed attendees that the report on the Asset Review Business Cases had been delayed as up-to-date figures were being collated and the business cases reviewed. The data was expected in January 2024 when the report would be finalised and then presented to Cabinet. It was agreed that Councillor Rosemary Powell, Chair of the Asset Review Task and Finish Group

would arrange a meeting for the Chief Executive to update the Task and Finish Group on the current situation and possibly identify any actions for the group moving forward.

ACTION: Councillor Rosemary Powell

b) Levelling Up Fund (LUF)

The Chief Executive confirmed that the process for the LUF was on track and that he would ask Councillor Gale Waller, Leader of the Council to send an update briefing to all Councillors.

ACTION: Mark Andrews

14 ANY URGENT BUSINESS

There was no urgent business.

15 DATE OF NEXT MEETING

Thursday, 25th January 2024 at 7.00 p.m.

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The Chair declared the meeting closed at 8.53 p.m.

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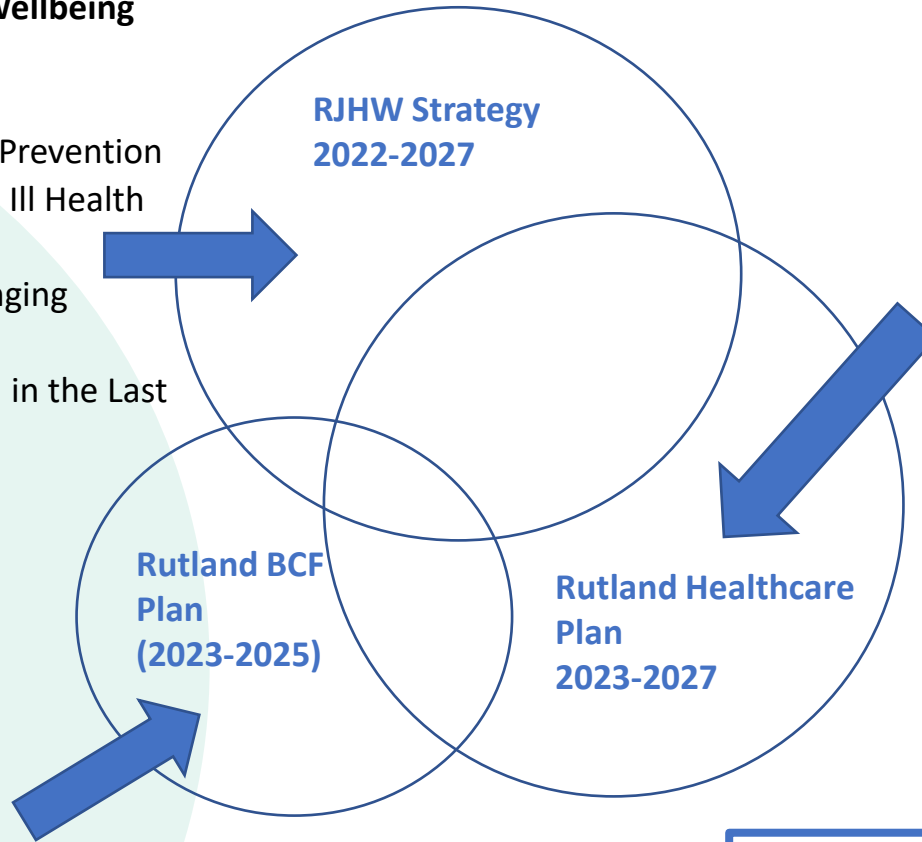
SUMMARY OF ACTIONS

No.	Ref.	Action	Person
1.	12	2023/24 QUARTER 2 - REVENUE AND CAPITAL FORECAST REPORT The Chief Executive confirmed that he would provide a progress update on the transformation initiatives in the next Members' Briefing.	Mark Andrews
2.	13 a)	<u>Asset Review</u> Councillor Rosemary Powell, Chair of the Asset Review Task and Finish Group to arrange a meeting for the Chief Executive to update the Task and Finish Group on the current situation and possibly identify any actions for the group moving forward.	Councillor Rosemary Powell
3.	13 b)	<u>Levelling Up Fund (LUF)</u> The Chief Executive confirmed that the process for the LUF was on track and that he would ask Councillor Gale Waller, Leader of the Council to send an update briefing to all Councillors.	Mark Andrews

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Priorities of Rutland Joint Health and Wellbeing Strategy 2022-2027

- Best Start for Life
- Staying Healthy and Independent – Prevention
- Healthy Ageing and Living Well with Ill Health
- Equitable Access to Services
- Preparing for our Growing and Changing Population
- Ensuring People are Well Supported in the Last Phase of Their Lives – Dying Well
- Cross-Cutting Themes



Priorities of the Rutland Better Care Fund Plan 2023-2025

- Improve discharges
- Reduce pressure on emergency, acute and social care
- Support intermediate care, unpaid carers and housing adaptations

Priorities of the Rutland Place Healthcare Plan 2023 – 2027

- 1. Preventing Illness
- 2. Keeping People Well
- 3. Right Care, right time, right place
- 4. Integrated Community Health and Wellbeing Hubs
- 5. Optimal Pathways for Elective Care
- 6. Learning Disabilities and Autism
- 7. Mental Health
- 8. Women's Health, including Maternity
- 9. Childrens and Young People
- *Local Demographic focus from above:*
 - 1. Older Peoples Health
 - 2. Access to Healthcare
 - 3. Armed Forces Community

Integrated Governance, Delivery and Reporting

- Health and Wellbeing Board oversight of all
- Various Rutland specific Delivery Groups / Subgroups – Health and Social Care, VCSE and Community membership
- Regular partnership reporting monthly / quarterly
- Specific Delivery Plans for each of above sets of priorities

Greetham parishes pilot project (Staying Healthy and Independent - Prevention)

Purpose

- Work with a small community (4 x villages) on an asset-based community development approach.
- This acts on findings from the Rutland Health Inequalities Needs Assessment, targeting hidden need, deprivation and inequalities in population groups.
- The project aims to empower local residents to build on what they already have in their local communities to have active, supportive, healthier communities where they work together to bring about change, they want to see.

Who is involved in delivery

- Partners across Rutland working with resident 'Community Connectors' in a volunteering capacity.

How we work together

- Partners are actively engaged across health and care and are brought in for different elements of the project as required.
- The Staying Healthy Partnership oversees progress and developments.

Improvement and outcomes

- The project is in the early days with 10 Community Connectors signed up.
- Intended outcomes include:
 - A more active community support network, helping people live healthier and at home for longer.
 - The community identifying and working together to bring about change they want to see.
 - Residents living alone and with limited confidence are supported in connecting with the community.

Anticipatory Care (Older Peoples Health)

Purpose

To develop a local community-based team and integrated care model, that focuses on the pro-active de-escalation of individuals in the community who are at risk of admission to hospital, to enable individuals to keep well in the community with support wrapped around them.

Who is involved in Delivery?

- Mainly delivered at Rutland Memorial Hospital by Rutland Memory Clinic (**NHS LPT**), RISE Team, Admiral Nurses (**RCC Social Care**), a dedicated MDT facilitator (**RCC Social Care**) and Dementia Care co-ordinator (**Rutland Health PCN**).
- Outreach provision is also delivered at Barrowden and will be starting in Greetham soon which is in direct support/response of the findings of the Rutland Health Inequalities Report developed by partners in Public Health – to support hard to reach communities.

How we work together

- Local data via NHS LPT from Waiting Lists for assessments for the local Memory Clinic is being used to identify the local population cohort in scope of support i.e. current focus is those with or at risk of Dementia, this drives joint prioritisation between partners.
- An MDT approach, involving a Holistic assessment, personalised care plan development for the individual with support from a dedicated care co-ordinator who is at the centre of this process to enable joint up working.
- Regular reviews are undertaken by the MDT facilitator through MDT working and alongside Dementia Care co-ordinator to ensure any changes in need are reflected in the plan and future interventions and support going forward.

Improvement and Outcomes:

- Number of MDT discussions coordinated/clinics held inc. number of organisations involved
- Total number of individuals discussed/supported
- Dementia diagnosis rate change (expected improvement)
- Emergency admissions/bed days

— Social Prescribing (BCF Priority: Reduce pressure on emergency, acute and social care)

Purpose

The aim is to support people to maintain their independence, driving preventative practice and benefiting those who may otherwise frequently attend primary or secondary health care services.

Who is involved in Delivery?

- Delivered by Social Prescribing staff that are embedded with the Rutland RISE Team.

How we work together

- Referrals from a variety of sources are received into RISE Team enabling collaborative working with the local community and a wide range of health, social care, and voluntary sector professionals. This ensures the optimum support is progressed.
- The Joy Social Prescribing software is used across the RISE Team to manage referrals collaboratively across partner organisations that deliver care locally.
- RISE core principles that guide how we work together:
 - Increase people's control over their health and lives.
 - A holistic approach focussing on individual need.
 - Promotes health and wellbeing and reduces health inequalities in a community setting, using non-clinical methods.
 - Addresses barriers to engagement and enables people to play an active part in their care.
 - Utilises and builds on the local community assets in developing and delivering the service or activity.
 - Working in a preventative pre-eligible way.

Improvement and Outcomes:

- RISE holds between 80-100 active cases, receiving 80+ referrals each month.
- Customer satisfaction is consistently at 92%.
- Social Prescribing is firmly embedded in Rutland as an essential element of improving health and wellbeing, promoting people's quality of life and reducing the need for health and social care.

Strategic Overview & Scrutiny Committee: 23 November 2023

Agenda Item 10: PLAN OF HEALTH RESPONSIBILITIES AND KEY DECISIONS

Link to the agenda - [Agenda for Strategic Overview and Scrutiny Committee on Thursday, 23rd November, 2023, 7.00 pm | Rutland County Council \(moderngov.co.uk\)](#)

Members' Questions	RCC Officer Response
<p>Question 1 Page 24: Integrated Care Hubs - please expand. How is this to be developed, and what is the current position in this regard?</p> <p>15</p>	<p>A key factor in this ICB priority is not to have a blueprint of one size fits all, it is about looking at the local needs, services, and infrastructure to explore opportunities for creating an Integrated Health and Care Hub. We are at the beginning of this journey in Rutland.</p> <p>Senior Leaders across Health and Social Care have been meeting to agree potential ways to improve health and care integration for the population of Rutland.</p> <p>We have agreed on a 2-year project centred around the principles of healthy aging and prevention and the Integrated Care Hub could be a vehicle to support this aim.</p>
<p>Question 2 Page 26: Rutland Strategic Health Development Board - established May 2022 is welcome. How often do they meet and what is their role in influencing future health and wellbeing needs?</p>	<p>This is a meeting held every 2 months. This forum is made up predominantly of NHS LLR and cross border statutory NHS partners. Membership also includes Rutland LA representation from wider functions such as the Local Planning Authority.</p> <p>The role of this group is strategic and focused on the NHS statutory delivery matters that relate to the healthcare plan and the management of associated interdependencies between these to enable robust partnership working at a Place level for Rutland.</p> <p>The group has a cross border focus too, this provides a vehicle for two-way partnership discussions between LLR and neighbouring ICB stakeholders around strategic plans that are relevant to the population of Rutland. This supports and influences local and cross-border developments to ensure that there is an understanding of the issues and that these are considered / addressed as part of our local delivery plans going forward.</p>

Members' Questions	RCC Officer Response
<p>Question 3 Rutland Strategic Health Development Board (RSHDB) – can fuller details be provided, specifically what need, or role does the RSHDB now fulfil, that did not exist for the county prior to May 2022? Does this represent an additional resource for Rutland? Where can Councillors find copies of its reports since May 2022?</p>	<p>Please see the response to question 2 to understand what type of resource this is; these are statutory LLR NHS resources who work across LLR however have an influence on the delivery of local improvement in Rutland Place.</p> <p>Prior to May 2022, there was no dedicated strategic forum in place for Rutland that included all NHS partners from both LLR and across borders to inform robust future planning for local services. This gap has now been bridged by the establishment of this group. The level of attendance and senior membership support this view.</p>
<p>Question 4 As a committee, we require a means of assessing progress on the 5 Year Strategic Plan for Rutland, and the provision of sufficient detail to allow Councillors to communicate future service provision, in a meaningful way, to residents.</p> <p>i. There is a phased plan extending over 5 years, which starts in 2022/23 and was adopted in July 2023. If this Committee were to invite you back in 3 or 4 months, how would we understand what progress has been made in delivery?</p>	<p>i. The ICB healthcare plan is grounded in our NHS statutory duties and therefore the ICB will put arrangements in to monitor the whole plan as the delivery of this is linked to the overall function of our LLR ICB Statutory Board. Please also see response to question ii and iii.</p> <p>ii. Please also see response to question iii. The Health and Wellbeing monitoring and reporting process is a responsibility of the local Health and Wellbeing Board rather than the ICB. The ICB's overall duties (which include annual and strategic plans i.e., the 5 Year forward view) are monitored by NHS England on behalf of Central Government. The 5YFV has been mapped against the local needs of Rutland and a Health plan developed which has been signed off at the October HWB. The plan has 3 local focus areas:</p> <ul style="list-style-type: none"> • Older Peoples Health • Access to Healthcare and • The Armed Forces Community. <p>The monitoring and progressing of these specific areas will be visible through the agreed Rutland Health and Wellbeing Board monitoring and reporting mechanisms which are coordinated through the Rutland Integrated Delivery Group (RIDG).</p>

Members' Questions	RCC Officer Response
<p>ii. In the absence of a detailed and critical path-based plan how does the Health and Wellbeing Board (HWB) provide effective monitoring of the progressing and delivery of actions being managed by the Integrated Care Board (ICB) and associated bodies?</p> <p>iii. Is there a reason why the ICB cannot provide a detailed, critical path-based plan to the Rutland HWB, setting out the principal service developments over time, in support of their narrative updates on progress?</p>	<p>iii. The Critical Path Methodology (CPM) is a Project Management approach. The LLR ICB healthcare plan is not a project. The healthcare plan represents a Portfolio of statutory NHS strategic transformation programmes, projects, and service improvement initiatives, of which some are of a highly specialist and complex nature with national constraints that can change. It would not be feasible nor practical to obtain a Critical Path across such a portfolio arrangement. However, we recognise the importance of understanding the critical activities within a project to the overall delivery of improvement, the ICB will facilitate this so far as practical, by ensuring that these activities within projects are the ones that are fed into the Rutland Health and Wellbeing monitoring and reporting mechanisms.</p>

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Response Authors:

Kim Sorsky, Strategic Director of Adult Services and Health

Debra Mitchell, Deputy Chief Operating Officer, Leicester, Leicestershire and Rutland Integrated Care Board (LLR ICB)

Mike Sandys, Director of Public Health for Leicestershire & Rutland

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Strategic Overview & Scrutiny Committee: 23 November 2023

Agenda Item 12: 2023/24 QUARTER 2 - REVENUE AND CAPITAL FORECAST REPORT

Link to the agenda - [Agenda for Strategic Overview and Scrutiny Committee on Thursday, 23rd November, 2023, 7.00 pm | Rutland County Council \(moderngov.co.uk\)](#)

Members' Questions	RCC Officer Response
<p>Question 1 Page 11 – Finance & corporate costs – which shows a £1250 positive – as is noted, this is far and away the most significant contributor to the improved financial performance.</p> <p>a) Do Forecasts for the Full Year simply assume the positive Variance to Date and if so, why?</p> <p>b) Would public understanding be improved by simply comparing the Budget Interest Rate with the Actual Average Rate to Date, as percentages? In terms of the explanatory comment given on Market Rates, would a comparison with the Base Rate average assumed in the Budget (spot rate or otherwise) and the Actual Rate average for the 6mths to the end of Q2 not also improve understanding?</p>	<p>a) The forecast is a year-end position. It is based on assumptions for both Cash Flows and interest rates for the remainder of the year as well as reflecting the experience on both to date.</p> <p>Therefore, if cash balances are greater than forecast such as a grant payment is received from central government unexpectedly, or interest rates increase or remain greater than our treasury advisors thought the forecast could improve.</p> <p>b) Yes, this can be included in future we welcome all feedback. The information being supplied to Cabinet and in turn the public has been reviewed and a revised presentation is being adopted for the 2023/24 financial year in line with the Cabinets recognition of greater transparency. Therefore, all feedback is welcome and will be incorporated where necessary.</p> <p>The Treasury Management Strategy shows the assumptions approved by Full Council. The Council assumed average cash balances for the year to be £41m with interest rates at 4.6%. Cash balances have been on average £50m with average interest rates achieved to date of 5.4% by way of comparison as suggested.</p> <p>The change in assumptions on interest rates reflects the national and global economic position with inflationary controls exercised by the Bank of England. Updated assumptions are being built into the budget setting process.</p> <p>Further information on treasury management is provided in Appendix B with measurements as to how the Council is performing against a series of Council agreed treasury management indicators.</p>

Members' Questions	RCC Officer Response
<p>Question 2 Page 12 – Key Budget Variances</p> <p>A) Adult Social Care (and see Appendix A – Directorate Appendices) – it is noted that ‘Service users have increased by 16 within residential provision which represents a 15% increase since Q1. A review is underway to understand the reason for this spike and to inform how the Council can mitigate this increase in cost alongside implications for future year budgets.’ Will the analysis seek to establish specific relationships (e.g. age; comorbidity; income; etc) to inform the medium-term outlook for provision?</p>	<p>Yes.</p> <p>A review of the impact of these clients has been undertaken, identifying the findings, actions and areas for follow-up. The Director assesses need against budget available as part of sound financial management decisions within the Directorates budgets for both in year performance, but also to ensure the assumptions made as part of the budget setting process remain valid. This information is then also used to inform service delivery opportunities and improvements in both outcomes for clients and budgetary impacts.</p>
<p>20) Children’s Social Care (and others) – we have both savings and costs arising from shortages of staffing. It was reported at Cabinet that we have now filled 60 of the 67 vacancies. Do we not require an overall staff turnover rate as a KPI for our manpower planning on the Performance Dashboard to provide insight on retention?</p>	<p>Yes, and agreed. It is recognized by both Cabinet and the Corporate Leadership Team that a Workforce Strategy is key. A review is currently underway, with timescales needing to be extended due to the retirement of the Head of HR and a new incumbent starting.</p> <p>The performance report contains a section for Organisational Health. KPI’s are included in relation to workforce on the following areas:</p> <ul style="list-style-type: none"> • Sickness • Turnover • Satisfaction • Vacancy levels <p>The Staff Turnover rate target is less than 12.6%, with 8.3% as the rate to date. If performance continues, the same trend turnover would be above the target rate at 16.6%. Further explanation is provided in this indicator. Both Cabinet and the Corporate Leadership Tam have recognized this issue as noted in section 3.11 – 3.14 with the consideration of staff retention and recruitment proposals underway.</p>

Members' Questions	RCC Officer Response
<p>Question 3 Page 15 – Capital Position Repairing holes in the road only serves to re-instate the asset to its specified condition if that. It does not enhance the asset in any way. Why is this Capital?</p> <p>21</p>	<p>In the public sector this is also the generally accepted and cost-effective approach. As part of the budget setting process, all members of the Council have to decide on the balance of priorities for Council funding such as decisions between the level of care a resident receives and the timeliness of road repairs as advised by Officers. The Cabinet are currently considering such options as part of the budget setting process and the budget they will present to Full Council.</p> <p>The Council operates to the same accounting rules as the private sector when it accounts for the assets on the balance sheet. Therefore, all works made from capital funding enhance the roads' overall condition and is more than a repair – though we appreciate this may not look to be the case.</p> <p>The Council receives capital grant allocations from central government and whilst it is called 'pothole' funding, given that it is a capital grant the Council ensures that the spend is of a capital nature. This expenditure is checked as appropriate spend against the grant as part of the external audit by Grant Thornton. Should the expenditure be deemed as not capital by the auditors, a charge against revenue funds and Council Tax would occur. Therefore the Council Officers design road works to maximise the use of grant received from central government.</p>
<p>Question 4 Page 18 – para 7.3 – Reserves are an 'as at' amount, an absolute number that are not forecast to be augmented. Are the target savings shown at 2023/24 prices? The savings shown in the graph are annual and for the two years 26/27 and 27/28 total £6.9m; is this credible?</p>	<p>The amounts shown are as per the current Medium Term Financial Strategy, as approved by the Council in February 2023.</p> <p>As previously noted, all assumptions which were used are being updated as part of the budget setting process.</p> <p>The Council has assumed that Council Tax is increased each year to the maximum allowable. It has also made assumptions on the level of grant receipt from government, alongside other income receipts from Business Rates and Fees and Charges. Therefore, with all other assumptions equal the £4m savings is the requirement for Council to deliver savings on service delivery to match income receipts in 2027/28.</p> <p>As outlined in 7.4 – 7.5 the Leadership Team and Cabinet know that the saving requirement for the Council is challenging. Transformation of service delivery is required for the Council to be financially sustainable. The current way of operating services is not affordable in the medium to long term.</p>

Members' Questions	RCC Officer Response
	<p>As part of this recognizing the scale of this challenge Full Council agreed to the Financial Sustainability Strategy that saw tactical use of reserve balances to provide the capacity to mitigate some of the risk.</p> <p>All Council's across the Country are in a similar position.</p>

Response Authors:

Kirsty Nutton, Strategic Director of Resources and S151 Officer
 Andrew Merry, Head of Finance

Angela Wakefield, Strategic Director of Law & Governance
 Kevin Quinn, Head of Corporate Services

SCRUTINY COMMITTEE

25 January 2024

INTEGRATED BUDGET PLAN (IBP) & MEDIUM-TERM FINANCIAL STRATEGY (MTFS) - 2024/25 TO 2027/28

Report of the Deputy Leader and Portfolio Holder for Resources

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr A Johnson, Deputy Leader and Portfolio Holder for Governance and Resources	
Contact Officer(s):	Kirsty Nutton, Strategic Director of Resources (s.151 Officer)	01572 758159 knutton@rutland.gov.uk
	Andrew Merry, Head of Finance (ds151)	01572 758152 amerry@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That the Committee:

1. Notes the contents of the Integrated Budget Plan (IBP) and Medium-Term Financial Strategy (MTFS) – 2024/25 to 2027/28, as set out in Report No. 04/2024.
2. Provides comments and views for Cabinet to consider in the finalisation of the budget on the 13th February 2024.

1 PURPOSE OF THE REPORT

- 1.1 To present the report produced for Cabinet on the Integrated Budget Plan and Medium-Term Financial Strategy – 2024/25 to 2027/28, to the Committee for consideration and scrutiny.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 Full background papers and appendices are set out in Report No. 04/2024, appended to this report.
- 2.2 Report No. 04/2024 was written for and presented to Cabinet on the 11th January 2024 as part of the Council’s formal budget setting process as set out within the constitution and as per legislative requirements to set a balanced and sustainable budget for 2024/25 - 2027/28.

- 2.3 Proposals agreed by Cabinet at this meeting on 11 January 2024, will be approved for consultation, with responses received considered at Cabinet on 13 February with final proposals recommended to Council on 26 February 2024 for approval.

3 CONSULTATION

- 3.1 As set out in Report No. 04/2024, formal consultation is being undertaken through the use of various mediums including a budget consultation document which will be published on the website for residents, businesses and staff to view and provide responses via an online survey.

4 ALTERNATIVE OPTIONS

- 4.1 As set out in Report No. 04/2024.

5 FINANCIAL IMPLICATIONS

- 5.1 As set out in Report No. 04/2024.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 As set out in Report No. 04/2024.

7 DATA PROTECTION IMPLICATIONS

- 7.1 As set out in Report No. 04/2024.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 As set out in Report No. 04/2024.

9 COMMUNITY SAFETY IMPLICATIONS

- 9.1 As set out in Report No. 04/2024.

10 HEALTH AND WELLBEING IMPLICATIONS

- 10.1 As set out in Report No. 04/2024.

11 ORGANISATIONAL IMPLICATIONS

11.1 Environmental implications

- 11.1.1 As set out in Report No. 04/2024.

11.2 Human Resource implications

- 11.2.1 As set out in Report No. 04/2024.

11.3 Procurement Implications

- 11.3.1 As set out in Report No. 04/2024.

12 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 12.1 The Committee is asked to note the contents of the Integrated Budget Plan (IBP)

and Medium-Term Financial Strategy (MTFS) – 2024/25 to 2027/28 report as set out in Report No. 04/2024 and to provides comments and views for Cabinet to consider in the finalisation of the budget on the 13th February 2024.

13 BACKGROUND PAPERS

13.1 As set out in Report No. 04/2024.

14 APPENDICES

14.1 Appendix A – Report No. 04/2024 - Integrated Budget Plan (IBP) and Medium-Term Financial Strategy (MTFS) – 2024/25 to 2027/28.

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

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CABINET

11 January 2024

INTEGRATED BUDGET PLAN (IBP) AND MEDIUM-TERM FINANCIAL STRATEGY (MTFS) - 2024/25 TO 2027/28

Report of the Deputy Leader and Portfolio Holder for Resources

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr A Johnson, Deputy Leader and Portfolio Holder for Resources	
Contact Officer(s): Name/Job Title	Kirsty Nutton, Strategic Director for Resources (s.151 Officer)	01572 758159 knutton@rutland.gov.uk
Name/Job Title	Andrew Merry, Head of Finance (ds151)	01572 758152 amerry@rutland.gov.uk
Ward Councillors	N/A	

1 SUMMARY AND RECOMMENDATIONS

1.1 Summary

1.1.1 This report comes to Cabinet as part of the Council's formal budget setting process as set out within the constitution and as per legislative requirements to set a balanced and sustainable budget for 2024/25 - 2027/28.

1.2 Recommendations

It is recommended that Cabinet approves as the basis for public consultation:

1.2.1 The proposed budget including a Council Tax increase of 4.99% (2.99% general Council Tax and 2.0% Adult Social Care precept), as outlined in section 5.1.2 and Appendix F.

1.2.2 The budget proposals as outlined in Appendix B and C as the basis for public consultation.

1.2.3 The updated revenue budget assumptions, to be incorporated in the Medium-Term Financial Strategy (MTFS) 2024/25 – 2027/28. These are outlined in sections 5 and 6.

1.2.4 The grant funding receipts estimated across the MTFS as contained in Appendix D.

1.2.5 The Fees and Charges Strategy that details the approach to be adopted by directorates when setting and updating fees and charges as provided in Appendix E.

1.2.6 The revised capital programme and schemes outlined in section 6.5 and referencing

Appendix K and M.

- 1.2.7 The funding of the capital programme as detailed in the treasury management and capital strategies in Appendices L and M.
- 1.2.8 The updated Reserves Strategy and forecast reserve commitments to fund the cost of transformational investment and previously identified departmental commitments as outlined in section 7.4, and Appendices B, C and I.
- 1.2.9 The Education budget as outlined in section 6.6 and Appendix N.
- 1.2.10 The budget virement limits as outlined in section 9.
- 1.2.11 The Medium-Term Financial Strategy 2024/25 – 2027/28 as set out in the body of the report and following appendices:
 - Appendix A – 2024/25 – 2027/28 MTFS detailed budget position
 - Appendix B – Budget proposals tables (pressures / savings / investments)
 - Appendix C – Directorates Overview, Service Ambitions and Budget Variation Statements
 - Appendix D – Grant Register
 - Appendix E – Fees & Charges Strategy / Policy & Schedule
 - Appendix F – Funding strategy
 - Appendix G – Financial Health Indicators
 - Appendix H – Financial Risk Register
 - Appendix I – Reserve Strategy
 - Appendix J – Consultation document
 - Appendix K – Capital Programme Schemes 2024/25 – 2027/28
 - Appendix L – Treasury Management Strategy & Annual Investment Strategy
 - Appendix M – Capital Strategy
 - Appendix N – Dedicated Schools Grant and the Schools budget
 - Appendix O – Carbon Impact Assessment
 - *(Appendix P – Council Tax Resolution – to follow for Full Council only)*

It is recommended that Cabinet notes:

- 1.2.12 The strategic financial approach taken by the Council outlined in section 3 of this report.
- 1.2.13 The Council's core funding position following the provisional Local Government Settlement outlined in section 5.
- 1.2.14 The forecast reserves position and the statutory advice of the Chief Finance Officer outlined in section 7 'The Robustness (Section 25) Statement'
- 1.2.15 The financial health indicators which consider the key financial considerations of revenue and balance sheet performance, and that capital investment is not resulting in undue burden on future funding, section 8.

1.3 Reasons for Recommendations

- 1.3.1 The Council must set a lawful and balanced budget. The approach outlined in this report work towards this requirement.

2 INTEGRATED BUDGET PLAN 2024/25 AND MEDIUM-TERM FINANCIAL STRATEGY 2024/25 – 2027/28

2.1 Purpose

- 2.1.1 This report to Cabinet forms part of the Council's formal Budget Framework. It requires Cabinet to initiate and make proposals and update assumptions to set a balanced budget for the financial years 2024/25 - 2027/28. There is a legal requirement to set a balanced budget for 2024/25. The purpose of this report is to:
- a) Recommend that Cabinet approve the budget proposals
 - b) Recommend that Cabinet approve the budget assumptions to update the Medium-Term Financial Strategy (MTFS), to ensure estimates reflect the most up to date information available
 - c) Outline the financial impact of the financial challenges facing the Council, in setting a balanced budget for the MTFS period
 - d) Outline the strategic approach and actions taken by the Council to deliver a balanced budget in 2024/25.
- 2.1.2 Proposals agreed by Cabinet at this meeting on 11 January 2024, will be approved for consultation, with responses received considered at Cabinet on 13 February with final proposals recommended to Council on 26 February 2024 for approval.
- 2.1.3 This report is submitted for Cabinet to consider under the Procedure Rule 121, “3) to prepare the Annual Budget”

2.2 Executive Summary

- 2.2.1 The Council has been clear of its number one priority, it is outlined in the Corporate Strategy and that it is to be financially sustainable. This Integrated Budget Plan and Medium-Term Financial Strategy (IBP & MTFS) puts the Council on a firm footing to deliver on this priority. Whilst the plan relies on the use of £1.3m of reserves for 2024/25, future years budgets are balanced against future estimated income receipts. This is ahead of the timelines outlined in the Financial Sustainability Strategy as approved by Council in November 2022 by using less reserves to underpin the day-to-day expenditure in the future years.
- 2.2.2 This Plan and Strategy has been put forward with affordable service provision at the heart of its creation, ensuring that these services deliver the Corporate Strategy. The Council previously recognised that a transformational approach to how it delivers services was required. Previous MTFS's showed the Council was living beyond its means with reserves being used to prop up day to day expenditure.
- 2.2.3 As a result, this Plan and Strategy provides proposals that aim to deliver financial sustainability. Over the MTFS it considers:
- the budget pressures from rising demand for services and increasing costs from inflation and pay awards, alongside a reducing and uncertain future funding horizon worth £13.1m
 - the strategic use of Council's reserves to fund investment that will aid the delivery of future savings and modern ways of working of £3.4m.
 - the strategic investment in Council fixed assets (infrastructure and buildings) of over £43.0m.

- for the first time is the inclusion of 14 financial health indicators that enable all members to understand past decisions on financial performance that influence on the current and future financial prospects of the Council as drivers of expenditure and opportunities to create sustainable plans
- it contains saving proposals, based on the 12 transformation workstreams that plan to deliver £4.6m of savings.

2.2.4 The recent Provisional Settlement announced by government on 18 December continues to mean that the Council is increasingly reliant on Council Tax as its main source of income to deliver services to the most vulnerable in society, to deliver community services, alongside the other services that make Rutland a great place to live and work such as roads, transport, and waste collection and statutory services that keep the community safe and well.

2.2.5 It remains true that the Council faces financial challenges, with early indications from government suggesting a return to the level of cuts seen in the years of austerity. However, with this plan Rutland County Council is taking proactive steps in its financial management and remains committed to keeping control of its destiny, ensuring services are provided in accordance with the vision held in the Corporate Strategy that is known is most important to residents and businesses.

2.2.6 This report is structured into the following sections:

3	Strategic Financial Approach	9	Budget virements
4	Integrated Budget Plan Summary	10	Financial Risks
5	Core Funding Assumptions	11	Consultation
6	Core Expenditure Assumptions	12	Alternative Options Considered
7	Chief Finance Officers Robustness (Section 25) Statement	13	Implications of the Recommendations
8	Financial Health Indicators	14	Background Papers
		15	Appendices

3 STRATEGIC FINANCIAL APPROACH

3.1.1 In construction of this 2024/25 Integrated Budget Plan the Council has worked to achieve the two key financial objectives previously approved as part of the Corporate Strategy (Council 7 November 2022, Item 10).

- The Council is committed to being financially sustainable - only spending the funding it receives and balancing the budget in any given year without using General Fund reserves.
- To maintain a recommended minimum limit of £3m as approved by Council as its General Fund balance. This helps protect the Council's financial resilience whilst operating in a challenging financial context with medium to longer term funding uncertainty.

3.1.2 These fundamental principles are carried forward in the Corporate Strategy Refresh 2024 also being considered at this Cabinet meeting through the objective of "an effective governed and financially viable Council".

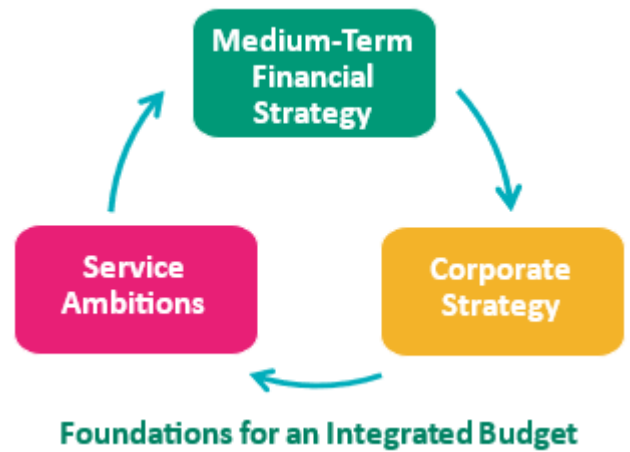
3.1.3 This strategy is based on the objectives above and three underlying principles:

- raising council tax to maximise funding available
- delivering the transformation programme and an “affordable service offer” and any other savings required
- using up to £2m of reserves to subsidise the budget to enable time for savings to be delivered.

3.1.4 With focus on the above objectives and principles the Council commenced an enhanced budget setting process in April 2023. The Council’s leadership team, working alongside the Portfolio Holder for finance, the Leader, and Cabinet members have undertaken, throughout the year, the following activities to create a financially sustainable position through:

- ✓ The approval and adoption by Full Council of the Reserve Strategy to facilitate financial resilience through use of balances to finance risk the Council may be exposed to, alongside investment provision to deliver medium to long-term saving plans.
- ✓ Adopting an enhanced Budget Setting Process for 2024/25 and future years called the Integrated Budget Plan. This approach commenced in April 2023 with Directors and Heads of Service in May 2023.
- ✓ Initial Cash Limits were allocated to Directors and in turn Heads of Service to enable services to be designed within an affordability envelope across the MTFS period to ensure financial sustainability is a focus.
- ✓ Linked to above, Heads of Service drafted Service Ambitions that detail their vision for their services alongside the actions required to deliver these plans within the Cash Limit allocated. This has helped ensure that the medium- and longer-term saving opportunities can be captured rather than a focus on short-term saving delivery.
- ✓ Delivery of the 12 workstreams identified as part of the Transformation Programme is incorporated into the Service Ambitions and budget proposals.
- ✓ Detailed discussions were held with the Strategic Director for Resources, Chief Executive, Strategic Directors, and associated Heads of Service to fully understand proposals for increases in investment and saving opportunities identified.
- ✓ Directors have worked with portfolio holders developing both investment and saving proposals in detail to ensure that proposals meet the objectives of the Corporate Strategy.
- ✓ Cabinet have reviewed the Corporate Strategy with the refresh incorporated into this budget plan and associated medium term financial strategies.
- ✓ Developed an budget consultation approach.

3.1.5 The budget setting process outlined above has enabled Strategic Directors and Head of Service to design their service within an affordability envelope and in line with the knowledge that a 'net nil' sum position underpinned the considerations. Where requests for additional funding were made, associated savings were required in other departments of the Council. This enabled a balance of solutions to be put forward for Cabinet consideration that meet the refreshed Corporate Strategy in a balanced and sustainable way.



3.1.6 The 12 transformational workstreams as identified in the Financial Sustainability Strategy are incorporated into the budget plan proposals and are based on the following themes:

- Operating framework
- Customer
- Community offer
- Commissioning & contracting
- Digital, data & technology
- Enabling services
- Public realm
- Cultural services
- Asset management
- Special educational needs
- Integrated care organisation
- Transport

3.2 Refreshed Corporate Strategy 2024

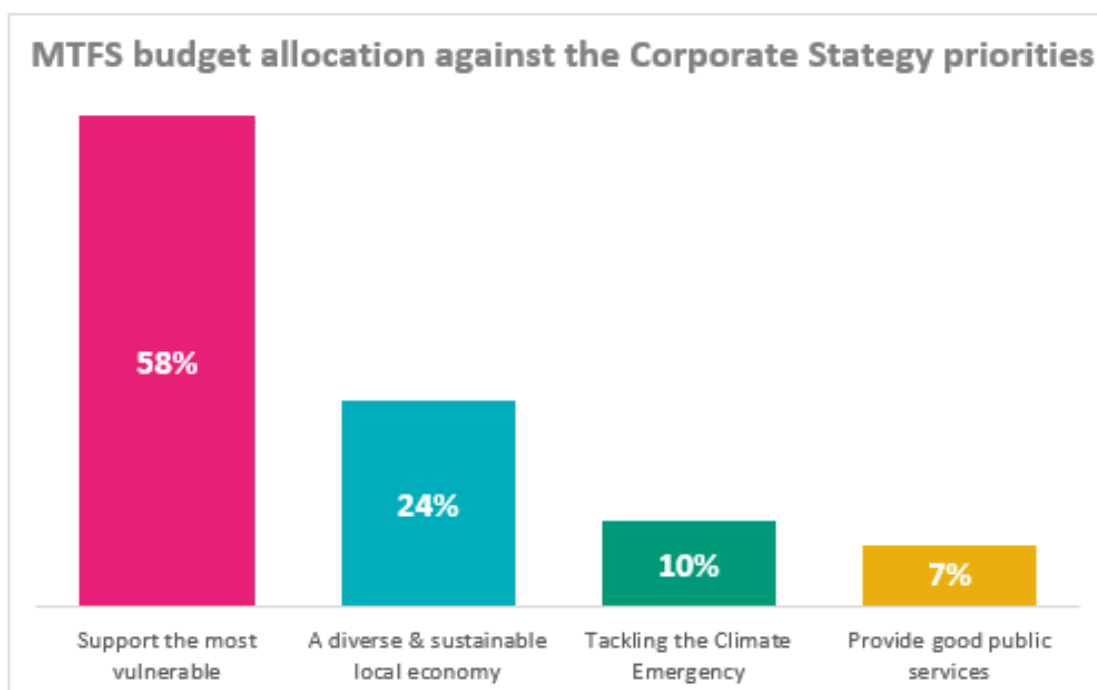
3.2.1 Alongside the consideration and approval by Cabinet of the Integrated Budget Plan and MTFs Cabinet will consider the refresh of the Corporate Strategy. Delivery of this strategy has been at the heart of the design of services within the affordability envelope and is based on the following four priorities, as shown in the diagram.

3.2.2 An estimate of how the budget is allocated to these priorities is provided throughout this Plan and Strategy. Some activities the Council undertakes are directly attributable to priorities and objectives, whilst other expenditure is indirectly attributable such as with the enabling services of the Resources and Law & Governance directorates. The allocation of budget also reflects the statutory duties of the Council.



3.2.3 Therefore, the allocation of budget to the corporate priorities is subjective but

provides a useful indication as where the Council's budget is spent and relative subsequent demands and risks that are placed on the budget.

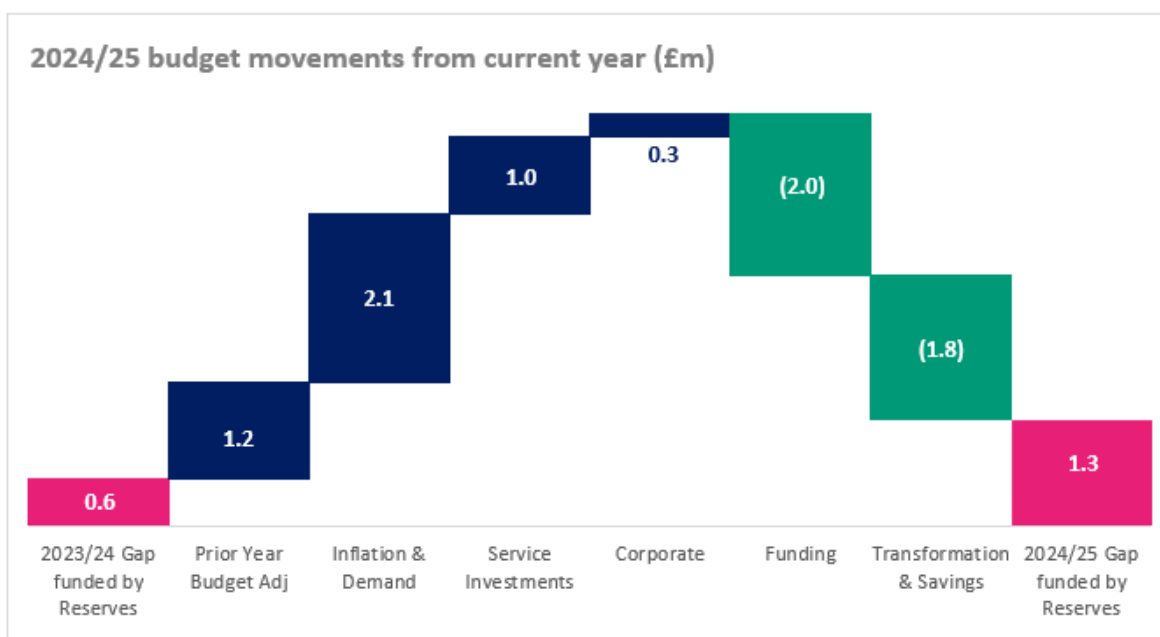


4 INTEGRATED BUDGET PLAN SUMMARY

4.1 The following tables summarise the budget position with detail of all proposals contained in Appendix B and C. The table takes the budget gap from 2023/24, which was funded from reserves, and summarises the budget pressures, savings and income estimated over the MTFS period.

Budget movement from 2023/24	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
2023/24 budget gap	589	589	589	589
Prior Year Budget Adjustment	1,215	1,247	1,247	1,347
Pressure - Demand	765	1,299	1,851	2,421
Pressure - Inflation	1,329	2,425	3,687	4,990
Service Investment	964	1,025	1,164	1,104
Pay award & risk management	288	1,458	2,326	2,684
Additional costs	5,150	8,043	10,864	13,135
Additional funding	(2,007)	(5,142)	(6,819)	(8,555)
Gap before savings	3,143	2,901	4,045	4,580
Transformation & savings	(1,827)	(2,901)	(4,045)	(4,580)
Gap to be funded from reserves	1,316	-	-	-

4.2 The following chart shows the movements relative to each other for 2024/25 with inflation and demand creating the larger budget pressures compared to current year. Prior year budget adjustments include the reversals of savings that were one-off in nature from the previous year such as the holding of vacancies, known contract fee increases, and removal of grants which were time limited.



4.3 The total package of savings and income can be further analysed into the following:

Transformation & saving category	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Demand management	(247)	(598)	(1,233)	(1,788)
Change in service offer	(519)	(1,112)	(1,443)	(1,443)
Service efficiencies	(336)	(376)	(493)	(532)
Contractor efficiencies	(494)	(494)	(494)	(494)
Income	(190)	(280)	(341)	(281)
Other (eg business rates)	(41)	(41)	(41)	(41)
Total	(1,827)	(2,901)	(4,045)	(4,580)

4.4 The following table provides a summary overview as to the budgets allocated by directorate over the MTFs period with more detail provided in Appendices A – C.

Directorate	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Adults & Health	17,559	18,056	18,494	18,965
Places	14,417	14,256	14,111	14,514
Childrens & Families	7,444	7,491	7,396	7,481
Resources	4,929	4,875	4,886	4,979
Law & Governance, Chief Executive	2,898	2,977	3,083	3,187
Corporate*	3,436	4,083	5,170	5,652
Budget	50,682	51,738	53,141	54,777
Financing	(49,367)	(51,738)	(53,141)	(54,777)
Total	1,316	-	-	-

* includes capital financing costs, future pay award estimated increases, risk management and investment from the Innovation Reserve

4.5 The following infographic provides an overview as to the types of services and areas of spend for the Council for 2024/25. Education, Adult's and Children's social care services represent 56% of the Council's gross budget.



5 CORE FUNDING ASSUMPTIONS

5.1.1 The following table outlines the Council's forecast core funding for 2024/25 based on the provisional Local Government Finance Settlement announced on 18 December 2023. Further details of the assumptions used are provided in Appendix F.

Funding summary	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Council Tax	(33,883)	(35,828)	(37,883)	(40,054)
Business rates	(6,830)	(5,468)	(5,695)	(5,944)
Better care fund	(2,994)	(2,994)	(2,994)	(2,994)
Social care grants	(2,687)	(2,687)	(2,687)	(2,687)
Rural Services Delivery Grant	(995)	(995)	(995)	(995)
Improved better care fund	(218)	(218)	(218)	(218)
Other	(173)	(116)	(116)	(116)
Core Spending Power increase*	-	(2,608)	(2,003)	(1,319)
Use of Innovation Fund Reserve	(1,587)	(824)	(550)	(450)
Total	(49,367)	(51,738)	(53,141)	(54,777)

* this is an assumption based on the latest information available. Previously reflected estimates resulting from the Fair Funding Review (FFR). The timing of the FFR is now likely to be impacted by a General Election, see 0 for additional information.

5.1.2 The local government finance settlement was published on 18 December 2023. As this was based on the Autumn Statement 2022 the Council was able to make reliable estimates in the main. As with all announcements from government which coincide with the Council's own report publishing dates, there are some adjustments where the finance team are working through the details which could impact on the final

funding assumptions for the Council. However, these are not anticipated to be material and therefore impact fundamentally on this report.

5.2 Council Tax

- 5.2.1 In calculating the level of general grant support to be provided to councils the Government assumes that councils will maximise income receipts from Council Tax as part of the Core Spending Power assessment, see point 5.5.
- 5.2.2 For this MTFs the level of proposed Council Tax income is based on 4.99% increase, which is comprised of 2.99% general and 2.00% Adult Social Care precept on the 2023/24 rates. This is in line with the 2024/25 referendum limits confirmed in December 2023 by Government and means that the Band D rate will increase from £1,587.08 in 2023/24 to £1,666.28 in 2024/25 for the Council's element of the Council Tax charge.
- 5.2.3 The Council Tax base is forecast to increase by 140 homes each year, which equates to 115 Band D equivalents. This forecast is in line with the housing growth experienced within the County except for 2023/24 where growth has slowed due to prevailing national economic conditions which are expected to continue to recover for 2024/25.
- 5.2.4 The Council is a 'billing authority' and therefore operates a 'Collection Fund' that accounts for all the council tax and business rate payments as they are received from residents and businesses. For Council Tax the funding is distributed to the relevant precepting authorities eg Police, Fire and Parish Council's, based on their demand made at budget setting. The Council's share of the estimated surplus on the Collection Fund for the current year 2023/24 is £0.0m but this will be reviewed in January and updated as part of the final budget proposal. For budget setting purposes this is accounted for in the following year 2024/25 budget.
- 5.2.5 The following table summarises the Council's current Council Tax income assumptions over the MTFs period:

Council Tax summary	2024/25	2025/26	2026/27	2027/28
Council Tax increase	2.99%	2.99%	2.99%	2.99%
Adult social care precept	2.00%	2.00%	2.00%	2.00%
Council Tax Band D (£)	£1,666.28	£1,749.42	£1,836.72	£1,928.37
Council Tax Base	16,031.0	16,146.2	16,261.0	16,375.80
Council Tax income (Band D x Tax Base) (£000)	33,883	35,828	37,883	40,054
Parish precept*	tbc	tbc	tbc	tbc
Collection Fund surplus / (deficit)*	0	0	0	0
Council Tax budget (£000)	33,883	35,828	37,883	40,054

* to be confirmed in final budget following statutory declaration mid-January 2024

- 5.2.6 Further information on Council Tax assumptions are contained in Appendix F.

5.3 Business Rates (National Non-Domestic Rates - NNDR)

- 5.3.1 The Council has completed the government return (NNDR1) to determine the income receipt from business rates in 2024/25. The Council's gross income, based on the actual rateable value of business premises in Rutland, has increased and has been offset by changes to the bad debt provision, empty property relief and the dampening of the gross rates amount in recognition of the challenging national

economic climate. Further information is contained in Appendix F.

5.3.2 The following table shows a summary of income assumed from Business Rates over the MTFS:

Business Rates summary	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Business rates	(6,830)	(5,468)	(5,695)	(5,944)

5.4 Grants and the Local Government Provisional Settlement

5.4.1 The Local Government Provisional Settlement was published on the 18 December 2023. The Settlement maintained the assumptions from the previous year with a Core Spending Power (CSP) increase by £3.9bn (6.5%) in 2024/25. This is lower than the increase in CSP in 2023/24 (9.1%) and lower than that in 2022/23 (8.2%). This compares with the demand-led pressures in social care of adults and children's which outstrips the increases in funding as summarised in the table below:

	Core Spending Power	Consumer Price Index	GDP Deflator*	National Adults & Children social care pressures	Rutland's Adults & Children social care pressures
Rate Increase	6.5%	3.6%	1.7%	12.8% & 13.6%	8.2% & 9.2%

* GDP deflator - a measure of general inflation

5.4.2 Compared to most other years before that, the projected increase in CSP in 2024/25 is higher in cash terms, with the following noted.

- More than half of the increase in CSP will come from the council tax increase. This shows how reliant the funding settlement continues to be on council tax increases. For Rutland the CSP increase is 6.7% which relies on 77% of the increase to be funded from Council Tax.
- Social care grants increase for a further year. Two-year increases were announced in the Autumn Statement 2022, and allocations were confirmed in October 2023. The Adult Social Care (ASC) Workforce Fund allocations that were announced in July 2023 are rolled into the larger ASC Market Sustainability and Improvement Fund (MSIF) grant.
- Services Grant continues to operate in the same way as in 2023/24 but with a significant reduced overall amount (down from £483m to £77m).
- Projections assume no change in New Homes Bonus and no change in the Rural Services Delivery Grant
- Business Rates (NNDR) cap compensation will be paid to authorities for lost income arising from the decision to freeze the small business rating multiplier.
- Funding guarantee continues to be calculated on the same basis as 2023/24 at 3% of core spending power and takes into account:
 - Increase in council tax from taxbase growth – not from Band D tax increases
 - Additional funding from grants, including Services Grant and all of the social care grants

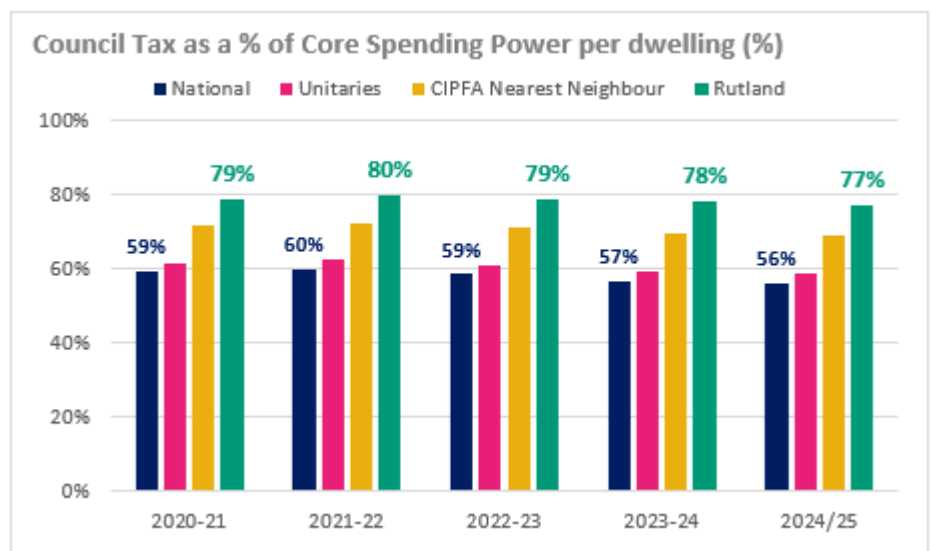
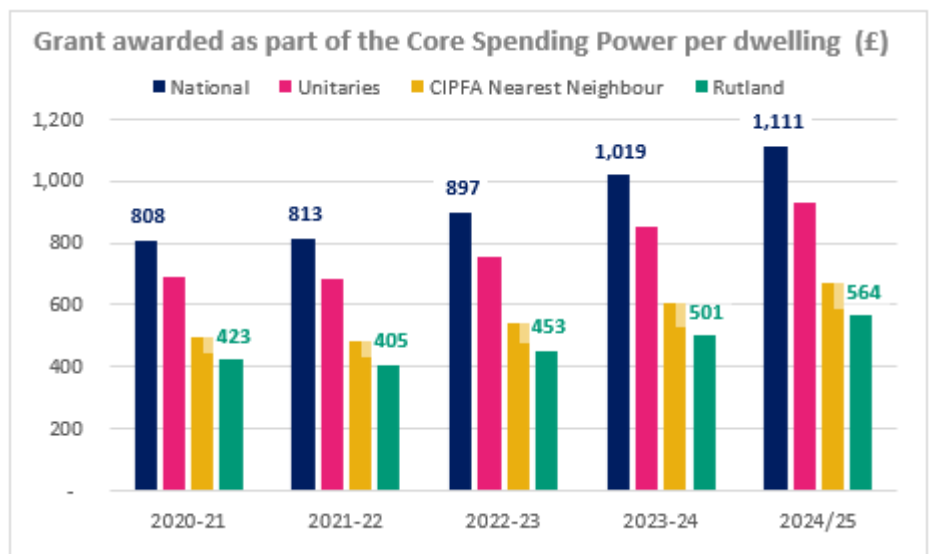
- Change in New Homes Bonus allocations
- Indicative public health grant allocations have already been announced with allocations increasing by 1.36%. The government is claiming that this will deliver 7% real-terms increase in funding in 2024/25, however this appears to include “local authority-led efforts to stop smoking”. Cashable benefits are likely to be NHS directly and adult social care indirectly.

5.5 Core Spending Power

5.5.1 Core Spending Power (CSP) is a measure of total council revenue funding from all sources, except for ringfenced grants and often contains assumptions on funding Councils may or may not approve. The Provisional Settlement for 2024/25 the Council had a CSP of £2,449.47 per dwelling which is £91.60 less than the average national position.

5.5.2 The Council’s CSP for general grant allocation per dwelling, £564.45, compares to the average national of £1,111.48, a notably smaller proportion.

5.5.3 Therefore, the Council’s reliance on Council Tax to fund Council services is proportionately greater at 77% than the national position 56%. This is also the case when compare with CIPFA Nearest Neighbour authorities, and similar Unitary class authorities as shown in the chart.



5.6 Longer Term Funding Reform

- 5.6.1 For a number of years, the Local Government sector has been anticipating the implementation of major structural changes within the funding system, to reflect changes in relative need, resources and the continuing pressures, such as those most noticeable within Adults and Children's Social Care budgets. There is a renewed commitment from the government to "[improve] the local government finance landscape in the next Parliament". Any change 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 from those that were proposed by the current government.
- 5.6.2 Local Authorities have been budgeting based on one / two-year funding settlements, with 2024/25 being no exception to this trend. This means operating under increased levels of uncertainty and difficulties when setting a strategic financial plan due to nature of short-term budgeting. This makes it difficult for the Council to plan how best to allocate resources and provide services. However, for the Council to become financially sustainable, the Council has made best estimates of future funding to help facilitate expenditure reduction activities now to generate savings in the medium to long term.
- 5.6.3 In addition to the plans to review and implement Local Government funding reforms, the government had outlined the implementation of the Social Care and waste collection and disposal reforms. Implementing these wide-ranging changes within a short timeframe presented difficulties nationally, therefore the proposals have been delayed. The Council will closely monitor and work through these policies, to ensure the local impact of it is fully understood, aligned and factored into future strategies.

5.7 Fees and Charges

- 5.7.1 As part of the MTFs the Council reviews its fees and charges to ensure that it is receiving appropriate recompense for the services that it is allowed to charge its stakeholders. For some of the charge's increases are set nationally, which reduces the Council's opportunity for income generation.
- 5.7.2 The Council is expecting to generate additional income of £0.2m in relation to fees and charges compared to current year. The following table outlines the scale of fees and charges by directorate:

Fees & Charges by Directorate	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Adults & Health	(1,647)	(1,647)	(1,648)	(1,649)
Places	(2,662)	(2,682)	(2,768)	(2,776)
Childrens & Families	(259)	(262)	(266)	(267)
Resources	(1,281)	(1,307)	(1,338)	(1,368)
Law & Governance	(16)	(16)	(16)	(16)
Total	(5,865)	(5,914)	(6,036)	(6,076)

- 5.7.3 Further information on the Council's strategy and policy for fees and charges is set out in Appendix E and on the Council's website.

6 CORE EXPENDITURE ASSUMPTIONS

6.1 In common with other councils, Rutland has experienced inflationary costs and increasing demand for child social care, adult social care and, albeit to a lesser degree than other councils' homelessness services which are placing significant demand on already stretched budgets.

6.1.1 A review of the Council's expenditure assumptions has been conducted by officers. This includes reviewing budget assumptions in relation to inflation on the Council's key contracts, pay rates and utilities. Assumptions have also been applied with regards to increases in demand over the MTFS period.

6.2 Inflationary Budget Pressures

6.2.1 Inflation is estimated to lead to additional budgetary pressures over the MTFS of £1.3m in 2024/25 rising to £5.0m by 2027/28. This accounts for 37% of the budget demand over the MTFS.

6.2.2 The Bank of England (BoE) monetary report (August 2023) has been used to inform the revised MTFS assumptions for the Council's expenditure and income. The Consumer Price Index (CPI) inflation remains above the 2% target and the Office for National Statistics report that CPI was 6.7% in the 12 months to September 2023. The current MTFS assumes that inflation is expected to fall to around 5% by the end of 2023, with the target 2% being met by late 2024.

6.2.3 Greater energy prices have contributed to the high rate of inflation. The Council's energy prices will increase 7% in comparison to current budgeted levels in 2023/24.

6.2.4 Contract inflation is expected to continue to some degree, but at rates less than experienced during 2022/23. Key contract negotiations were undertaken in 2023/24 which has enabled the Council to develop a saving proposal of £0.5m within the Adults & Health Directorate.

6.2.5 After protracted negotiations local government pay award for 2023/24 was agreed in November 2023. The Council participates in the national negotiations. The assumptions within the MTFS have been reviewed and updated following this award with estimates in the range of 2.0% – 4.5% made over the MTFS period. Given the uncertainty with negotiations in recent years, this will be kept under review by both the HR and Finance teams and updates provided at later Cabinet and / or Council meetings.

6.2.6 Pension rates are included at the rate of the latest triennial valuation covering the period 1 April 2023 to March 2027. The same rates have been assumed at 22.8%.

6.3 Demand Led Budget Pressures

6.3.1 Nationally Councils have experienced increasing demand pressures in both adult's and children's related social care services.

6.3.2 The number of children requiring care has remained relatively stable compared to the national position for the Council, however the complexity of need has increased. Within the MTFS it is assumed that there is an increase in demand over the period of £0.5m by 2027/28 to reflect the higher cost of placement. In response to the experienced budget pressures from the increased numbers of care leavers budget provision of £0.05m has been included as a service investment for additional capacity.

6.3.3 Demand led pressures on Adult Social Care (ASC) care packages continues to grow. The pressure is due to rising demand in a number of areas including

community care and accommodated care for all age and client groups. Additional demand pressures have been assumed in the MTFS period of £1.6m by 2027/28.

- 6.3.4 Prevention and demand management saving activities have been identified as part of the MTFS budget setting process which will deliver estimated savings of £1.8m by 2027/28. Transformational investment in operational and commissioning activity to review and find solutions that meet the need whilst trying to avoid additional costs alongside applying funding tools to share costs fairly with health partners will be adopted.
- 6.3.5 Based on recent experience with Adult Social Care providers officers are considering enhanced options with regards to the Council ensuring that safeguarding obligations are met with all care providers in the County. Therefore, they may be a further budget update may be presented at the next Cabinet in terms of how an increase in capacity would be funded.

6.4 Key Budget Assumptions

- 6.4.1 The following table shows the key expenditure assumptions applied across the MTFS period:

Expenditure assumptions rates	2024/25 %	2025/26 %	2026/27 %	2027/28 %
Utilities inflation	7.00	7.00	7.00	7.00
Contract inflation	*	2.00	2.00	2.00
Pay awards (<i>range reflects number of assumptions eg lump sums for lower scale employees</i>)	2.00 – 4.00	2.00 – 4.00	2.00 – 4.00	2.00 – 4.00
Pension**	0.00	0.00	0.00	0.00
Demand (Cost Increase)	1.00	1.00	1.00	1.00
Interest rate for income receipt	4.89	3.26	2.76	2.70
Interest rate for borrowing***	6.38	6.38	6.38	6.38

* Various rates used due to number of contract renewals. Waste assumed at 7.5%, Highways 12% general inflation 2%, Social Care 4%. Reduced to Government target of 2.00% beyond 2024/25

** no known increase in rate until 2026/27 due to triennial review process – assumed no increase thereafter, will be reviewed as economy stabilises

*** average rate of current fixed rate borrowing

6.5 Capital Programme

- 6.5.1 The Council's Capital Programme is viewed over a four-year period to ensure correct stewardship of assets and efficient use of budgets, with the years forming the MTFS. The Council is proactive in attracting external funding for as many schemes as possible. A Capital Programme Board oversees the Council's capital requirements. The Capital Programme includes estimated project costs and profiling of expenditure whilst detailed business cases and due diligence is completed on some individual schemes.
- 6.5.2 A revised Capital Strategy forms Appendix M and once approved will guide the way for agreeing schemes in the Capital Programme in accordance with the key objectives within the Corporate Strategy. Given the continued challenge of setting a financially sustainable budget it is vital that any future capital programme consists of projects that are all or mostly grant-funded, that avoid future revenue pressures for asset maintenance and running costs where possible, lead to future income streams that pay back the investment in the short-to-medium term, and/or will lead to transformation and future revenue savings.

6.5.3 Under the previous accounting rules, leases that did not account for substantially all of an asset's useful economic life were treated as off-balance sheet and charged to revenue. The new IFRS16 accounting rule brings these leases (unless under a year in duration or for assets below a de minimum value) onto the balance sheet as capital expenditure.

6.5.4 The following table provides a summary position of the capital programme and funding over the MTFS period. For information on the detailed schemes this is contained in Appendix K.

Estimated Capital Expenditure*	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Supporting the most vulnerable	1,033	270	270	270
A diverse & sustainable local economy	26,043	14,589	2,684	2,684
Tackling the climate emergency	0	0	0	0
Provide good public services	2,984	547	547	547
Total Investment	30,060	15,406	3,501	3,501
Grant & Contributions	29,363	15,326	3,421	3,421
Direct Revenue Financing	-	-	-	-
Capital Receipts	697	80	80	80
Net Financing Requirement	-	-	-	-
Total Financing	30,060	15,406	3,501	3,501

* the Council is not undertaking any commercial activities / non-financial investments

6.5.5 As part of the transformation work, launched as part of the Financial Sustainability Strategy, the Council recognised the opportunity in a refreshed approach to optimising its asset portfolio to develop an Asset Management Strategy (AMS) that ensures value is maximised over the short, medium and long term. This strategy may result in rationalisation of Council assets and is likely to result in disposals where it is deemed assets no longer present a commercial, community or strategic case for retaining the property by the Council.

6.5.6 The Council will work with asset specialists as part of this continued review. To summarise some of the actions will include the following, and are outlined in more detail in the Capital Strategy in Appendix M:

- To develop on from the review of the asset base undertaken in 2023/24 - including receipt of updated valuations and the use of subject matter experts
- Reduce liabilities and expenditure to the Council in revenue and capital as a result of a rationalised asset portfolio

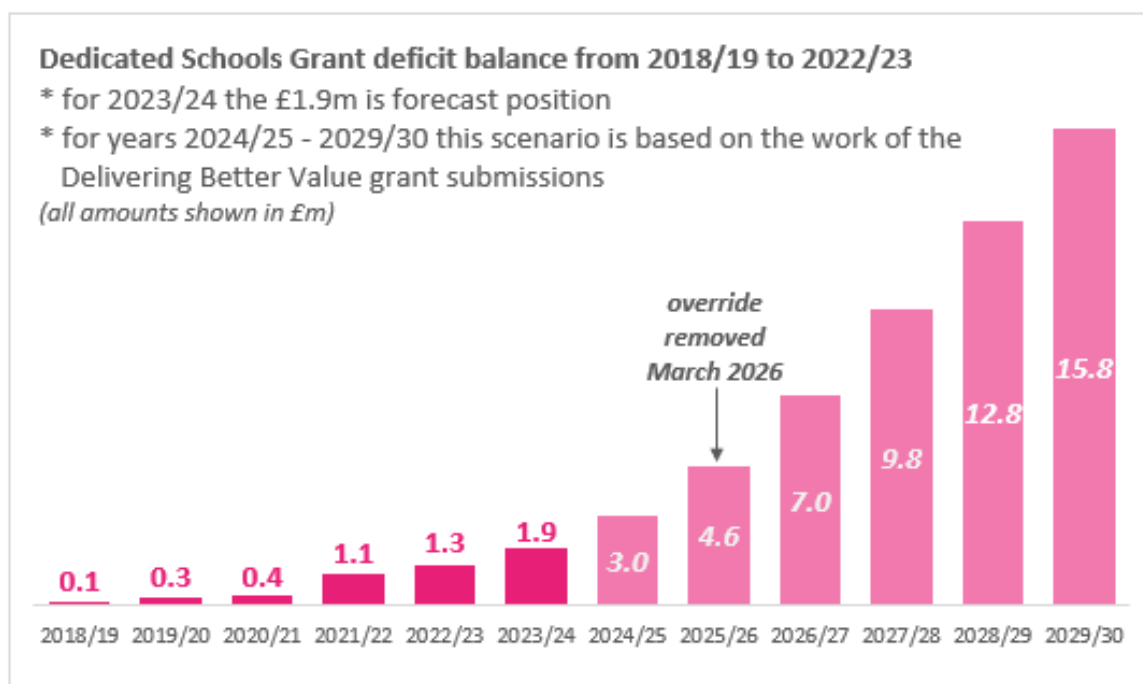
6.6 Dedicated Schools Grant and the Schools Budget 2024/25

6.6.1 The Local Authority retains a statutory duty to annually set the schools budget for all schools in the County (maintained and Academy schools). The majority of the funding for Education comes through the Dedicated Schools Grant (DSG) which totals £39.8m including £31.5m for schools' budgets for 2024/25. Officers have worked with the Schools Forum, who are the representative group of education providers in the County, to develop budget proposals. A consultation exercise is undertaken with schools over how the funding is allocated via the Council's funding formula.

6.6.2 The local funding arrangements operate within the context of national requirements and guidelines, but the Council can use the national arrangements to target funding at priorities within the County. On 1 February 2024 the Schools Forum will consider the budget proposals outlined in Appendix N. The final budget proposals require

formal Council agreement at the meeting on the 26 February 2024.

- 6.6.3 The Council has a deficit balance on the Dedicated Schools Grant (DSG). From 1 April 2020 a new regulation was introduced that enabled any deficit on the Schools budget to be transferred to the Dedicated Schools Grant Adjustment Account for a specified period of time in order for the deficit to be made good. This had the effect of separating schools budget deficits from the local authority General Fund for a period, initially set at three years but later extended until March 2026.
- 6.6.4 In recent years the High Needs Block has operated in challenging environments with new demand being experienced and inflationary pressures resulting in an increase in price. As a result the deficit has increased from £0.1m in 2018/19 to a forecast deficit of £1.9m by 2023/24.
- 6.6.5 As a result of this position the Council submitted a grant application to the Department for Education 'Delivering Better Value' in Special Educational Needs and Disabilities (SEND) programme which aims to support participating local authorities to improve services to children and young people with SEND, working with the Council's partners to develop bespoke plans to deliver effective and sustainable SEND services.
- 6.6.6 The outcomes of this programme are that:
- children are assisted to grow and succeed in mainstream school and to get practical help at the right time in the right way which avoids exclusions
 - children's needs are identified and assessed quickly and the graduated response followed
 - settings having a greater understanding of unmet needs and the known links to behaviour and learning and therefore are better able to meet most needs within a mainstream environment. This will in turn mean that;
 - EHCP's are seldom needed except to support the most complex of needs in mainstream, and only in exceptional cases will a child need an alternative setting other than mainstream.
 - Therefore, through better understanding, training and experience of supporting complex needs, Rutland's mainstream setting will become specialist in their own right. This will lead to fewer children with SEND being excluded from mainstream, because these settings are confident that they can meet needs and in cases of behaviours that challenge they are able to de-escalate situations by providing the appropriate support.
- 6.6.7 As part of this scheme the Council is required to provide a model of a possible deficit position, and this is shown in the following chart. This shows that the deficit on the DSG could reach £15.8m by 2029/30 if no further mitigations (as listed in 6.6.6) were undertaken. Therefore, without meaningful intervention by the Council to address this deficit now the Council, under accounting convention, would be required to use a significant proportion of its General Fund to fund SEND expenditure once the statutory override deadline is reached. Funding the deficit at this rate would jeopardise the financial resilience and sustainability of the Council. Even at the current forecast deficit of £1.9m this restricts investment decisions that the Council could make in future service provision.



6.6.8 The Council is proactively involved in creating opportunities to address the deficit position in the High Needs block and was confirmed as a joint lead for the East Midlands Change Programme Partnership (CPP) alongside Leicester City and Leicestershire. The CPP is testing the key system-level reforms set out in the Special Educational Needs and Disabilities & Alternative Provision (SEND AP) Improvement Plan that is expected to deliver the system and culture changes needed to improve outcomes and experiences for children and young people with SEND or in AP and their families. This work is funded via grant funding of £5.9m for the region. The financial impact of this improvement plan is to be modelled as the programme progresses from the current set-up phase.

6.6.9 Over recent years local service-based activities have led to improvements being made in the SEND service provision, which was formally recognised in the August 2023 report from Ofsted and the Care Quality Commission following inspection. Building on this success the Council, through participation in two national strategic schemes, will undertake activities that lead to a better value for money service provision. Whilst these activities should reduce demand on SEND services and in turn should halt and make good the deficit on the DSG it is not yet guaranteed. In summary, alongside existing Council initiatives, further work on the high needs block to review and reduce a number of cost drivers will be undertaken over the MTFS period:

- Demand levels – changes for the new academic year
- Average costs
- Impact of recovery plan measures
- Impact of Delivering Better Value (DBV) programme
- Impact of Alternative Provision (SEND AP) Improvement Plan

6.6.10 The Council has previously agreed to underwrite the DSG deficit reserve using a commitment against General Fund reserves of £1.9m, although the statutory override removes the immediacy for this requirement. This enables the Council to manage the risk of not making good the deficit through future DSG funding by the

end of 2025/26 up to this value. However, the Secretary of State is required to approve this funding transfer as it moves funding between central government departments of Department for Levelling Up, Housing & Communities (DLUHC) and the Department for Education (DfE) and therefore it is not solely in the Council's remit to action.

7 CHIEF FINANCE OFFICERS ROBUSTNESS (SECTION 25) STATEMENT

7.1 Requirement

7.1.1 Section 25 of The Local Government Act 2003 includes the following statutory duty in respect of the budget report to Council:

“the Chief Financial Officer (CFO) of the authority must report to it on the following matters:

- a. the robustness of the estimates made for the purpose of the calculations and*
- b. the adequacy of the proposed financial reserves.”*

The Council is required to take this report into account when making that decision.

7.1.2 Section 26 of the same Act places an onus on the CFO to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

7.1.3 This report has been prepared by the Section 151 Officer (CFO) as part of fulfilling this duty and gives the required advice relating to the Council's current and next years financial position, including a consideration of the proposed budget as a whole and all the financial risks facing the Council. It identifies the Council's approach to budget risk management and assesses the risks associated with the current year and 2024/25 budget to inform the advice on robustness.

7.2 Overall Financial Position

7.2.1 The Council has a strong track record of delivering on its budget assumptions through sound financial management. The current financial year is forecasting an underspend of £1.6m at Quarter 2, which is a combination of interest receipts being greater than budgeted due to the increasing interest rates as the Bank of England combat inflationary pressures and savings made from a series of vacancies across the Council. However, the vacancy savings are mitigating some budget pressures incurred through changes in demand based on complexity of need, and price increases in contracts. Whilst the vacancy savings provide some mitigation to in year pressure, it is a strategic risk of the Council's in terms of being able to deliver the Corporate Strategy. Assumptions contained in this IBP and MTFs have been revised considering the performance in 2023/24.

7.2.2 The forecast underspend provides the Council with the opportunity to bring forward transformational activities to aid the achievement of financial sustainability. It is encouraging that the forecast outturn for the current year 2023/24 is better than budgeted, which provides some comfort in the form of a reserves position being better than expected. This is covered in more detail in section 7.3.

7.2.3 In November 2022 the Council agreed to a Financial Sustainability Strategy (FSS) that outlined the approach to the development as to how the Council could live within its means, a key corporate priority. This outlined 12 transformational workstreams, alongside the strategic use of reserves to underpin the budget whilst the savings plans were developed, implemented, and embedded.

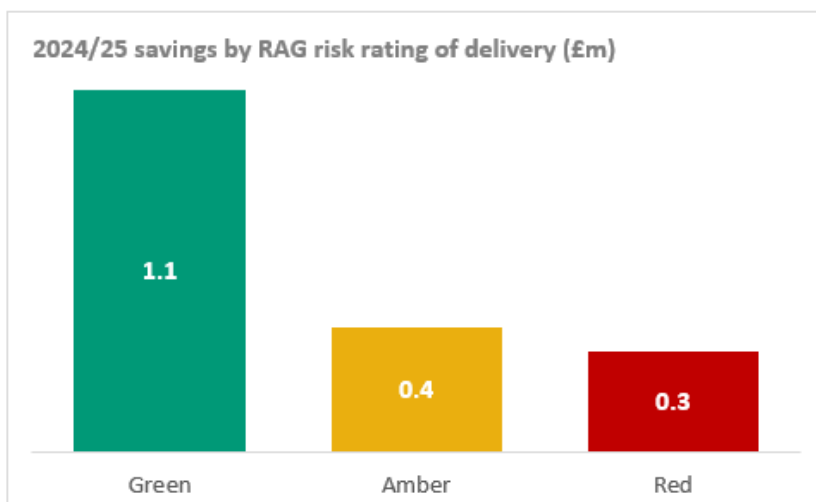
- 7.2.4 Using the FSS as a basis the Officers of the Council embraced an enhanced budget setting process that put service delivery at the heart of the budget design. The projected budget deficit in the FSS illustrated that the Council could no longer afford to provide services in the same way. The enhanced budget setting process therefore asked Heads of Service to design their services within a Cash Limit and which builds in the 12 transformation workstreams. The resulting Service Ambitions are outlined in Appendix C for each directorate.
- 7.2.5 Alongside this approach the finance team have completed a review of the financial resilience of the Council using 14 financial health indicators as contained in Appendix G. These indicators provide the context for the financial position the Council finds itself in today following past Council decisions and identifies where the Council has areas of strengths and weaknesses in achieving financial sustainability, see Section 8 and Appendix G for further information.
- 7.2.6 Section 4.1 of this report shows that the Council must make £1.8m of savings in 2024/25 rising to £4.6m by 2027/28. This equates to around 4% of the net revenue budget in 2024/25 rising to 8% by 2027/28. In addition, the Council needs to manage down some of the demand and cost pressures it can expect to face during the year ahead. The use of one-off savings and funding streams is modest, and likely to be better than many other Councils.
- 7.2.7 With regards to medium to long term financial challenges for the Council the continued uncertainty with future funding levels within Local Government remains a challenge against rising demand, expectations from the public and government alike, and rising costs of service delivery that outstrips funding available. Alongside this is the unknown funding solution to the increasing deficit position on the Dedicated Schools Grant. In the absence of firm and final solutions from the Department of Education, it is prudent to assumed that General Fund resources will be required in some form given that expenditure has been incurred, and the Council is already 'cash flowing' this expenditure. Without a known solution this is a risk that could expose the Council's financial position significantly. However, the Council is being proactive with both of these issues, with Officers and Cabinet taking action now to address these issues and mitigate this future risk.
- 7.2.8 In conclusion, the overall financial position of the Council remains a challenging one. Its resilience is relatively strong however, as detailed in section 7.3, there are risks attached to this proposed budget. However, this proposed budget can be seen as the step toward financial sustainability and contains risk mitigation considerations.

7.3 Robustness of the 2024/25 Budget Estimates

- 7.3.1 The revenue budget has been formulated having regard to several factors including:
- Funding availability
 - Demography and service pressures
 - Risks and uncertainties
 - Emerging opportunities
 - Inflation
 - Transformation workstreams
 - Priorities
 - Continued recovery from the pandemic
- 7.3.2 It is important in setting any budget, in any year, that estimates are based on the best available information at the time of setting it. The accuracy and reliability of that information varies depending on what you are trying to forecast. Where the accuracy and reliability are uncertain, it is important not to be overly pessimistic or optimistic.

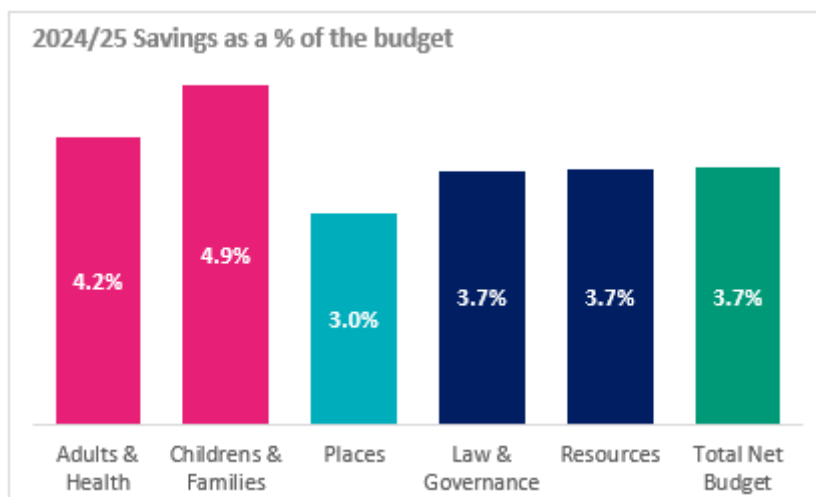
7.3.3 In the opinion of the Section 151 Officer, the over-arching conclusion is that the estimates prepared are realistic and deliverable, albeit challenging. There are however a number of issues to highlight:

- The Red rated risk savings shown in Appendix B rely on significant transformational change with how the public interact with the Council. Whilst the design of those new services means that accessibility is increased, leading to service improvements, it will require behavioural changes from the residents and businesses to be fully successful. The certainty of delivery of those savings is therefore less than ideal. However, this needs to be considered in the context of savings of £4.6m within an overall budget of £54.3m by 2027/28.



- There are Amber rated risks which include options that are not directly within the Council's gift to deliver. For example, greater working with partners to generate savings.

- The overall savings options do have a 'spread' across the Council's services and from a range of measures, most of which are within the Council's control to deliver on time and on budget. However, there is a considerable amount of work needed to deliver these savings and additional income, and there is therefore a risk of the capacity and pace needed to deliver the whole package of savings.



The following chart shows this spread of savings as a percentage of the budget.

- Predicting demand pressures will always be a challenge, particularly when individual placements can be hugely expensive. Using historic trends, along with forecast population data, and intelligence from the Council's own internal management information systems, would normally provide a reasonable estimate. However, given the impact of the pandemic for almost two years, there is added uncertainty of demand projections still. The Council cannot be certain if demand continues to build and will then 'surge' through the systems as complexity increases through the loss of interventions at age-appropriate times.
- People's behaviours have undoubtedly changed from the pandemic years and may continue to do so now through the Cost-of-Living period. The Council has

previously seen the impact of online shopping on the high street footfall, and therefore visitors to the County, and the impact on local businesses is uncertain.

- For many years, inflation has been low and stable. Predicting where rates will go over the coming year remains difficult, and if they continue at current rates, or increase, then there will be a pressure on the budget that will need mitigating by good commissioning and procurement and / or other mitigations.

7.3.4 Given the above issues, the Section 151 Officer requires funds set aside to mitigate the risk from non-saving delivery. This will be from the repurposed Financial Sustainability Strategy & Budget Risk Reserve as the Council has created a sustainable budget position for 2025/26 – 2027/28 which does not rely on reserve funding to underpin the expenditure in those years. The widening definition of this reserve is required to provide an overall satisfactory conclusion on the robustness of budget estimates. This is therefore included in the proposed budget and is detailed in section 7.4, and Appendix I.

7.3.5 Risks will be reviewed and managed on a monthly basis through the Corporate Leadership Team's Board meetings for Risk & Finance Board, and the Corporate Project Management Board to ensure all savings are on track, where alternative solutions need to be devised and where mitigating actions can be appropriately applied. Progress will be reported through to Cabinet as part of the regular reporting and governance framework.

7.4 Adequacy of Reserves

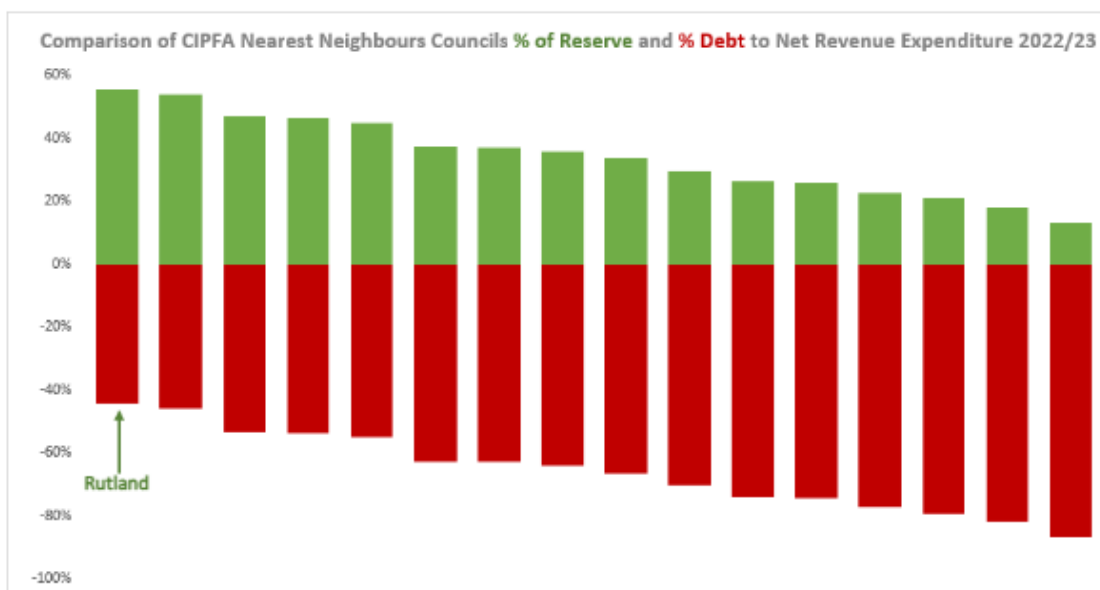
7.4.1 Each year, reviewing the level of reserves the Council holds is an important part of the budget setting process. The review must be balanced and reasonable, factoring in the current financial standing of the Council, the funding outlook into the medium term and beyond, and most importantly, the financial risk environment operating in.

7.4.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) recommend that the following factors should be taken into account when considering the level of reserves and balances:

1. Assumptions regarding inflation and interest rates
2. Estimates of the level and timing of capital receipts
3. The capacity to manage in-year demand led pressures
4. Ability to activate contingency plans if planned savings cannot be delivered
5. Risks inherent in any new partnerships
6. Financial standing of the authority (level of borrowing, debt outstanding etc.)
7. The authority's record of budget management and ability to manage in year budget pressures
8. Virement and year-end procedures in relation to under and overspends
9. The general financial climate
10. The adequacy of insurance arrangements

7.4.3 It should be noted that the assessment of the adequacy of reserves is subjective. There is no 'right' answer as to the precise level of reserves to be held. There is also no formula approach to calculating the correct level; it is therefore a matter of judgement. The duties of the Council's Section 151 Officer include the requirement 'to ensure that the Council maintains an adequate level of reserves, when considered alongside the risks the Council faces and the general economic outlook'.

7.4.4 Each Council must make their own decisions about the level of reserves they hold, taking into account all of the issues referred to above. A graphical analysis of the 2022/23 reserves follows. Rutland is ranked 1 out of 16 CIPFA Nearest Neighbour Councils in terms of the percentage of reserves held. The range of reserves held as a percentage of budget is wide; the lowest authority at 20%, up to the highest at 71%. The Council's figure is 71%. It is also worth looking at reserves alongside borrowing, as borrowing can be used to protect reserves, or reserves used to reduce borrowing. Fortunately, Rutland holds an appropriate level of borrowing and therefore that 'trade -off' remains an option. This is an area that is reviewed alongside the fiscal health indicators of the Council, Appendix G.



7.4.5 The reserves that the Council estimates to hold as at 1 April 2024 are, in the opinion of the S151 Officer, satisfactory for the year ahead. In considering the ten factors listed above, as well as the risks associated with the budgeted pressures and savings, it is the opinion of the S151 Officer that the overall risk environment for the Council has marginally decreased over the past twelve months as inflation appears to be reducing to the Government's target level, financial performance in the current financial year indicates sound budget assumptions applied, and financial analysis of the Council's balance sheet has been completed alongside other financial health indicators which indicate financial resilience for the Council.

7.4.6 The Council broadly categorises reserves as follows – in line with Local Government accounting practice:

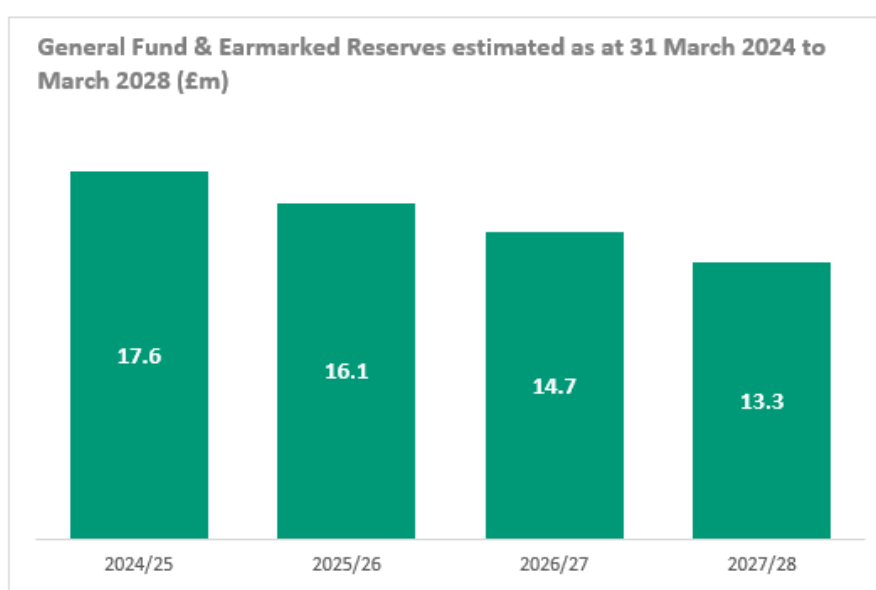
1. A working balance to manage in year risks – the General Fund Balance
2. Usable Reserves – these are reserves for available for future commitments such as transformational investments, have been used to balance the budget and manage specific risks inherent in the management of the budget
3. Ring Fenced Reserves – to meet known or predicted requirements

7.4.7 At the end of 2024/25 the Council's General Fund working balance is forecast to be £3.0m, usable reserves at £12.0m and ring-fenced reserves at £2.6m. The latter reserve type includes the £1.7m of reserves to fund the Local Plan costs.

7.4.8 More detailed consideration of the balance of reserves for investment and risk coverage is contained in the Reserves Strategy and Policy is contained in Appendix I. The following table provides a summary overview of the forecast position for

reserve balances across the MTFS period.

Reserves estimated balance as at 31 March	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
General Fund	3,000	3,000	3,000	3,000
Financial Sustainability Strategy & Budget Risk Reserve	1,293	909	326	0
Departmental Reserves & Capital Investment Fund	1,906	1,631	1,355	1,079
Risk Reserve	7,071	7,071	7,071	6,723
Innovation Fund	2,813	1,989	1,439	989
Process Improvement Fund	1,500	1,500	1,500	1,500
Total	17,583	16,100	14,691	13,291



8 FINANCIAL HEALTH INDICATORS

- 8.1.1 Against a backdrop of existing funding pressures, the financial costs of the pandemic and significant price increases, the financial challenges public services face currently feel unprecedented. Some Councils are better placed than others to weather this financial challenge. However, there is a need to maintain financial resilience against such significant pressures, new and emerging risks, and operating in an uncertain funding environment.
- 8.1.2 Financial resilience is the ability of public services to remain viable, stable, and effective in the medium to long term while facing pressures from growing demand, a tightening of funding and an increasingly complex and unpredictable financial environment.
- 8.1.3 The indicators included in Appendix G have been created to form an opinion of the Council's financial resilience and are based on:
- Revenue based indicators for financial sustainability in the public sector
 - Financial health indicators – based on traditional balance sheet indicators to inform the financial strategy
 - Capital based financial indicators as a key driver of the balance sheet health and resulting burden on revenue funding

- 8.1.4 In summary the 14 indicators of financial health for Rutland for the MTFS period suggest that the Council is taking appropriate measures to deliver a financially sustainable position. The revenue-based indicators reflect the uncertainty of future funding arrangements and the transformation savings agenda that is required to ensure the Council is able to operate within the funding envelope. The Balance Sheet indicators, alongside the Capital (investment in assets), show a relative position of strength which the Council can strategically use to support the revenue-based challenges. More detailed discussion of these indicators is in Appendix G.
- 8.1.5 The following table provides a summary as to the RAG rating of the trend for each grouping of indicator:

Indicator grouping	Red	Amber	Green
Revenue based financial sustainability indicators	2	2	1
Fiscal indicators	1	2	2
Capital investment indicators	0	0	4
Total	3	4	7

9 BUDGET VIREMENTS

- 9.1.1 The Council's Budget Framework, Part 9 of the Constitution enables the Council to specify the extent of virements within the budget and degree of in-year changes to the Budget Framework, which may be undertaken by Officers and Cabinet. Virements allows the Council to move spend approved in the budget to another budget in accordance with Financial Procedure Rules (FPR).
- 9.1.2 As part of the transformational workstream for 'Operating Framework' the FPR's will be reviewed in detail to ensure that they are appropriate to support a modern Council and do not create undue burdens that make it harder to deliver services to the public. It is best practice for the Council to review their FPRs given the impact of 'time value of money' such that the limits set may now give rise to unintended consequences if not regularly reviewed and updated. It is intended for this review to be completed by Autumn 2024.
- 9.1.3 In the existing framework, and the Council's FPRs, the principle remains that approved budget cannot be moved from one area of spend or project to another unless it meets the FPRs. This applies to both revenue and capital budgets.
- 9.1.4 The virement limits for 2024/25 are as follows:
- Directors, within their own area, can approve virements up to £25k
 - Virements required across departments can be approved by the Chief Executive and Chief Finance Officer, at the request of the Directors, up to a limit of £100k, any virements more than this limit will require Cabinet approval.
 - All budget virements more than £100k will require Cabinet approval
 - All budget virements in excess of £500k will require Council approval
- 9.1.5 The virement procedure rules will not apply in the following circumstances:
- a) Reflecting organisational structure changes eg changes in reporting line
 - b) Allocating corporate budgets or savings to departments agreed in the MTFS
 - c) Allocating budgets to individual capital schemes eg from school places capital programme or local transport plan projects.
 - d) Receipt of ring-fenced grant funds where the Council has no discretion as to

how the funds are used.

10 FINANCIAL RISKS

- 10.1.1 Local Government has become increasingly exposed to risk and instability within the system. It has become financially stretched following over a decade of funding cuts and austerity measures, and the uncertainty around future funding and wider public sector reforms causes added difficulties for strategic planning.
- 10.1.2 The Council assesses financial risks as part of its budget setting process and regular budgetary performance reviews. The Corporate Leadership Team considers finance performance monthly and reported to Cabinet on quarterly basis with Scrutiny considerations on a regular basis throughout the year. The management oversight described above feed into the Strategic Risk Register review and is reported to the Audit Committee.
- 10.1.3 This risk management arrangement ensures that risk management is aligned with the overall organisational approach and that the identification of key issues are managed, reported, and escalated appropriately and in a timely manner. Officer awareness of risk and capacity to manage risk is maintained in line with the reporting framework to provide assurance to the Council's overall governance and control environment.
- 10.1.4 Most of the financial risks identified are inherent, including the requirement to deliver savings plans, management of budgets, which relate to demand led services, and assumptions in respect of the level of resources receivable through Council Tax, Business Rates and government grants.
- 10.1.5 In addition, there are rising external factors creating an additional layer of financial risk such as the rising cost of the national living wage, the impact of inflation, increasing energy prices and additional burdens placed on Councils from further government reforms such as with waste collection and disposal, and adult social care reform. Recent experience of the latter risk is that new burdens are more costly than the funding attached from government.
- 10.1.6 Reasonable mitigating actions have been made where possible to the identified and managed risks, this is included in Appendix H and within the Reserves Strategy and Policy in Appendix I. Cabinet and Council should consider these when reviewing this Integrated Budget Plan and Medium-Term Financial Strategy proposals.
- 10.1.7 The Council's budget is constructed using best estimates for both the levels and timing of spending, cashable savings and resources. The following table provides an indication of the sensitivity of the overall budget to movements in the assumptions underpinning the estimated budgets allocated.

Sensitivity analysis on budget estimates	Cash impact £000
Investment rates 1% higher than budget	390
Investment rates 1% Lower than budget	(400)
Transport - SEN - Cost Increases of 5% above budget	48
Transport – Home to School - Cost increase of 5% above budget	71
Underachievement of Savings 10%	183
Increase in Waste Management - 5% increase in Disposal Costs	113
Increase In Adult Social Care - Cost Increases of 1% above budget	163

Sensitivity analysis on budget estimates	Cash impact £000
Increase in Childrens Social Care - Cost Increases of 1% above budget	95
Pay Award – Flat £1,925 (as 23/24)	551
Pay Award – Flat £3,000	1,091
Pay Award – 10%	1,417
Pay Award - 4%	306

11 CONSULTATION

- 11.1.1 The budget consultation document is to be published on the website for residents, businesses, and staff to view and provide responses via an online survey. The Council will also seek to raise awareness of the budget proposals via the use of various mediums. Hard copies of the budget consultation document (Appendix J) will be available on request.
- 11.1.2 Representations will be sought from a range of stakeholders to enable residents, partner organisations, businesses and other interested parties to feedback on these budget proposals, which have been designed to deliver on the refreshed Corporate Strategy. The Council will make full use of its communications channels to share information about the budget consultation and encourage responses. This includes direct emails, website updates, social media, briefings, attendance at relevant meetings, and via members. Stakeholder groups are listed below:

Stakeholders
Rutland residents
Parish and Town Councils
Town Partnerships
Local businesses
Voluntary and community groups
Strategic partners

- 11.1.3 Responses from these interactions will be reported to Scrutiny, Cabinet and Council to consider alongside the Integrated Budget Plan proposals as outlined in this document.

12 ALTERNATIVE OPTIONS CONSIDERED

- 12.1 No alternative option has been considered as the Cabinet is responsible under the constitution for initiating the budget proposals and the Council is statutorily obliged to set a lawful and balanced budget by 11 March annually.

13 IMPLICATIONS OF THE RECOMMENDATIONS

13.1 Elected Members

- 13.1.1 Members must have regard to the advice of the Chief Financial (Section 151) Officer. The Council may take decisions which are at variance with this advice, providing there are reasonable grounds to do so.
- 13.1.2 Section 106 of the Local Government Finance Act 1992 applies whereby it is an offence for any Members with arrears of council tax which have been outstanding for two months or more to attend any meeting of the Council or its committees at which a decision affecting the budget is made, unless the Members concerned

declare at the outset of the meeting they are in arrears and that they will not be voting on the decision for that reason.

13.2 Legal Implications

- 13.2.1 In terms of the Council's executive arrangements, the adoption of the Council's Budget is a role shared between the Cabinet and the Council, whereby the Cabinet (Leader) is responsible for formulating the budget proposals and Full Council is responsible for then approving (or not) those proposals and setting the budget and council tax requirement.
- 13.2.2 For the remainder of the year, the principal purpose of the Budget is to set the upper limits of what the executive (Leader, Cabinet or officer under delegated executive authority) may decide to spend the Council's resources on. The Council cannot, through the budget, overrule an executive decision as to how to spend money, but the Budget will require the Cabinet to exercise their responsibilities for decision making so as not to make a decision where they are 'minded to determine the matter contrary to, or not wholly in accordance with the authorities 'budget'. This means that a decision that leads to excess expenditure, a virement from one budget heading to another over the amount allowed by Council in the Integrated Budget Plan and Medium Term Financial Strategy, or expenditure of unexpected new money outside the Budget is required to have approval of the Council before the Leader and the Cabinet can make that decision.
- 13.2.3 When it comes to making its decision on 26 February 2024, the Council is under a legal duty to meet the full requirements of Section 31A of the Local Government Finance Act 1992, which includes the obligation to produce a balanced budget.
- 13.2.4 The principle of fairness applies to consultation on the budget proposals, both consultations required under s65 of the Local Government Finance Act 1992 and more generally as proposed here, which operates as a set of rules of law. These rules are that:
- Consultation must be at a time when proposals are still at a formative stage
 - The proposer must give sufficient reasons for any proposal to permit intelligent consideration and response
 - Adequate time must be given for consideration and response
 - The product of consultation must be conscientiously considered in finalising any statutory proposals.
- 13.2.5 Added to which are two further principles that allow for variation in the form of consultation which are:
- The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting and
 - The demands of fairness are likely to be somewhat higher when an authority contemplates depriving someone of an existing benefit or advantage than when the claimant is a bare application for a future benefit.
- 13.2.6 It should be noted that the consultation taken place on the contents of this report, the Budget proposals, and consequently the Cabinet's general approach to balancing the budget, and not on the various decisions to take whatever actions that may be implicit in the proposals and later adoption of that budget, each of which may or may not require their own consultation process.

- 13.2.7 By virtue of section 25, Local Government Act 2003, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance Officer (CFO), as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. It is essential, as a matter of prudence, that the financial position continues to be closely monitored. In particular, members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.
- 13.2.8 Where the CFO makes a judgement that the council is unable to set or achieve a balanced budget, or there is an imminent prospect of this they have a responsibility to issue a section 114 notice (s114) of the Local Government Act 1988.
- 13.2.9 Once a s114 notice has been served the council has 21 days to meet and consider the report. During these 21 days the council must not incur any new expenditure unless the CFO has specifically authorised the spend.
- 13.2.10 This suspension of spending will trigger external scrutiny from the council's auditors. However, failure to act, when necessary, could result in the council losing its financial independence with its powers potentially passed to commissioners appointed by government.

Modifications to the Guidance

- 13.2.11 In June 2020, the Chartered Institute of Public Finance and Accountancy (CIPFA) confirmed amendments to the guidelines in wake of the COVID-19 pandemic to allow Councils under budgetary pressure as a result of the pandemic time and space to explore alternatives to freezing spending via issuing a s114 notice.
- 13.2.12 The temporary modifications to guidance proposed by CIPFA would mean that it should not normally be necessary for a s114 notice to be issued while informal discussions with government are in progress. The modifications include the following two additional steps:
- At the earliest possible stage, a CFO should make informal confidential contact with DLUHC (previously MHCLG) to advise of financial concerns and a possible forthcoming s114 requirement.
 - The CFO should communicate the potential unbalanced budget position due to COVID-19 to DLUHC (previously MHCLG) at the same time as providing a potential a s114 scenario report to the Cabinet and the external auditor.

13.3 Data Protection Implications

- 13.3.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no identified risks or issues to the rights and freedoms of individuals.

13.4 Equality Implications

- 13.4.1 All budget proposals published in this budget process have been considered with regards to equalities issues, and where an Equality Impact Assessment (EIA) have been required these have been completed and compiled. This approach will be kept under review throughout the MTFs period and EIAs completed at each stage of any of the new proposals for example with the Communities workstream as implementation stages progress.

13.5 Community Safety Implications

- 13.5.1 The Council has a duty in accordance with S17 Crime and Disorder Act 1988, when exercising its functions, to have due regard to the likely effect of that exercise of those functions on and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social behaviour).
- 13.5.2 This duty has been considered and there are no community safety implications relating directly to the recommendations.

13.6 Health And Wellbeing Implications

- 13.6.1 None directly related to the recommendations.

13.7 Environmental And Climate Change Implications

- 13.7.1 On 11 January 2021 Rutland County Council acknowledged that it was in a climate emergency. The Council understands that it needs to take urgent action to address it.
- 13.7.2 All budget proposals published in this budget have been considered with regards to the carbon impact and where appropriate carbon impact assessments have been completed. In some instances, proposals are in the early stages of development and until detailed plans are available the carbon impact cannot be determined. These have been identified as 'unknown' at this stage but will be reviewed once detailed plans are available. These have been summarised within Appendix O.

13.8 Procurement Implications

- 13.8.1 There are the no direct procurement implications arising from this report, however all budget expenditure on the provision of services will be undertaken in accordance with Council's procurement framework.

13.9 HR Implications

- 13.9.1 The Council remains committed to developing a workforce that can continue to deliver the Council's priorities, and also is adaptable to change. The alignment of the Council's workforce, structures and processes is key to maximising capacity and performance. In a climate of recruitment, retention, pay pressures, and working within this MTFS, the workforce plan and talent management will help to ensure that there is a workforce that will meet the Council's current and future needs. A suitably competent workforce in the right place at the right time, will also enable delivery of the Council's transformation workstreams.
- 13.9.2 Whilst it is anticipated that there will be some staffing implications as part of this budget, much of the management focus will be looking at how the Operating Model needs to change to meet the needs moving forward and to ensure any staffing impact is minimised. In the event that saving proposals come forward that have headcount / staffing implications, these will be considered in line with the Council's Restructure Policy.
- 13.9.3 It remains the Council's priority to minimise the impact on staffing levels and so that redundancies are the last resort. Such measures may include vacancy management, reviewing the use of agency staff, and voluntary redundancy (subject to service delivery and future contribution to efficiency savings).

14 BACKGROUND PAPERS

- [Previous budget Setting Report \(37/2023\)](#)
- [Financial Sustainability Strategy \(158/2022\)](#)
- [2023/24 Quarter 1 – Revenue and Capital Forecast Report \(1 16/2023\)](#)
- [2023/24 Quarter 2 – Revenue and Capital Forecast Report \(168/2023\)](#)
- [The Dedicated Schools Grant \(Dsg\) And The Special Educational Needs And Disability \(Send\) Recovery Plan](#)
- [Strategic Risk Register \(176/2023\)](#)

15 APPENDICES

- Appendix A – 2024/25 – 2027/28 MTFs detailed budget position
- Appendix B – Budget proposals tables (pressures / savings / investments)
- Appendix C – Directorates Overview, Service Ambitions and Budget Variation Statements
- Appendix D – Grant Register
- Appendix E – Fees & Charges Strategy / Policy & Schedule
- Appendix F – Funding Strategy
- Appendix G – Financial Health Indicators
- Appendix H – Financial Risk Register
- Appendix I – Reserve Strategy
- Appendix J – Consultation document
- Appendix K – Capital Programme Schemes 2024/25 – 2027/28
- Appendix L – Treasury Management Strategy & Annual Investment Strategy
- Appendix M – Capital Strategy
- Appendix N – Dedicated Schools Grant and the Schools budget
- Appendix O – Carbon Impact Assessment
- *(Appendix P – Council Tax Resolution – to follow for Full Council only)*

An Accessible Version of this Report is available upon request – Contact 01572 722577.

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1.1 Council Tax

- 1.1.1 In calculating the level of general grant support to be provided to councils the Government assumes that councils will maximise income receipts from Council Tax as part of the Core Spending Power assessment, see point **Error! Reference source not found.**
- 1.1.2 For this MTFS the level of proposed Council Tax income is based on 4.99% increase, which is comprised of 2.99% general and 2.00% Adult Social Care precept on the 2023/24 rates. This is in line with the 2024/25 referendum limits confirmed in December 2023 by Government and means that the Band D rate will increase from £2,013.04 in 2023/24 to £2,113.49 in 2024/25 for the Council's element of the Council Tax charge.
- 1.1.3 The Council Tax base is forecast to increase by 140 homes each year, which equates to 115 Band D equivalents. This forecast is in line with the housing growth experienced within the County except for 2023/24 where growth has slowed due to prevailing national economic conditions which are expected to continue to recover for 2024/25.
- 1.1.4 The Council is a 'billing authority' and therefore operates a 'Collection Fund' that accounts for all the council tax and business rate payments as they are received from residents and businesses. For Council Tax the funding is distributed to the relevant precepting authorities eg Police, Fire and Parish Council's, based on their demand made at budget setting. The Council's share of the estimated surplus on the Collection Fund for the current year 2023/24 is £0.0m but this will be reviewed in January and updated as part of the final budget proposal. For budget setting purposes this is accounted for in the following year 2024/25 budget.
- 1.1.5 The following table summarises the Council's current Council Tax income assumptions over the MTFS period:

Council Tax summary	2024/25	2025/26	2026/27	2027/28
Council Tax increase	2.99%	2.99%	2.99%	2.99%
Adult social care precept	2.00%	2.00%	2.00%	2.00%
Council Tax Band D (£)	£ 2,113.49	£ 2,218.95	£ 2,329.68	£ 2,445.93
Council Tax Base	16,031.0	16,146.2	16,261.0	16,375.80
Council Tax income (Band D x Tax Base) (£000)	33,883	35,828	37,883	40,054
Parish precept*	tbc	tbc	tbc	tbc
Collection Fund surplus / (deficit)*	0	0	0	0
Council Tax budget (£000)	33,883	35,828	37,883	40,054

* to be confirmed in final budget following statutory declaration mid-January 2024

- 1.1.6 Further information on Council Tax assumptions are contained in Appendix F.

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Appendix A – 2024/25 - 2027/28 Medium Term Financial Plan by Service

Summary MTFs Directorate & Business Unit	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Prevention and Assurance	626	634	640	650
Community Care Services	1,462	1,460	1,444	1,437
Adult Social Care & Director costs	12,289	12,781	13,227	13,697
Better Care Fund	3,126	3,126	3,126	3,126
Public Health	55	55	55	55
Total Adults & Health	17,559	18,056	18,494	18,965
Social Care & Family Help, & Director costs	4,804	4,895	4,931	5,000
Quality Assurance & Practice Improvement	714	720	726	733
Communities & Prevention	755	698	573	581
SEND, Inclusions and Learning	1,172	1,178	1,166	1,167
Total Childrens & Families	7,444	7,491	7,396	7,481
Safe & Active Public Realm & Director costs	12,814	12,617	12,725	13,122
Culture, Leisure & Registration Services	574	578	387	393
Sustainable Economy and Place	1,028	1,061	999	999
Total Places	14,417	14,256	14,111	14,514
Financial Services, Insurance & Director cost	1,375	1,395	1,386	1,407
Information Technology	1,423	1,436	1,431	1,458
Customer Services Team	198	198	197	197
HR, Training & Health & Safety	529	520	526	532
Revenues & Financial Support	384	374	358	358
Property Services	1,021	952	989	1,026
Total Resources	4,929	4,875	4,886	4,979
Commissioning & Voluntary Sector	429	426	423	423
Corporate Services	902	984	968	971
Legal Services & Director costs	747	744	735	734
Democratic Services & Chief Executive costs	689	690	821	822
Elections	131	133	136	238
Total Law & Governance	2,898	2,977	3,083	3,187
Capital Financing	(310)	490	668	683
Pensions	719	719	719	719
Pay Award & Risk Management Contingency	1,421	1,879	2,846	3,208
Adult Social Care Reform	19	171	387	592
Investment from Innovation Reserve	1,587	824	550	450
Total Corporate	3,436	4,083	5,170	5,652
Total Budgets	50,682	51,738	53,141	54,777
Council Tax	(33,883)	(35,828)	(37,883)	(40,054)
Business Rates	(6,830)	(5,468)	(5,695)	(5,944)
General Grants	(7,067)	(9,618)	(9,013)	(8,329)
Investment funded from reserves	(1,587)	(824)	(550)	(450)
Total Financing	(49,367)	(51,738)	(53,141)	(54,777)
Deficit / (Surplus)	1,316	0	0	0

Appendix B - Budget Proposal Tables Service Investments

Service Investment Proposals

Ref	Budget Proposal	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Childrens & Families		45	45	45	45
CP001	Additional capacity in the care leavers service is required. The Council has experienced a growing number of care leavers and in order to meet demand and offer appropriate support we need an additional role in this area.	45	45	45	45
Places		875	875	875	815
PN001	Peterborough Regulatory Services to increase cost Peterborough City Council	88	88	88	88
PN004	Redesign and investment in Highways staffing structure	94	94	94	94
PN006	Electric Vehicle Charging infrastructure officer to deliver government funded scheme (offset by grant income below)	60	60	60	0
PP006	Additional costs incurred during 2023/24 for SEND transport due to an increase in Children requiring specialist services creating unfunded pressures	300	300	300	300
PP007	Waste Transfer Station mitigation following alternative disposal provision required during 2023/24	120	120	120	120
PP010	Biodiversity net gain officer and development of service linked to governments new requirements	105	105	105	105
PP011	Additional investment in Lead Local Flood Authority function	46	46	46	46
Law & Governance		10	40	170	170
LP001	PowerBI licensing fees and charges are required to ensure reports can be shared and accessed by service areas. Without these licenses reports cannot be viewed limiting the use for decision making and target use of budgets.	0	30	30	30
LP002	Additional budget required for the emergency planning partnership with Leicestershire Councils which still provides the Council with a value for money service offer, and with an increase in the fee of the Welland Service Level Agreement which supports the Council's procurement service.	10	10	10	10
LP003	Increase in budget for the Members allowances increase in line with the recommendations made in the independent report. However, this budget will be contingent on wider MTFs assumptions at the time of implementation.	0	0	130	130
Resources		35	66	75	75
RP001	Increase resources in the HR & OD team to add capacity for organisational development, employee health and well being initiative	27	27	27	27

Ref	Budget Proposal	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
RP002	Increased cost of using technology to lead to savings in processing and administration of tasks across the Resources functions.	8	39	48	48
	TOTAL	965	1,026	1,165	1,105

Saving Proposals

Ref	Budget Item	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Rating
Adults & Health		(733)	(949)	(1,321)	(1,688)	
AS001	Savings made from a redesign team, looking to harness synergies between teams across the Council and management of vacancy savings	(78)	(79)	(5)	(5)	Amber
AS002	<p>This saving will be achieved through the combination of a range of activities that include:</p> <ul style="list-style-type: none"> · The directorate will seek to beat the demand allocation assumed through increased focus on prevention activities across the period. This aligns with the transformation activity identified through greater collaboration with Health partners. · The use of MiCare as part of a 24/7 care model. · Enhanced focus of the management of the impact of the self funder market · Use of the Health & Care Hub through the Levelling Up Fund schemes that will facilitate an enhanced service that will enable customers to access services more efficiently. · MSIF Grant to help manage demand · Adoption of different recruitment and retention policies that create a more stable workforce and results in the less use of expensive agency staff · Greater use of internal day care with the most complex cases 	(246)	(461)	(907)	(1,274)	Amber
AS003	Continued benefit from supplier negotiations undertaken during 2023/24 compared to budget assumptions	(409)	(409)	(409)	(409)	Green
Childrens & Families		(366)	(487)	(790)	(921)	
CS002	New service delivery design based on Community Hubs providing universal and preventative services	(314)	(377)	(510)	(510)	Red
CS003	Saving will be achieved by increasing the early intervention offer via Multi Systemic Therapy, and through an increase in in-house foster placements. Work continues to manage family expectation around SEND provision and offer, realised through the Delivering Better Value programme, and the SEND Alternative Provision change programme that aim for a service experience that is maintained within the affordability envelope of the Dedicated Schools Grant	0	(50)	(150)	(250)	Green

Ref	Budget Item	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Rating
CS004	Reduction in costs as a result of commissioning review	(45)	(45)	(45)	(45)	Green
CS005	Savings made from a redesign team, looking to harness synergies between teams across the Council and management of vacancy savings	(7)	(15)	(85)	(116)	Green
Places		(439)	(1,006)	(1,353)	(1,384)	
PN004	Introduction of street permitting scheme to become a self-financing service	(30)	(60)	(60)	(60)	Green
PN006	Local Electric Vehicle Infrastructure (LEVI) funding to support expansion of charging points	(60)	(60)	(60)	0	Green
PS004	Museum and Castle business rates (NNDR) savings	(41)	(41)	(41)	(41)	Green
PS005	Savings made from looking to harness synergies between teams across the Council and management of vacancy savings	(8)	(8)	(8)	(8)	Green
PS006	Transformation work redesign of heritage service	0	0	(198)	(198)	Amber
PS009	Re-procurement of 2024/25 Grounds contract; 2025/26 Public realm strategy change standards and consistent approach	(100)	(250)	(250)	(250)	Green
PS010	Redesign of public Bus network & post 16 review	(100)	(400)	(400)	(400)	Green
PS012	SEND Transport savings as a result of more cost-effective solutions and impact from the work undertaken in the Children's directorate with regards to demand for SEND services	0	(87)	(174)	(265)	Green
PS014	Green Waste Fee Increase	(100)	(100)	(100)	(100)	Green
PS015	Additional income generated from the redesign of the Council's heritage services	0	0	(62)	(62)	Amber
Law & Governance		(106)	(115)	(150)	(158)	
LS001	In house provision rather than commission	(30)	(36)	(45)	(49)	Green
LS002	Staffing structure changes within the directorate within the procurement, business intelligent, and corporate and executive support teams. Savings will derive from utilisation of existing vacancies to configure role capacity requirement combined with a reduction on capacity and demand management from other services in the Council.	(63)	(67)	(89)	(91)	Amber
LS007	Budget realignments where budgets no longer required on smaller expenditure items within Corporate Services and Legal Services	(13)	(12)	(16)	(18)	Green
Resources		(182)	(344)	(430)	(430)	

Ref	Budget Item	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Risk Rating
RS001	Implementation of the Enabling Services transformational workstream which will review transactional and processing activities. Support to the wider Council will adopt an approach to confirm actions to stop, move to line managers, and / or replace with better systems, technology, and greater use existing functionality.	(53)	(65)	(151)	(151)	Green
RS002	Procurement of new contracts in IT & Digital	(62)	(74)	(74)	(74)	Green
RS007	Insurance Contract Retender Savings	(35)	(35)	(35)	(35)	Green
RS009	Review finance subscriptions	(10)	(10)	(10)	(10)	Green
RS011	New opportunities following the review Local Council Tax Support scheme. Commencement from 1st April 2025 with work undertaken during 2024. Investment in new IT infrastructure may be required.	0	(40)	(40)	(40)	Amber
RS018	Charging of Overheads to Grants	(22)	(20)	(20)	(20)	Red
RS019	Savings from the repurposing of an asset in association with the Levelling Up Fund schemes	0	(40)	(40)	(40)	Amber
RS020	Reduction in maintenance and increased income	0	(60)	(60)	(60)	Amber
Total Saving Proposals		(1,826)	(2,901)	(4,045)	(4,581)	

Investment funded from the Innovation reserve

Ref	Investment	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Adults & Health		70	50	0	0
AI001	Temporary resource to develop business case for growth opportunities for more efficient use of internal resources to provide care for complex cases	20	0	0	0
AI002	Project officer for Health Care Collaborative transformation savings	50	50	0	0
Childrens & Families		190	35	0	0
CI001	Dedicated commissioning expertise to ensure value for money, manage the placement market, and support robust commissioning and procurement processes.	70	35	0	0
CI002	Continue with the trial of the MST approach adopted in 2023/24 to lead to further savings included above.	40	0	0	0
CI003	Employ content creators, interfacing with the services to build a strong media presence which will support the recruitment of quality workforce and foster carers, and local respite support.	30	0	0	0
CI004	Investment to improve efficiencies using the Liquid Logic system	50	0	0	0
Places		225	20	20	0
PI001	Investment to move to permitting - Highway & street works	100	0	0	0
PI003	Investment in improvements to the customer system, Fixmystreet, which will reduce officer time in support and facilitate better reporting functionality	30	0	0	0
PI004	Waste Prevention Programme through educational and promotional work to reduce tonnage collection leading to a more cost-effective collection and disposal service	35	20	20	0
PI008	Investment required in the Highways contract mobilisation that will lead to medium to long term efficiencies from the contract	30	0	0	0
PI009	Develop Carbon baseline for Rutland with a range of activities and actions to contribute to the Corporate Strategy for 'Tackling Climate Change'	150	0	0	0
PI010	Resource to support the Heritage structure design	0	0	100	100
Law & Governance		78	0	0	0
LI001	External capacity to undertake Adult Social Care placement audit to identify high-cost packages and potential savings. Will assist in managing inflationary actual cost of care uplift requests in future years.	50	0	0	0
LI003	Audio/Visual system upgrade in the Council Chamber to improve the quality of the meeting recordings. It would reduce officer time taken prior to during and after meetings to prepare, record and upload footage. It may reduce the number of in person attendees which relieves the pressure on physical resources helping the Council to contribute to the Tackling Climate Change Corporate Strategy priority.	28	0	0	0

Ref	Investment	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Resources		508	323	80	0
RI001	Investment in temporary resources to support the delivery of the Enabling Services transformational workstream which will facilitate savings in the short to long term. Activity includes updates to Council policies, development of Council employee skill sets, implementation of systems and process reviews.	145	27	0	0
RI007	Professional support to deliver support the transformation agenda across the Council	156	156	100	100
RI009	One off investment in IT software solutions to increase efficiencies, remove burdensome administrative tasks	227	160	0	0
RI016	Capital Programme for replacement of IT end user hardware	80	80	80	0
PI011	Temporary Customer relations resource to assist with workloads associated with the redesign Highways service	46	46	0	0
Corporate - Council wide		350	350	350	350
RI019	Service efficiencies pump priming	250	250	250	250
Investment funded from reserves		1,587	824	550	450

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Appendix C – Integrated Budget Plan: Service Ambitions & Budget Variation Statements

Directorate - Adults & Health – Summary Overview

Overview of Directorate

The Adults and Health Directorate is responsible for meeting the needs of adults within our community who require care and support. This includes providing information, advice and guidance which connects people to services available within our community, protecting vulnerable adults who are at risk of, or who have experience abuse or neglect and providing assessments to adults who may require support in their own home or in the community.

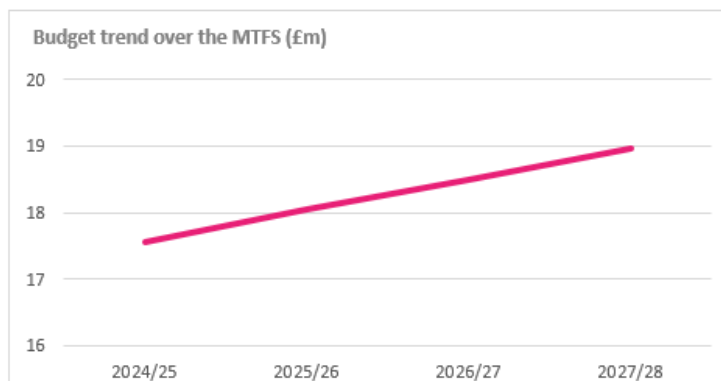
They work with various key stakeholders including health and the voluntary sector to provide holistic support options that consider adults health and wellbeing; with a focus on improving peoples outcomes through proactive, preventative support. The Directorate also covers Housing Options and Resettlement which helps people to access local housing, provides assistance to people who are at risk of homelessness and support for people who wish to settle in Rutland. Alongside this, the Directorate also covers Community Support Services which provide tailored care and support for people in the community, day services for adults with a learning disability and/or Autism and the Rutland Integrated Social Empowerment Team who work in partnership with the local Primary Care Network

Achievements / Performance

- Bespoke options for customer feedback
- Corporate Scorecard – evidencing positive outcomes particularly in areas such as reablement effectiveness
- Nationally recognised Falls Prevention project within Local Care Homes
- Self Service option launched 2023 which supports adults to self-refer for support
- Newly launched participation group which encourages co-production
- CQC outcome of Outstanding for our internal care provider MiCare
- Joint initiatives with Health such as Active Bystander and MECC
- 0 Complaints recorded for Adults and Health Directorate for 2023
- 7-day therapy service to support hospital discharges
- Weekly Multi-disciplinary team meetings with all local care homes
- Relaunch of the Learning Disability Partnership Board

Summary budget table

Summary	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Prevention and Assurance	626	634	640	650
Community Care Services	1,462	1,460	1,444	1,437
Adult Social Care & Director costs	12,289	12,781	13,227	13,697
Better Care Fund	3,126	3,126	3,126	3,126
Public Health	55	55	55	55
Total	17,559	18,056	18,494	18,965



Summary Subjective table

Adults	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Employees	5,537	5,537	5,537	5,537
Premises	13	13	13	13
Transport	47	47	47	47
Supplies & Services	954	930	911	905
3rd Party Payments	16,276	16,908	17,480	18,075
Income Gov Grants	(1,562)	(1,562)	(1,562)	(1,562)
Income - Fees & Charges	(1,647)	(1,696)	(1,748)	(1,800)
Third Party Income	(1,090)	(1,123)	(1,156)	(1,191)
Income - Contributions	(969)	(998)	(1,028)	(1,059)
Total	17,559	18,056	18,494	18,965

Corporate Strategy

This directorate primarily supports the delivery of the following corporate priorities:

- Tackling the Climate Emergency
- A diverse & sustainable economy
- Support the most vulnerable ✓
- Provide good public services ✓

Directorate - Adults & Health – Service Ambitions

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Prevention & Assurance	626	634	640	650

Ambition:

A **Housing Options, Homeless and Resettlement Service** that allows anyone that is in need of housing solutions to be able to access a highly qualified and trained team. This includes the team having the resources and local solutions available to them to assist the community of Rutland with all aspects of their housing options.

To ensure that those in need are able to access true affordable housing in Rutland should they wish to.

To hold a minimal waiting list especially for single applicants of Rutland with this being the highest proportion of applications. They have lower numbers of homeless client in temporary accommodation to support a better 'healthy life'.

Admiral Nurse Team

Admiral Nurses provide support to family carers and people living with dementia at any stage, with a particular focus on the most complex of situations that can affect the whole family. They make sure carers have the support and skills they need to equip them with stress management techniques and coping strategies.

Admiral Nurses work in the community and are part of the Adult Social Care team. They are supported and developed by Dementia UK, the specialist Admiral Nurse Charity. They provide one-to-one support, expert guidance, and practical solutions to help families to live more positively with dementia.

Quality Assurance (QA) Team

The service accepts referrals for carers, people with a diagnosis of dementia and those suspected of having dementia. Referrals can be initiated by any member of the health or social care team or by self-referral and must be made with the consent of the carer or person with dementia, if applicable.

The team work in partnership with the Leicester, Leicestershire, Rutland (LLR) Dementia Programme Board, Local PCN, Integrated Care Board and Voluntary organisations

The Quality Assurance Team provides support to all of Adult Social Care to maintain high standards of practice. They lead on the Audit programme, customer feedback, co-production and dedicated projects which look to strengthen service development for practitioners and people who require care and support.

The Team also includes specialist roles such as Principal Social Worker and Principal OT who are responsible for promoting excellence in practice across Social Work and Therapy services. Alongside this the Team also supports our local provider sector via the Compliance Lead and Clinical Care Home Co-Ordinator roles.

The Team leads on workforce development, participation groups, the development of guidance/policies and procedures wherever possible in partnership with colleagues across health, social care and the voluntary sector.

What are we doing to meet this ambition:

The Housing options, Homelessness and Resettlement service intends to ensure permanent qualified staff who are able to deliver good quality support and guidance. It is the intention to avoid using agency staff as this creates inconsistencies in service delivery.

The team are embarking on a media campaign to raise awareness of what it means to be threatened with homelessness in the hope that this creates an even earlier prevention offer to avoid pressures on the Homelessness Register and the need to use temporary accommodation. The campaign will be a mixture of social media, hands on training for partners, linking in with partners and the VCRS to ensure communities are aware of the support available early. There will be work within our secondary schools to educate key year groups of 'Cost of Living' impact, how this can lead to families, individuals, young carers, carers requiring earlier support but also identifying themselves in need of more affordable housing.

Working with Partners to secure more localised temporary accommodation rather than out of County as this impacts of people's health and wellbeing.

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Working with our Community around signposting and advice which is key to early detection and prevention of homelessness.				
The Admiral Nurse services work with health to help prevent the need for residential care or admission to hospital. Support is given to carers to avoid a crisis situation, giving people time plan their care. Their service does not offer commissioned support, but links in with social workers if support is required. This manages budgets to look at prevention at first point.				
The QA team supports teams to triangulated between performance, budgets and practice. This work supports practitioners in delivering best practice, alongside impact on budget. This work quickly enables us to respond to any changes to keep within cash limits.				
Community Care Services	1,462	1,460	1,444	1,437
<p>Ambition:</p> <p>The Community Care Services (CCS) support the community through integration and partnership in the local community to innovate and build on what is important to residents of Rutland. The whole team align together as one service, bringing together a diverse and skilled workforce, allowing a responsive and effective service.</p> <p>Our service ambition is to support and prevent the escalation of health and social care issues faced by our population, to ensure that residents of Rutland remain at home, independent for as long as possible. We will do this through integration across health, social care, and the community by the promotion of self-help and prevention strategies to avoid escalation of crisis and costly interventions having to be provided by both social care and health services.</p> <p>Through our inhouse services we will support those complex cases, including those with mental health, learning disabilities and at the end of life to live closer to home and provide a timely cost-effective service.</p> <p>What are we doing to meet this ambition:</p> <p>Our CCS inhouse services have over the last few years supported an ageing and more complex group of people. This has provided a RCC core budget saving due to the CCS inhouse service being more cost effective than commissioning placements out of county and enabled Rutland families to remain connected closer to home.</p> <p>However, we have continued to employ a core permanent staffing structure and rely on agency and casual/bank staffing to cover vacancies, absences and extra staffing needs as people support increases due to deterioration associated with increases on health and complexity of need and ageing. The use of agency rather than employing permanent staff, although more costly, enables us to be flexible and reduce as well as increase staffing resources. To mitigate the budget pressure due to the use of agency staff we have ensured that reviews of people’s needs are regularly held and pursuit of Continuing Health Care (CHC) funding is progressed in a timely way. Recently this has resulted in a high-cost staffing resource being paid for by non Council core budget, through external funding.</p> <p>All of the CCS services, Learning Disability (LD) day opportunities, Micare and Supported living, have developed an excellent reputation and those regulated by Care Quality Commission (CQC), outstanding gradings, as such we now have a waiting list for support from our inhouse services. We plan to develop a model to build and expand on our inhouse services, to both provide income into the Council, but also to enable people to live closer to home, attract income from neighbouring local authorities and health and provide a more cost-effective service than if the council commissioned packages outside of Rutland. We will also aim to explore a Shared Lives service for Rutland through the Accelerator Reform Fund which could create a wider market to commission to and provide alternatives to the more traditional commissioning routes.</p> <p>Many staff members of the Rise team are funded by non RCC core budget, we intend to fully explore how the team can work in collaboration with health and the voluntary community partners so that by strengthening prevention it will reduce or delay the overall need for care and support. Using the new Joy platform we will promote self-help, information and advice and divert people from crisis and the need for the council to commission a high-cost response.</p>				

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Adult Social Care & Director costs	12,289	12,781	13,227	13,697
<p>Ambition:</p> <p>To have a service with a CQC inspection rating of 'Good'. Work has already begun in earnest on the assessment framework which covers 4 themes</p> <ul style="list-style-type: none"> - Working with People - Providing Support - How the Local Authority ensures safety within the system - Leadership <p>Within the areas, there is significant work underway on ensuring our teams can deliver exemplary care for the people of Rutland. The teams cover contact and response, community, hospital and reablement and safeguarding. The work is protecting vulnerable adults who are at risk of, or who have experience abuse or neglect and providing assessments to adults who may require support in their own home or in the community. Our ambition is to have a fully staffed service, who are trained and professional in delivering good outcomes for the people they work with. It is important we continue to deliver high satisfaction and performance levels within budget.</p> <p>We want to work with Health to improve access and manage demand. This will ensure better visibility of how services can work together and provide accessibility for people needing to use services across health and social care.</p> <p>What are we doing to meet this ambition:</p> <p>We are restructuring our services to ensure they we are able to meet demand within the resources allocated. The restructure will also support alignment with health services. This will avoid duplication and focus on a joined-up prevention offer.</p> <p>Recruitment continues to be proactive, and this will continue until we have reduced the need for agency workers and have a stable workforce in place. Our Information and guidance offer will be grown, alongside our digital capability, to provide a different way of accessing support, for those who are able to.</p> <p>More scrutiny on commissioning will be in place, to maximise external funding and monitor spend. New systems will support staff to work in a strength-based approach, drawing on an individual's strength and asses and those within their community. Our therapy team will continue to work preventatively providing aids and equipment to enable people to remain at home with reablement following a hospital discharge or a change in need.</p> <p>We will understand our self-funding market and how to provide timely information and advice when choosing care and support. This will support people needing support and their carers, to ensure decisions are based on all options available to them.</p>				
Better Care Fund (BCF)	3,126	3,126	3,126	3,126
<p>Alignment with Discharge to Assess (D2A) facilitation as part of the Adult Social Care Discharge Fund.</p> <p>The Adult Social Care Discharge Fund was used to fund additional block booked reablement beds in a residential nursing home to facilitate timely discharges. The reablement was delivered by RCC therapists who were available at point of discharge and throughout the patient journey. Additional community capacity was secured through additional funding to retain staff in the MiCare service.</p> <p>The plan for the Discharge Fund for 2023/24 includes two D2A beds in a residential home in Rutland. These will be used flexibly for any type of D2A need including assessment and reablement. This is based on learning from the previous discharge fund where wrap around and night- time domiciliary care was not utilised, and beds specifically commissioned for reablement although used effectively when there was need, were not always fully utilised. Beds have also been jointly commissioned across LLR. These will utilise the RRR model (Rehabilitate, Reable, and Recover) D2A services, supporting Pathway 2 discharges.</p> <p>Estimates of demand and capacity for intermediate care to support discharge from hospital.</p> <p>There was no unmet demand where people had to be offered support in a less beneficial service, due to there being sufficient capacity. There is capacity to provide support for people in their own homes on discharge from hospital meaning there is no over utilisation of bedded provision. Assumptions have been made that this will continue as there has been no reduction in provision of services such as MiCare and therapy led reablement. The</p>				

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Home First model continues to be further embedded which will serve to promote the efficient utilisation of support in people’s own homes. The Housing MOT scheme , funded by BCF, continues to be a successful service providing holistic assessments of the home environment, including elements such as falls prevention, equipment, adaptations and general housing conditions. This is a home check service providing information, advice and support to promote people’s independence and living safely in their own homes. The Digital MOT continues to assess the extent a person can be digitally enabled. Age UK partner with the local Housing Improvement Agency to provide options to upskill people, and a technology loan service.				
Public Health	55	55	55	55
<p>Ambition:</p> <p>To embed Public Health within the wider work of the Council and commission services which meet the needs of the Rutland population in line with the Joint Health & Wellbeing Strategy and Public Health mandatory requirements.</p> <p>What are we doing to meet this ambition:</p> <p>A number of services are commissioned within the council and with external providers to meet needs, and to fulfil the requirements of the Public Health Grant. These include:</p> <ul style="list-style-type: none"> • open access sexual health provision; • substance misuse services; • infection control and health protection; • smoking cessation; and • children’s 0-19 health provision. <p>The Grant also contributes to a variety of council services to support wider population health locally including the 11 plus children’s health & wellbeing services, and Active Rutland.</p>				

Directorate - Adults & Health – Variation Statement

Ref	Adults & Health Budget Variation Statement	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
2023/24 Budget					
AE001	2023/24 Budget	16,902	16,902	16,902	16,902
Previous MTFS budget adjustments					
AO001	Service Adjustments	418	393	393	393
AO002	Demand allocation	496	843	1,201	1,571
AO003	Inflation allocation	476	868	1,320	1,787
Saving					
AS001	Savings made from a redesign team, looking to harness synergies between teams across the Council and management of vacancy savings	(78)	(79)	(5)	(5)
AS002	This saving will be achieved through the combination of a range of activities that include: <ul style="list-style-type: none"> · The directorate will seek to beat the demand allocation assumed through increased focus on prevention activities across the period. This aligns with the transformation activity identified through greater collaboration with Health partners · The use of MiCare as part of a 24/7 care model. · Enhanced focus of the management of the impact of the self funder market · Use of the Health & Care Hub through the Levelling Up Fund schemes that will facilitate an enhanced service that will enable customers to access services more efficiently. · MSIF Grant to help manage demand · Adoption of different recruitment and retention policies that create a more stable workforce and results in the less use of expensive agency staff · Greater use of internal day care with the most complex cases 	(246)	(461)	(907)	(1,274)
AS003	Continued benefit from supplier negotiations undertaken during 2023/24 compared to budget assumptions	(409)	(409)	(409)	(409)
Investment					
AI001	Temporary resource to develop business case for growth opportunities for more efficient use of internal resources to provide care for complex cases	20	0	0	0
AI002	Project officer for Health Care Collaborative transformation savings	50	50	0	0
Reserve funding					
RF001	Funding from Innovation Reserve	(70)	(50)	0	0
	TOTAL	17,559	18,056	18,494	18,965

Appendix C – Integrated Budget Plan: Service Ambitions & Budget Variation Statements

Directorate - Childrens & Families – Summary Overview

Overview of Directorate:

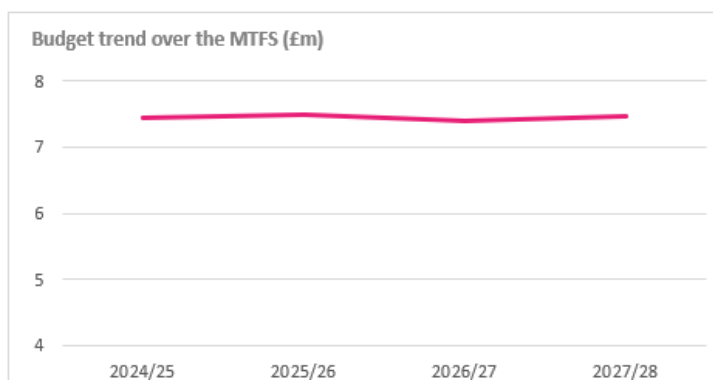
This Directorate is responsible for ensuring the needs of children and young people and their families are met, particularly those who are most vulnerable. It works with children, families and communities, as well as key partners including schools, health services and the police. It is responsible for keeping children safe, ensuring sufficient quality education placements, including early years settings, supporting children with special educational needs and commissioning of services, often with our partners. The directorate also leads on community and prevention services for Rutland and working with communities and the voluntary sector to support and help each other.

Achievements / Performance

- Positive OFSTED focussed visit in January 2023 evaluating child protection and child-in-need work
- Excellent OFSTED/CQC Area SEND Inspection in May 2023
- Past 12 months has seen increase in demand and level of complexity of need - particularly for young people who have social, emotional and mental health needs
- Significant proportion of our care population are unaccompanied asylum seeking children
- Increased number of care leavers.
- Delivered secondary expansion increasing secondary school places at Catmose College
- Delivered 'mainstream plus' provision at UCC increasing number of local school places for children with additional needs

Summary budget table

Summary	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Social Care & Family Help, & Director costs	4,804	4,895	4,931	5,000
Quality Assurance & Practice Improvement	714	720	726	733
Communities & Prevention	755	698	573	581
SEND, Inclusions and Learning	1,172	1,178	1,166	1,167
Total	7,444	7,491	7,396	7,481



Summary Subjective table

Childrens	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Employees	4,851	4,741	4,608	4,608
Premises	256	259	263	267
Transport	38	38	38	38
Supplies & Services	8,081	3,387	3,438	3,505
Third Party Payments	1,427	1,301	1,199	1,214
Income Gov Grants	(6,402)	(1,450)	(1,361)	(1,361)
Income from Fees & Charges	(259)	(262)	(266)	(267)
Third Party Income	(505)	(480)	(480)	(480)
Income from Contributions	(43)	(43)	(43)	(43)
Total	7,444	7,491	7,396	7,481

Corporate Strategy

This directorate primarily supports the delivery of the following corporate priorities:

Tackling the Climate Emergency

A diverse & sustainable economy

Support the most vulnerable ✓

Provide good public services ✓

Directorate - Childrens & Families – Service Ambitions

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Children’s Social Care and Family Help	4,804	4,895	4,931	5,000
<p>Ambition:</p> <p>To provide good services and deliver positive outcomes for children and young people with a stable staff base, consistency of staffing and support to children and their families.</p> <p>A service that is able to provide what families need to be successful at the right time minimising escalation.</p> <p>The service will deliver a combination of face to face and digital offer and utilise community assets to deliver services or co-locate services, in place based and all age multifunctional community spaces, supported by local communities and the voluntary sector.</p> <p>What are we doing to meet this ambition:</p> <ul style="list-style-type: none"> • Respond to national emerging policy, such as the social care reforms, and align functions and form to reflect key priorities. • In order to meet the cash limit we will need to be permanently staffed with no agency workers. • Need to increase our in-house fostering capacity and capability so that we are able to respond to new pressures in the care sector and able to provide more care ourselves rather than using external providers. • Need to invest in technology to enable automation of some elements of job roles and reduce the need for some processes freeing up time and potentially releasing resource. • Continue to invest in preventative services and edge of care type work to stop children coming into our care and try to prevent them from needing a social worker in the first place. By doing this successfully we will better manage costs that exist in our system. • Look carefully at how we future proof the service and how we can have a highly skilled, resilient and stable staff team who are attracted to work and stay in Rutland. This includes reviewing our pay, retention and workforce development strategy. • Need adequate support infrastructure (e.g. business support, data) to support the delivery of high-quality services and enable proactive forecasting and demand mitigation 				
Quality Assurance & Practice Improvement	714	720	726	733
<p>Ambition:</p> <p>To support practice development and ensure that children’s services continuously improve and result in sustained improvements in the lived experiences of vulnerable children and young people.</p> <p>What are we doing to meet this ambition:</p> <ul style="list-style-type: none"> • Embed quality assurance framework focussing on the voice of children and families in receipt of services • Respond to national emerging policy, such as the social care reforms, and align functions and form to reflect key priorities. • Review Workforce Strategy for Children’s Services that enables the Directorate to understand its workforce needs and ensures organisational capacity and creates a culture which places good quality practice at the heart of everything we do. • Lead the Children’s Services development plan raising the quality of practice across Children’s Services and multi-agency partnership to ensure highly performing services. 				
Communities & Prevention	755	698	573	581
<p>Ambition:</p> <p>To support people earlier with community-based services before they require higher cost, higher need interventions, and create sustainable community led services which will build on existing networks and give a structure to services provided throughout our communities.</p>				

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
What are we doing to meet this ambition:				
<ul style="list-style-type: none"> • Mapping in scope budgets to ensure delivery of savings target as contained in this budget plan and MTFS • Council assets will be leveraged to maximise community engagement (e.g. libraries). • Integrate services in a one-stop-shop approach through a new delivery structure with a focus on preventative support. • Create an environment of self-help via digital information/support to enhance the 'universal' element via the Information Advice and Guidance offer in all its forms. 				
SEND, Inclusions and Learning	1,172	1,178	1,166	1,167
Ambition:				
<p>The Learning and Skills Service will champion the expectation that children and adults in Rutland can receive an aspirational and inclusive education offer that reflects the needs, abilities and interests of learners and the skills and expertise required by employers.</p> <p>The Delivering Better Value Programme will support the transformation of the SEND system, led by the Local Authority and supported by key partners in health and education. The intention is to manage the deficit in the Dedicated Schools Grant (DSG) High Needs Fund and to reduce demand for Education, Health and Care (EHC) assessment and plans and special provision.</p> <p>The transformation programme will build on the established local SEND Recovery Plan and initiatives, and will focus on growing parental confidence, delivering the graduated response, developing mainstream provision and improve our data systems to better predict need and inform our commissioning intentions.</p> <p>Successful transitions into adulthood for vulnerable young people, and retention of engagement in education, employment and training, will be supported through a pathway from school-based education utilising the skills of the Transitions Coach.</p> <p>The Early Years Service has a statutory duty to help to manage the early years and childcare market.</p> <p>The education and emotional well-being of the pupil of service personnel will remain a priority for the Learning and Skills Service, with enhanced offers to support schools and early years settings in meeting the needs of these children and young people funded through MOD grants.</p> <p>The adult and community learning offer, funded through the Education and Skills Funding Agency's (ESFA) Adult Education Budget (AEB), will be delivered through an in-house learning offer with a curriculum developed through feedback from residents and employers across Rutland. All classes, many of which are subsidised or at no cost to the learner, will focus on opportunities for progression in employment and economic development, and improvement in mental health and well-being. Employer engagement will be key to enhancing this offer, and ensuring the curriculum on offer supports skills development. Initiatives, such as the Department for Education (DfE) funded Multiply Programme, will further support employability of adults and aims to progress learners into further qualifications-based programmes and improve their employability options.</p>				
What are we doing to meet this ambition:				
<p>The staffing structure of the adult and community learning offer has been adjusted to ensure it is aligned more to community need. Alongside the fixed-term contracted staff within the Virtual School (funded through the Section 31 Grants), this has resulted in a staffing structure which has greater potential to meet the ambitions of the Service. Therefore, with the expectation of the retention of external ESFA budget and DfE funding for a further two years at least, the Learning and Skills Service should be in a position to achieve the ambition within the cash limits.</p>				

Directorate - Childrens & Families – Variation Statement

Ref	Childrens & Families Budget Variation Statement	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
2023/24 Budget					
CE001	2023/24 Budget	7,153	7,153	7,153	7,153
Previous MTFS budget adjustment					
CO001	Service Adjustments	356	331	331	331
CO002	Demand allocation	147	251	355	465
CO003	Inflation allocation	109	198	301	408
Service Investment					
CP001	Additional capacity in the care leavers service is required. The Council has experienced a growing number of care leavers and in order to meet demand and offer appropriate support we need an additional role in this area	45	45	45	45
Saving					
CS002	New service delivery design based on Community Hubs providing universal and preventative services	(314)	(377)	(510)	(510)
CS003	Saving will be achieved by increasing the early intervention offer via Multi Systemic Therapy (MST), and through an increase in in-house foster placements. Work continues to manage family expectation around SEND provision and offer, realised through the Delivering Better Value programme, and the SEND Alternative Provision change programme that aim for a service experience that is maintained within the affordability envelope of the Dedicated Schools Grant.	0	(50)	(150)	(250)
CS004	Reduction in costs as a result of commissioning review	(45)	(45)	(45)	(45)
CS005	Savings made from a redesign team, looking to harness synergies between teams across the Council and management of vacancy savings	(7)	(15)	(85)	(116)
Investment					
CI001	Dedicated commissioning expertise to ensure value for money, manage the placement market, and support robust commissioning and procurement processes.	70	35	0	0
CI002	Continue with the trial of the MST approach adopted in 2023/24 to lead to further savings included above.	40	0	0	0
CI003	Employ content creators, interfacing with the services to build a strong media presence which will support the recruitment of quality workforce and foster carers, and local respite support.	30	0	0	0
CI004	Investment to improve efficiencies using the Liquid Logic system	50	0	0	0
Reserve funding					
RF002	Funding from Innovation Reserve	(190)	(35)	0	0
	TOTAL	7,444	7,491	7,396	7,481

Appendix C – Directorate Plan & Budget Variation Statement

Directorate – Law & Governance – Summary Overview

Overview of Directorate:

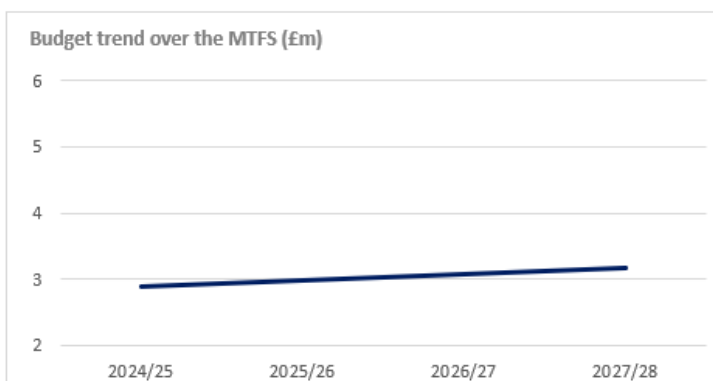
This directorate includes legal services; democratic services commissioning, procurement, administration of elections and the electoral register, emergency planning, communications, programme management, business intelligence, executive support, and information governance (incorporating data protection and handling information requests).

Achievements / Performance

- The number of subscriptions registered to receive the Council’s e-newsletter is 4,643
- The Council’s website accessibility rating has increased to 78% with plan to increase this further
- 100% of the agendas for Council and Cabinet to be published five clear working days before the meeting
- Customer complaints that have been received by quarter 2 is 47 which is 72% of the annual target of less than 65
- 96% of these complaints are responded to within the timescales set
- 112 customer compliments have been received by quarter 2 with a target of more than 145 set
- 100% of statutory information returns are completed within timescales
- 80% of external media enquiries are resolved within 48 hours
- 97% of legal advice is provided within 7 days
- Development work continues for the Business Intelligence service
- The Elections team are planning for the General Election and new requirements placed on the Council following boundary changes

Summary Budget table

Summary	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Commissioning & Voluntary Sector	429	426	423	423
Corporate Services	902	984	968	971
Legal Services & Director costs	747	744	735	734
Democratic Services & Chief Executive costs	689	690	821	822
Elections	131	133	136	238
Total	2,898	2,977	3,083	3,187



Summary Subjective table

Law & Governance	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Employees	2,243	2,250	2,185	2,221
Premises	0	0	0	8
Transport	10	10	10	10
Supplies & Services	530	561	690	747
Third Party Payments	373	375	378	381
Income Gov Grants	(3)	(3)	(3)	(3)
Income Fees & Charges	(16)	(16)	(16)	(16)
Third Party Income	(204)	(164)	(124)	(124)
Income from Contributions	(35)	(36)	(37)	(37)
Other Income	0	0	0	0
Total	2,898	2,977	3,083	3,187

Corporate Strategy

This directorate primarily supports the delivery of the following corporate priorities, and enables all of the other priorities indirectly through service support:

- Tackling the Climate Emergency
- A diverse & sustainable economy
- Support the most vulnerable
- Provide good public services



Directorate – Law & Governance – Service Ambitions

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Commissioning & Voluntary Sector	429	426	423	423
<p>Ambition:</p> <p>A Commissioning Team that supports effective and efficient commissioning across the organisation, enabling individual business areas to identify how to translate service strategies and priorities in service delivery. Where procurement is needed, supporting business areas to self-serve for low value procurements and liaising with Welland Procurement Unit for higher value tenders.</p> <p>What are we doing over to meet this ambition:</p> <p>The Commissioning Team needs sufficient capacity and expertise to support the council to develop effective commissioning across its business.</p> <p>The current staffing establishment is: 2 xPO3, 1 x SO1, 2 x SO2 and 1 x Grade 6. There is currently an underspend against the set staffing budget due to a vacant post which has not been recruited to and the cash limit level will mean that this vacant post will need to be deleted from the establishment. Ad hoc business support could be funded from underspend in the staffing budget to maintain the delivery of low-level support and ensure Commissioning Officers focus on delivering where they can add most value.</p> <p>The Service Level Agreement with Welland Procurement Unit has been reviewed this year and deemed to represent value for money - the level of advice and support could not be provided in-house and to recruit to a dedicated post would be more expensive.</p>				
Corporate Services	895	977	961	964
<p>Ambition:</p> <p>Corporate services includes 4 service areas each with their own service plan and ambitions. Their functions underpin most council services and whilst having some specific corporate strategy commitments they contribute to they cut across all of our corporate priorities.</p> <p>Communications - Examples include:</p> <ul style="list-style-type: none"> Strengthen our internal communications, creating a robust intranet and internal communications approach which reflects our corporate values and supports self service. Benefit of reduced demand on smaller support services and increasing staff connectivity to the organisation, impacting positively on staff turnover and organisational stability. Developing our website further to improve accessibility, in line with statutory requirements, and support access to information and services online to increase online transactions and reduce demand on high cost ways of delivering services and customer support. Increasing the ‘visualisation’ of council services through improved use of video and photography, to support effective storytelling and highlight the human impact of our work with the core goal of building confidence in the council and its services, improving public perception and in turn reducing demand. To become less reactive by working with teams to get ahead of the curve in our publications. <p>Business Intelligence - examples include</p> <ul style="list-style-type: none"> Adapt the existing BI service to become a corporate service, strengthening business intelligence and data so that there is greater knowledge of what is happening in our services and when customers contact us (links to customer transformation). This includes rolling out PowerBI functionality. This requires a review of the service offer to enable capacity. Continue to deliver statutory data returns (23) whilst supporting service areas with timely data reporting. To introduce new model for management of social care Liquid Logic system, including training, and to adapt to support performance reporting. To support key projects from a data management perspective, including SEND Delivering Better Value and Adult social care reforms. 				

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
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Corporate Projects - examples include

- To embed good project management through a robust training programme that enables officers to self serve making project delivery more effective across the Council.
- To support the delivery of key projects underpinning our corporate strategy, providing assurance and oversight at a strategic level.

Corporate & Exec Support - examples include

- Revised executive offer that adds value to services, minimising non added value tasks so that service supports key areas of development and projects where needed. the ideal would be to have a task force style approach that could be moved across teams when needed to address any areas under particular pressure.
- To provide effective co-ordination and management of business continuity and emergency planning arrangements.
- To deliver a cost effective and minimalist post and reprographics service, utilising digital first where possible

What are we doing over to meet this ambition:

Business intelligence

- Consideration of service structure with a greater focus on operational capacity and delivery. This risks a loss of strategic development but would potentially enable a wider coverage of support across the Council. Service areas (children and adult services) would need to manage with a reduced offer, however there is potential for children and adult services to rationalise their quality assurance resources whilst securing a robust performance focus.
- Ongoing investment will be required to support a PowerBI model and the design and implementation of that model. At present we have a ringfenced one off pot to do this but there will be ongoing subscription charges. In addition service areas may need investment in some technology/or systems to enable data to be freely accessible.

Communications

- We have already done the ground work to enable a structure to support the intranet, achieved by bringing the RIS platform into the new website and commissioning an intranet using the same website platform - this allows resource to be focussed on a singular platform.
- The challenge for communications remains the high degree of reactive work that is required, often to deal with issues that have come up in service delivery. This is a council wide challenge and relates closely to customer and structuring resources to better meet the needs of customers away from the back office, freeing up service resource to deliver the services. SLAs and working more closely with teams will also help this.

Corporate and executive support

- Fundamentally there needs to be a reduction in what the team can offer and having less staff - this means better use of technology and greater capacity amongst officers and members to be self sufficient and to self-serve. This is something that requires buy in from others to achieve e.g. willingness to not have minutes and accept recordings and action only for many areas. Key areas previously identified were minute taking, diary management, 18pt and member queries. We are currently reviewing the offer for HOS as this is disparate across areas and requires a rethink.
- Exploring the potential for a singular business support model across children and adult services, this requires those services to be open to opportunities to revise resource on areas of business development.
- Exploration of governance and exec support services could provide opportunities to realise efficiency.

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Legal Services	348	345	340	340
<p>Ambition:</p> <p>For an efficient, effective in-house Legal Service delivered at as low a cost as possible.</p> <p>The Council's Legal Service function was transferred to Peterborough City Council (PCC) in 2011 based on a three-year Service Level Agreement (SLA) which could be renewed annually. PCC had a significant in-house legal team at the time and offered a comprehensive one stop service to the Council.</p> <p>Initially the Service worked well with regular reviews and timely advice and support. However, in May 2018, concerns with the PCC service led the Council's Cabinet to approve the transfer of the legal services function from Peterborough City Council back to Rutland County council. Cabinet also approved the delegation of authority to the then Head of Legal and Governance to assume responsibility for the management and delivery of Legal Services for Rutland to enable the Council to assess whether there is benefit in PCC continuing to provide the legal service, or whether it should be brought back in house and/or source alternative provision.</p> <p>What are we doing over to meet this ambition:</p> <p>Currently recruiting to two new in-house posts with a view to providing a high-quality, cost-effective inhouse legal service.</p>				
Democratic Services	473	474	604	604
<p>Ambition:</p> <p>Democratic Services will support the delivery of the Council's programme of meetings and good governance for the Council.</p> <p>What are we doing over to meet this ambition:</p> <p>Democratic Services did make a saving in that a governance officer post was deleted. Virtual Meetings are no longer permissible for decision making bodies, but remote working has left a legacy of a lesser reliance on paper. Meetings should be entirely paperless, even if not remote. Recording meetings means that there is no longer a need for detailed minutes.</p> <p>There should be a clear process for reports to support authors to ensure that report deadlines are met. The process needs to be streamlined to prevent the need to write multiple reports for one decision and the journey should be as short as possible. Increased capacity within democratic services will be needed to support the next general election.</p> <p>The most significant parts of the budget are member allowances which are fixed and member expenses, the latter are tightly managed but cannot offer a saving on them.</p>				
Elections	131	133	136	238
<p>Ambition:</p> <p>To deliver an effective general election and beyond.</p> <p>What are we doing over to meet this ambition:</p> <p>Elections will have to deliver a general election as well as the PCC election within a short timeframe. There is funding available, with the challenge will be resourcing and there will be a need for colleagues across the organisation to provide support.</p>				

Directorate - Law & Governance – Variation Statement

Ref	Law & Governance Budget Variation Statement	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
2023/24 budget					
LE001	2023/24 Budget	3,092	3,092	3,092	3,092
LE002	2023/24 Budget	192	192	192	192
Previous MTFS budget adjustment					
LO001	Service Adjustments	(334)	(284)	(284)	(184)
LO002	Inflation allocation	11	20	31	41
LO005	Service Adjustments	24	24	23	23
Service Investment					
LP001	PowerBI licensing fees and charges are required to ensure reports can be shared and accessed by service areas. Without these licenses reports cannot be viewed limiting the use for decision making and target use of budgets.	0	30	30	30
LP002	Additional budget required for the emergency planning partnership with Leicestershire Councils which still provides the Council with a value for money service offer, and with an increase in the fee of the Welland Service Level Agreement which supports the Council's procurement service.	10	10	10	10
LP003	Increase in budget for the Members allowances increase in line with the recommendations made in the independent report. However, this budget will be contingent on wider MTFS assumptions at the time of implementation.	0	0	130	130
Saving					
LS001	In house provision rather than commission	(30)	(36)	(45)	(49)
LS002	Staffing structure changes within the directorate within the procurement, business intelligent, and corporate and executive support teams. Savings will derive from utilisation of existing vacancies to configure role capacity requirement combined with a reduction on capacity and demand management from other services in the Council.	(63)	(67)	(89)	(91)
LS007	Budget realignments where budgets no longer required on smaller expenditure items within Corporate Services and Legal Services	(13)	(12)	(16)	(18)
Investment					
LI001	External capacity to undertake Adult Social Care placement audit to identify high-cost packages and potential savings. Will assist in managing inflationary actual cost of care uplift requests in future years.	50	0	0	0
LI003	Audio/Visual system upgrade in the Council Chamber to improve the quality of the meeting recordings. It would reduce officer time taken prior to during and after meetings to prepare, record and upload footage. It may reduce the number of in person attendees which relieves the pressure on physical resources helping the Council to contribute to the Tackling Climate Change Corporate Strategy priority.	28	0	0	0
Reserve funding					
RF005	Funding from Innovation Reserve	(78)	0	0	0
	TOTAL	2,898	2,977	3,083	3,187

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Appendix C – Directorate Plan & Budget Variation Statement

Directorate - Place – Summary Overview

Overview of Directorate:

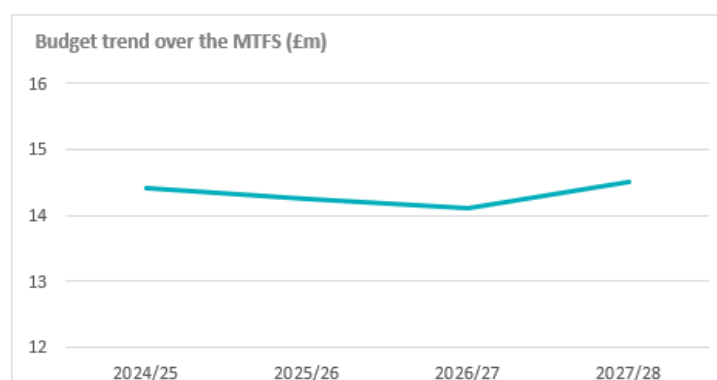
This Directorate is responsible for services to residents and the County including highways and transport, planning, economic development and visitor services, environment and street scene services (including waste and recycling, public protection and community safety, open spaces). It manages key partners who provide some services, such as waste and highways maintenance, on behalf of the Council relating to waste, cleaning and open spaces. It leads on the promotion of the County to attract and support business growth and investment.

Achievements / Performance

- Fly tipping levels are significantly down in 2023/24 continuing the good performance from 2022/23
- Street and environmental cleanliness is above target at 68% where inspections achieve an overall grade A or B for litter and detritus
- Increase in recycling during 2023/24 to 55.4% for the first quarter
- Volume of residual waste per household is 532.48 kgs
- 88% is the % of quality of recycling collected
- Number of new business births 165 by quarter 2 in 2023/24 against the target of 205
- Rutland remains in the top quartile of Councils for maintained A, B and C roads
- Number of volunteers supporting cultural services above the year's target at 77
- The number of visitors to the County is above target at 1.5m
- Number of passengers using bus services over 6 months is 42,327
- 46% of households with access to gigabite capability

Summary Budget table

Summary	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Safe & Active Public Realm & Director costs	12,814	12,617	12,725	13,122
Culture, Leisure & Registration Services	574	578	387	393
Sustainable Economy & Place	1,028	1,061	999	999
Total Places	14,417	14,256	14,111	14,514



Summary Subjective table

Places	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Employees	4,726	4,724	4,446	4,366
Premises	927	930	934	939
Transport	2,935	2,974	2,984	3,034
Supplies & Services	2,355	867	735	820
Third Party Payments	8,123	8,023	8,344	8,588
Income Gov Grants	(1,573)	(175)	(141)	(108)
Income Fees & Charger	(2,662)	(2,682)	(2,768)	(2,776)
Third Party Income	(270)	(259)	(274)	(214)
Income from Contributions	(144)	(146)	(149)	(152)
Other Income	0	0	0	0
Total	14,417	14,256	14,111	14,514

Corporate Strategy

This directorate primarily supports the delivery of the following corporate priorities:

Tackling the Climate Emergency

A diverse & sustainable economy ✓

Support the most vulnerable

Provide good public services ✓

Directorate - Place – Service Ambitions

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Safe & Active Public Realm & Director costs	12,814	12,617	12,725	13,122

Ambition:

Transport

Statutory transport services delivered with robust eligibility assessment processes is in place. Non statutory public transport services delivered within budget, meeting the local demand, encouraging modal shift, active travel and reducing emissions. Transport services which meet the needs of our community to access essential services such as medical and education and which support the economic health and employment opportunities of young people. Resilience to bus operator price increase demands to provide alternative provision to reduce leverage of external providers and a reduction in subsidy overall.

Highways

- Highways Services: Our ambition is to be an adequately resourced Highways Authority which maintains the highway in a good, safe condition which can attract and retain a skilled Highways team to manage both revenue and capital elements of the service.
- Revenue Highway Service Functions: include pot-hole repair, general highway repair, drainage, routine gully cleansing, verge drainage, grip cutting, foot/cycleway maintenance, street lighting repair, traffic light repair, sign and street name repair, barrier, bridge and culvert repair, Public Rights of Way, Winter Maintenance Service (gritting operation), Highway Development Control, and Asset Management (data collection, condition surveys) policies with a budget of £1.5m.
- Capital Highway Functions/Schemes: includes Department for Transport (DfT) funded Highways Maintenance Block (HMB) Capital maintenance, Pothole Funding, HMB Incentive Funding and Integrated Transport with capital funding 2023/24: £3.3m. If allocation is not spent, it impacts on future year allocations leading to lower investment in the network and very quickly more expensive repairs and lower quality network.
- Winter Maintenance and minor repair functions: are demand led and heavily influenced by weather events. Climate change, colder winters with more severe frosts and hotter summers impact on demand led budgets, making it difficult to predict. Cold winters with a lot of frost and low temperatures lead to exponential increase in the number of potholes and the number of claims from road users causing budget pressure, the level of carriageway and footway deterioration has increased year on year requiring more budget to be allocated to minor repairs.
- New Highways Maintenance Contract: implementing and embedding the new contract to maintain high standard of the highways network and deliver value for money in operational service delivery

Environmental

The ambition is to reduce waste and increase recycling whilst improving the quality of service to householders on waste collection and maintaining the quality of the public realm.

- Waste Management and Streetscene services are contracted out with the majority of the budget committed to deliver statutory household waste collections, recycling and disposal. Resident behaviour directly impacts on the quality of recycling and waste produced. Waste disposal costs fluctuate due to volatile market conditions. The new waste strategy sets out the statutory requirements and a new collection design that will deliver a better service and meet new statutory duties. The ambition is for significant investment into waste infrastructure to make us more attractive to the market and achieve more competition and better value as a result. Procurement of integrated waste and recycling services is planned for a new contract from 2028. The ambition is to secure greater efficiencies through new collection and disposal arrangements leading to lower overall costs and significantly improved resilience.
- The ambition is to keep our communities healthy and safe through robust delivery of public protection services. **Public Protection** is delivered as a shared service with Peterborough City Council. 98% of the budget is committed for the provision of these statutory services. The ambition is to continue with the shared service as they are efficient, well-run and effective within the available resources.

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
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- Grounds Maintenance and Forestry has just been procured and the new service will deliver improvements in biodiversity due to reductions in frequency of grass cuts which also achieves financial savings. Our burials service provides an income which off-sets maintenance costs of the cemeteries and closed cemeteries. Recent benchmarking found our fees are in line with other Local Authorities.
- Community Safety is delivered through the Safer Rutland Strategic Partnership and our own Community Safety Manager and Support Officer. Rutland is the 3rd safest county within the UK with a crime rate of 44 per 1,000 of population. The main county town of Oakham has the highest crime rates and currently benefits from CCTV coverage. Our ambition is to enhance the CCTV network through capital investment. We are working on a CCTV Strategy outlining the options, and requirements, for CCTV going forwards as all partners benefit from the service and it is non-statutory for the Council.

What are we doing to meet this ambition:

Highways and Transport

- Staff resources: We are investing in additional staff resources and recruiting to posts that are currently vacant to provide greater resilience and strengthen areas of activity that are experiencing significant increase in demand e.g. flooding.
- Statutory transport services – We will be reviewing relevant transport policies and decision-making to make sure we can meet demand within available resources.
- Non statutory transport services – we are currently reviewing and re-designing the current public bus network and post-16 provision. The business case for the optimal design of bus network is in development and will consider the options available which retain the same level of access which achieves reductions in current subsidy provision. A review of post-16 transport policy and provision will identify the best option for continued support for young people’s access to education whilst achieving savings on current spend.
- Parking services – Greater enforcement of parking restrictions is needed to encourage payment of off-street parking fees and to reduce inconsiderate parking and congestion in our town centres. Any reduction in enforcement presence in the county needs to be balanced with the need to enforce restrictions. Demand for car parking has recovered post-Covid and is growing and we will explore opportunities for additional off-street car parking provision.

Highways

A new Highways Term Maintenance Contract will start in June 2024 providing an opportunity for a new partnership and strengthen ways of working. This also provides an option for additional services to be provided through this contract. Our ambition is to introduce street permitting to enhance our ability to manage street works. We also plan to invest in additional capacity for the Local Lead Flood Authority function.

Environmental

We have extended our waste collection and disposal contracts and re-procured our green waste and dry recycling contracts. This will mean we can plan for the implementation of new waste collection and disposal contracts as part of the re-procurement of long-term partnership arrangements to be in place for 2027/28 and meet the new requirements of the Environment Act. The Council is investing in the purchase of new waste collection vehicles that will significantly improve the reliability of the waste collection service from Late Spring 2024

Culture, Leisure & Registration Services	574	578	387	393
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Ambition:

The ambition is to capitalise on the Levelling Up Fund grant investment to provide new and enhanced visitor offer for Rutland residents and visitors to the County, in particular the recently discovered Ichthyosaur and Roman Mosaic.

Working in partnership with the private sector and other stakeholders, such as Discover Rutland, we want to make the most of the County’s heritage collection and assets such as Oakham Castle and the County Museum to widen access, host more and larger events, increase visitor numbers and bring Rutland to life through its history.

Our ambition is to strengthen our highly regarded Registration Service and its offer to the public.

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
<p>Our ambition is to support the health and wellbeing of our residents through supporting a range of leisure opportunities through Active Rutland, and the wide-ranging local sports and community provision, and promoting the County's public rights of way and active travel.</p> <p>What are we doing to meet this ambition:</p> <p>We are investing £2m Levelling Up Funding into the digital interpretation of the Ichthyosaur and Roman Mosaic and the development of a new visitor attraction.</p> <p>We are reviewing the way we deliver our heritage services (museum and heritage collection) to help attract new and wider audience and generate additional income. We are also reviewing the way we use our heritage spaces so we can host additional and larger community and private events.</p> <p>We will be developing a new leisure strategy for the county and investing in new Active Travel arrangements.</p>				
Sustainable Economy and Place	1,028	1,061	999	999
<p>Ambition:</p> <p>To deliver services to support, shape and control as best as possible within financial constraints sustainable and appropriate growth in Rutland to specifically deliver:</p> <ol style="list-style-type: none"> 1. The Development Control Planning function, and associated services including land charges, conservation, tree works, listed buildings, building control and planning enforcement responding to planning applications and national infrastructure strategic planning applications. The work generated income that pays for the services to some extent, additionally there are service areas not covered by charging mechanisms. From November there have been additional responsibility for the monitoring and management of biodiversity net gain on all new planning applications. There's also demand on services outside of their control by the need for representation at planning appeals led by the planning inspectorate. 2. The Planning Policy functions - development of the Local Plan and all associated policies to guide and shape residential and commercial development in Rutland, addressing the duty to co-operate and all cross boundary issues related to development growth. This establishes far ranging policies touching on many issues such as minerals, affordable housing, carbon net zero, biodiversity, character and landscape, infrastructure constraints, employment needs, population growth, towns villages and settlements growth, retail and high streets, flood risks, environment, wildlife habitats etc. This team also includes housing policy, CIL contributions and S106 agreements. 3. Economic Development - business support and inward investment, economic baselining, design and shaping of an economic strategy, engagement with business community and other key stakeholders and multiplayers. Work will include development of an implementation plan harnessing stakeholders and other partners impacts. Delivery of the £23m Levelling Up Fund programme and £1.4m UK Shared Prosperity Fund and associated Rural England Fund. Harnessing funding opportunities including maximising corporate social responsibility and partnerships with established businesses. 4. Sustainability – the new budget allocation will support this work area to develop and deliver the Council's corporate sustainability strategy which will consider all service areas and how everything the Council does and owns impacts on climate change and approach to net zero. It will go into associated climate change interventions including the duty to report to Central Government on approach to net zero and biodiversity net gain. 5. Transformational Workstream - Public Realm - development of a set of recommendations and approaches for draft framework covering consistency of public realm offer in all towns villages and settlements, management of greenspace, verges and cemeteries, place shaping for the County. The ambition is to define consistent approaches with all towns and parishes as well as identifying costs savings and income generation opportunities. <p>What are we doing to meet this ambition:</p> <p>We are meeting government targets on delivery of the development control functions and the need for a Local Plan but there are unique challenges with regards to the speed of delivery and the management of relationships with residents, businesses and developers. Duty to report on biodiversity net gain will create additional opportunities and burdens from November 2023 and similar for climate change from January 2024.</p>				

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
<p>The transformational workstream Public Realm work is currently being funded through UK Shared Prosperity Fund, the funding is finite but is identifying income generation opportunities and a framework for a consistent approach to managing public spaces across the County.</p> <p>The work on defending the application for Mallard Pass Solar Farm - a national infrastructure project of significant size will ensure a significant income stream in generated should consent be given, to offset the impact on Rutland and its communities.</p> <p>There are additional risks on recruitment and retention of staff due to workload pressures and inability to impact needs with existing resources.</p>				

Directorate – Place – Variation Statement

Ref	Place Budget Variation Statement	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
2023/24 Budget					
PE001	2023/24 Budget	12,470	12,470	12,470	12,470
Previous MTFS budget adjustment					
PO001	Service Adjustments	752	784	784	784
PO002	Demand allocation	121	206	294	384
PO003	Inflation allocation	638	926	1,042	1,444
Service Investment					
PN001	Peterborough Regulatory Services to increase cost Peterborough City Council	88	88	88	88
PN004	Redesign and investment in Highways staffing structure	94	94	94	94
PN006	Electric Vehicle Charging infrastructure officer to deliver government funded scheme (offset by grant income below)	60	60	60	0
PP004	Redesign of the Council's heritage service with a role required to facilitate the work, will be self funding by year three and four with income matched outline below	62	62	62	62
PP006	Additional costs incurred during 2023/24 for SEND transport due to an increase in Children requiring specialist services creating unfunded pressures	300	300	300	300
PP007	Waste Transfer Station mitigation following alternative disposal provision required during 2023/24	120	120	120	120
PP010	Biodiversity net gain officer and development of service linked to governments new requirements	105	105	105	105
PP011	Additional investment in Lead Local Flood Authority function	46	46	46	46
Saving					
PN004	Introduction of street permitting scheme to become a self-financing service	(30)	(60)	(60)	(60)
PN006	Local Electric Vehicle Infrastructure (LEVI) funding to support expansion of charging points	(60)	(60)	(60)	0
PS004	Museum and Castle business rates (NNDR) savings	(41)	(41)	(41)	(41)
PS005	Savings made from looking to harness synergies between teams across the Council and management of vacancy savings	(8)	(8)	(8)	(8)
PS006	Transformation work redesign of heritage service	0	0	(198)	(198)
PS009	Re-procurement of 2024/25 Grounds contract; 2025/26 Public realm strategy change standards and consistent approach	(100)	(250)	(250)	(250)
PS010	Redesign of public Bus network & post 16 review	(100)	(400)	(400)	(400)
PS012	SEND Transport savings as a result of more cost-effective solutions and impact from the work undertaken in the Children's directorate with regards to demand for SEND services	0	(87)	(174)	(265)
PS014	Green Waste Fee Increase	(100)	(100)	(100)	(100)
PS015	Additional income generated from the redesign of the Council's heritage services	0	0	(62)	(62)
Investment					
PI001	Move to permitting - Highway & street works, £150k income from yr2 to meet costs	100	0	0	0

Ref	Place Budget Variation Statement	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
PI003	Investment in improvements to the customer system, Fixmystreet, which will reduce officer time in support and facilitate better reporting functionality	30	0	0	0
PI004	Waste Prevention Programme through educational and promotional work to reduce tonnage collection leading to a more cost-effective collection and disposal service	35	20	20	0
PI008	Investment required in the Highways contract mobilisation that will lead to medium to long term efficiencies from the contract	30	0	0	0
PI009	Develop Carbon baseline for Rutland with a range of activities and actions to contribute to the Corporate Strategy for 'Tackling Climate Change'	150	0	0	0
PI010	Heritage New Structure	0	0	100	100
Reserve funding					
RF003	Funding from Innovation Reserve	(345)	(20)	(120)	(100)
	TOTAL	14,417	14,255	14,111	14,513

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Appendix C – Directorate Plan & Budget Variation Statement

Directorate - Resources – Summary Overview

Overview of Directorate:

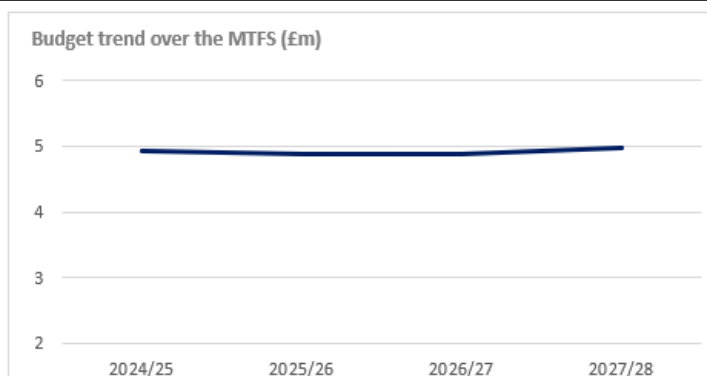
This department includes financial services encompassing financial planning and accounting, insurance, internal audit and property services. The department is responsible for transactional services including revenue and benefit services, payroll, income collection, payment of invoices, and finance systems. Alongside ICT and digital services to manage and support most of the council's business systems and drive to improve technological options for the council and its services. Whilst Human Resources and Organisational Development, and Health and Safety help deliver the Council's wider workforce strategic aims and overall service delivery.

Achievements / Performance

- Delivery of an enhanced budget process to facilitate the delivery of financial sustainability
- Statement of Accounts published online to statutory deadlines
- Increases in MyAccount registrations with 12,000 accounts
- 98% of customer invoices paid within 30 days of receipt
- Average customer telephone calls received 2,864
- Time taken to process new benefit claims is 30 days
- Average sick days lost per employee is 2.32 up to quarter 2 in 2023/24
- 9% is the current vacancy level as a % of the Council's overall workforce
- Lead authority in the regional SEND Alternative Provision initiative
- Accountable body for Levelling Up Funding

Summary Budget table

Summary	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Financial Services, Insurance & Director cost	1,375	1,395	1,386	1,407
Information Technology	1,423	1,436	1,431	1,458
Customer Services Team	198	198	197	197
HR & Organisational development	529	520	526	532
Revenues & Financial Support	384	374	358	358
Property Services	1,021	952	989	1,026
Total	4,929	4,875	4,886	4,979



Summary Subjective table

Resources	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Employees	3,264	3,274	3,199	3,213
Premises	1,461	1,416	1,480	1,546
Transport	1	1	1	1
Supplies & Services	1,802	1,847	1,891	1,934
Third Party Payments	3,382	3,342	3,351	3,351
Income Gov Grants	(3,553)	(3,553)	(3,553)	(3,553)
Income Fees & Charger	(1,281)	(1,307)	(1,338)	(1,368)
Third Party Income	(66)	(66)	(66)	(66)
Income from Contributions	(16)	(16)	(16)	(16)
Other Income	(65)	(63)	(63)	(63)
Total	4,929	4,875	4,886	4,979

Corporate Strategy

This directorate primarily supports the delivery of the following corporate priorities, and enables all of the other priorities indirectly through service support:

Tackling the Climate Emergency

A diverse & sustainable economy

Support the most vulnerable

Provide good public services



Directorate – Resources – Service Ambitions

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000								
Financial Services, Insurance & Director cost	1,375	1,395	1,386	1,407								
<p>Ambition:</p> <p>Our service ambition is to provide exceptional financial management and support to the Council, ensuring the efficient and effective use of public funds while promoting transparency and accountability.</p> <p>The Finance Team will move to a risk-based strategic approach that aims to integrate risk management principles into the overall financial operations of the Council to enhance decision-making processes and strengthen financial resilience ensuring the Council's key risks are managed appropriately. The finance function has a self-service ambition that empowers managers with the tools, information, and resources they need to pursue and achieve their service aims and objectives. Key components of such a finance function:</p> <table border="0"> <tr> <td>1. Risk Identification and Assessment</td> <td>5. Budgeting and Planning Support</td> </tr> <tr> <td>2. Risk Mitigation Strategies</td> <td>6. Financial Skills Development</td> </tr> <tr> <td>3. Transparent Financial Information</td> <td>7. Strategic Support</td> </tr> <tr> <td>4. Self-Service Reporting and Analytics</td> <td>8. Collaboration and Communication</td> </tr> </table> <p>This ambition for the Finance Function will be one that supports managers to self-service enabling managers to take ownership of their financial goals and make informed decisions. It promotes a culture of financial accountability, fosters innovation, and empowers managers to drive their own success while ensuring the Council's financial health is maintained / or improved. This coupled with a risk-based finance function to create a strong risk governance framework that enables the Council to proactively identify, assess, and manage financial risks, will go along to ensuring long-term financial sustainability and resilience of the Council.</p> <p>What are we doing over to meet this ambition:</p> <p>The Finance team will need to embed the restructure of the team, which will address the uncertainty created through the current levels of vacancies and use of interims. The impact to permanent staff members is expected to be minimal.</p> <p>The section intends to purchase Invoice Scanning Software to remove large non-value added processing. Which will compliment the review of transactional / processing activities in line with 'Enabling Services' transformation workstream actions.</p> <p>The department will complete an analysis that will confirm actions to stop, move to line managers, replace with better systems / technology / greater use of what the Council already has in place.</p> <p>Work will commence to investigate synergies between the Revenues and Benefit Team and the Finance team and see how the resources and skill sets can be used more effectively and efficiently to increase both resilience and create capacity.</p>					1. Risk Identification and Assessment	5. Budgeting and Planning Support	2. Risk Mitigation Strategies	6. Financial Skills Development	3. Transparent Financial Information	7. Strategic Support	4. Self-Service Reporting and Analytics	8. Collaboration and Communication
1. Risk Identification and Assessment	5. Budgeting and Planning Support											
2. Risk Mitigation Strategies	6. Financial Skills Development											
3. Transparent Financial Information	7. Strategic Support											
4. Self-Service Reporting and Analytics	8. Collaboration and Communication											
Information Technology	1,423	1,436	1,431	1,458								
<p>Ambition:</p> <p>Our main ambition will be to maintain the overall quality of the IT Infrastructure and to support the organisation operating within a hybrid environment.</p> <p>We will look to reduce our reactive support operations by improving self-service, creating a service catalogue to define what service we offer, improving our monitoring and alerting to reduce calls (where we can rectify before users are aware) and improving the overall service.</p> <p>We will continue to develop digital solutions to enable external customers to access our services including improving MyAccount.</p> <p>What are we doing over to meet this ambition:</p>												

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
<p>We will improve the ability for service users to self-serve and to reduce reactive support led demand on the service. This approach will be developed and embedded in the first two years with the target to achieve cashable savings in the final two years of this strategy.</p> <p>Some costs are directly related to overall headcount, for instance a 10% reduction in headcount should allow the number of Microsoft licences to fall by a similar amount (ignoring inflation). Reduction in headcount is also likely to reduce hardware costs around laptops and mobile phones as IT will have more equipment to redistribute to those in most need.</p> <p>We are expecting to reduce the costs on new contracts, eg in printers and telephony alongside cost savings from a review of the data connections and alternative ways of connecting key assets. There are opportunities to review data connections and to release costs when the PSN network is closed following a delay into 2024/25.</p> <p>There are limited opportunities for further application rationalisation however these will be explored. Opportunities to explore opensource software for core IT software will be undertaken, for instance help desk software and log management with businesses cases developed as part of approval governance.</p>				
Customer Services Team	198	198	197	197
<p>Ambition:</p> <p>The ambition for customer services is that we will grow the team such that the team will take the vast majority of the call across all services. This will allow the front office to be freed up from taking customer interactions and to concentrate on their service delivery.</p> <p>Our ambition is to adopt tiers of service requests so the central customer services can deal with transactional requests and less complex enquiries from residents, and only escalate to the back office the most complex cases. This will mean we reduce the demand into the back office by a tirage operation within customer services.</p> <p>We will use CRM technology to take all external customer interactions across telephony, face-to-face, emails, web-forms, MyAccount, video calls. These will be managed as cases by customer services and where there is a level of complexity will operate as a case manager for the lifetime of the service request. Technology will be used to improve digital journeys for residents and to reduce costs of delivering service in the back office. Where we will improve the options for customers to go online and make service request and be able to then track this call using a different channel.</p> <p>What are we doing over to meet this ambition:</p> <p>We will continue to provide a face to face service at Catmose with a floor walker to help ensure a good customer service is offered, whilst committing to the self-service principle. We will remove the lunchtime closing introduced over Covid. We will review our opening hours across all channels and will consider how to best structure these hours, for instance considering the balance between opening hours for face to face - perhaps mornings we offer and enhanced floorwalker service - and potentially leveraging our hybrid working to extend hours for web chat into some evenings.</p> <p>To support this we will grow the use of Salesforce within the team and within service areas. This will allow one key system to store all customer interactions with updates on progress on service requests being updated by the back office.</p>				
Property Services	1,021	952	989	1,026
<p>Ambition:</p> <p>Principle ambition is to align business and property asset strategies, ensuring the optimisation of the organisation's property assets in a way which best supports key business goals and objectives such that property assets that are fit for purpose and capable of delivering services and activities required.</p> <p>To manage property to support the Council's objectives and priorities set out in the Corporate Strategy by</p> <ul style="list-style-type: none"> • Minimising the operation and long-term cost of the Council's estate 				

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
<ul style="list-style-type: none"> • Providing Value for Money by using Council resources wisely and having the required information to make robust and informed decisions for example developing a planned maintenance approach • Supporting the delivery of services through assets that add value and enhance modern ways of working • Considering the impact of sustainability in all decisions, making buildings as sustainable as possible and considering the impact of our carbon footprint • Taking a dynamic approach to asset management including retention, repurposing and disposal • Working with Partners to maximise opportunities and consider the transfer of services / assets to Town and Parish Councils and others • Embedding a Corporate Landlord Model • Having assets that are fit for purpose <p>What are we doing over to meet this ambition:</p> <p>This ambition can be achieved subject to the overarching Asset Review business cases decisions being approved and delivered. It is anticipated that front-loading of capacity and capability to achieve the outcomes of Asset Review. This can be achieved by a combination of interim staffing and / or consultants. Indicative delivery programme not known at time of writing but will be five years plus.</p> <p>As the Asset Review programme concludes, it is feasible to plan for reductions through more effective use of third parties for activities currently completed in-house subject to assessment over the value for money proposition. There will still be a need to maintain a suitably qualified / experienced in-house team to complete certain activities, act as Corporate Landlord and as Intelligent Client. Business cases will be required to quantify and ensure that savings are derived, with the expectation that it is likely to be cheaper to out-source some activities to specialists rather than deliver in-house.</p> <p>The Council's current assets are largely older buildings, with several services delivered out of inadequate or converted spaces. Many are listed and through achievement of past saving plans planned maintenance has been reduced. Delivery of the Asset Review transformation workstream aims to result in lower asset running costs.</p>				
HR & Organisational Development, Health & Safety	594	585	591	597
<p>Ambition:</p> <p>Our ambition is to create a culture of excellence, innovation, and collaboration. Activities of the team will support the strategic goals of the Council by supporting the attraction, development, and retention of the best talent, fostering a positive work environment, and enhancing employee engagement. The ambition is to be a strategic partner to the business, providing expert advice and guidance on all aspects of people management, performance, learning and development, diversity and inclusion, and employee engagement. The function also aims to be a leader in best practices, benchmarking, and continuous improvement, leveraging data and technology to enhance its efficiency and effectiveness. By achieving this ambition, the function will contribute to the Council's success and sustainability in a competitive and dynamic environment.</p> <p>What are we doing over to meet this ambition:</p> <p>In line with the transformational workstream we will complete the review of transactional / processing activities. This will confirm actions to stop, move to line managers, replace with better systems, technologies, and greater use of existing systems and technologies.</p> <p>We will investment in technology, following a review with ICT of all HR digital systems and identify opportunities for synergies, for example link between the recruitment, financial and learning platform systems. Investment in interfaces is expected as part of this work. Success of this work will be the achievement of a reduction, and / or shift in processing and transactional tasks which is anticipated to create a saving towards the end of 2024/25 with further cashable savings expected in the final two years of this strategy.</p>				

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Revenues & Financial Support	384	374	358	358

Ambition:

As the Revenues and Benefit Service we will provide a more cost-effective service in this vital part of the Council's operations. The function collects and manages the income that the Council needs to provide essential services, such as council tax, business rates and other debts. It administers and delivers welfare support to the people who live in the County, such as housing benefit, council tax support and discretionary housing support. The service aims to provide a fair, efficient and customer-focused service that meets the needs of the Council its residents and businesses.

What are we doing over to meet this ambition:

Local Taxes- we will aim to increase online self-service forms to increase to be 90% of all transactions over the period. The use of technology such as with Chatbot and AI would be used to answer 90% of all enquires with Customer Service to respond to remainder which are more complex and require specific tailored advice. Increased use of the Council's My Account alongside promotion of e-billing will help create efficiencies in how customers can interact with the Council and decrease the time required to respond to queries. e.g. recovery action, Direct Debit processing and complex enquires, complaints, appeals and statutory returns. Simplification/reduction of discretionary reliefs.

Benefits- We will aim to increase online self-service forms to increase to 80% for all claims and change in circumstances over the period. As with the above the use of technology such as with Chatbot and AI would be used to answer 60% of all enquires with Customer Service to respond to remainder which are more complex and require specific tailored advice. Increased use of the Council's My Account alongside 90% take up for e-notifications (replacing paper versions) will help generate efficiencies in service delivery. This approach will enable a core team to manage our existing document management system (DIP and Workflow), traditional access channels for customers who are unable to use self-service and to administer back office work that sits outside of self-service and to administer work from Department for Work & Pensions (DWP) e.g. Housing Benefit Award Accuracy Initiative (HBAA), Verification of Earning and Pensions (VEP), Automated Transfer to Local Authority systems (ATLAS), Universal Credit (UC), complex enquiries, complaints, appeals and statutory returns. A Review of the Local Council Tax Support scheme, including the use of discretionary funds, will be completed to simplify and reduce / remove administrative tasks that add costs to the system.

Community Care Finance- the existing policy will be reviewed and updated to clarify and create self-assessment opportunities to reduce back-office processing. This is anticipated to enable the introduction of self service for 90% of all service users over the period. Efficiencies are expected through greater working and sharing of skills sets with the finance function which will enable a reduction in resources following the embedding of new ways of working. Consideration will be given on the best management arrangement to enable an alignment of with the assessments and management / control of budgets.

Deputyship and appointeeship -a business case will be developed which looks at the cost / benefits of alternative service delivery for the cases presented to the Council. This task will assess the application of criteria for the Council to be responsible for any new deputyship cases to keep level to under a target level of cases.

Directorate - Resources – Variation Statement

Ref	Resources Budget Variation Statement	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
2023/24 budget					
RE001	2023/24 Budget	4,990	4,990	4,990	4,990
Previous MTFS budget adjustment					
RO001	Service Adjustments	(8)	(8)	(8)	(8)
RO003	Inflation allocation	94	172	261	354
Service Investment					
RP001	Increase resources in the HR & OD team to add capacity for organisational development, employee health and well being initiative	27	27	27	27
RP002	Increased cost of using technology to lead to savings in processing and administration of tasks across the Resources functions.	8	39	48	48
Savings					
RS001	Implementation of the Enabling Services transformational workstream which will review transactional and processing activities. Support to the wider Council will adopt an approach to confirm actions to stop, move to line managers, and / or replace with better systems, technology, and greater use existing functionality. Consideration to alternative service delivery methods included in approach.	(53)	(65)	(151)	(151)
RS002	Procurement of new contracts across in ICT & digital function with some minor system savings.	(62)	(74)	(74)	(74)
RS007	Insurance Contract retender savings	(35)	(35)	(35)	(35)
RS009	Review effectiveness of subscriptions to keep only those that add value to the operations, technical and professional advice and support continuing professional development	(10)	(10)	(10)	(10)
RS011	Opportunities following the review Local Council Tax Support scheme	0	(40)	(40)	(40)
RS018	Full cost recovery of professional support services in delivery of Council activities which are grant funded	(22)	(20)	(20)	(20)
RS019	Savings from the repurposing of an asset in association with the Levelling Up Fund schemes	0	(40)	(40)	(40)
RS020	Reduction in maintenance and increased income	0	(60)	(60)	(60)
Investment funded from reserves					
PI011	Temporary Customer Relations Manager to assist with workloads associated with the redesign Highways service	46	46	0	0
RI001	Investment in temporary resources to support the delivery of the Enabling Services transformational workstream which will facilitate savings in the short to long term. Activity includes updates to Council policies, development of Council employee skill sets, implementation of systems and process reviews.	145	27	0	0
RI007	Professional support to deliver support the transformation agenda across the Council	156	156	100	100
RI009	One off investment in IT software solutions to increase efficiencies, remove burdensome administrative tasks	227	160	0	0
RI016	Funding of the capital programme for replacement of IT end user hardware	80	80	80	0

Ref	Resources Budget Variation Statement	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
RI019	Council wide service efficiencies pump priming	250	250	250	250
Reserve funding					
RF004	Funding from Innovation Reserve	(904)	(719)	(430)	(350)
	TOTAL	4,930	4,876	4,888	4,981

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Rutland
County Council

Fees and Charges Policy

Version & Policy Number	Version 1.0
Guardian	Andrew Merry, Head of Finance
Date Produced	5 December 2023
Next Review Date	December 2024

Approved by Scrutiny	TBC
Approved by Cabinet	TBC
Approved by Full Council	TBC

Summary of Document

A corporate approach to effective management of fees and charges will ensure the council maximises commercial opportunities to generate income on the delivery of chargeable services.

This policy underpins Rutland County Council's principles of setting and reviewing fees and charges as the council moves through a programme of transformation and will be subject to review to ensure that it continues to reflect the needs and aspirations of the council.

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2	Key Charging Principles.....	4
3	Statutory and Discretionary Charges Legislation	5
4	Reviewing Fees and Charges	6
5	Summary.....	8

1 INTRODUCTION

- 1.1 The overall aim of the fees and charges policy is to ensure that fees and charges are set within a framework of value for public money for all our residents and businesses. It allows the council to have a properly considered, consistent and informed approach to all the fees and charges it levies for its services. This will in turn support the delivery of the Corporate Strategy.
- 1.2 Income from fees and charges represents an important source of funds to the Council and enables a range of services to be provided within the County. The unprecedented reductions in central government funding since 2010, means there is a much greater emphasis on locally raised income to fund services. This policy establishes a framework within which fees and charges levied by the Council are agreed and regularly reviewed.
- 1.3 The setting of fees and charges will be incorporated into the annual Integrated Budget Plan (IBP) and Medium-Term Financial Strategy (MTFS) and budget setting timetable. Incorporating these reviews into the service/financial planning process will also permit consideration of cross-cutting issues and impacts in the context of wider policy objectives. This policy provides a rolling schedule of the Council's fees and charges for consideration each year prior to the formal approval of the Medium-Term Financial Strategy at full Council in February each year.
- 1.4 This policy also provides guidance to managers on the main factors which need to be considered when reviewing fees and charges and the information that will need to be contained within reports being brought forward for consideration. It will also establish the timescales for the approval of the fees and charges.

2 KEY CHARGING PRINCIPLES

- 2.1 The main principles of this policy are as follows
 - 2.1.1 **Council Priorities:** A Schedule of Fees and Charges shall be maintained for all charges where the Council has discretion over the amounts charged for services provided and for income generating activities. All decisions on charges for services and income generating activities will be taken with reference to and in support of Council priorities and recorded as delegated decisions, as appropriate.
 - 2.1.2 **Charge Setting:** In setting charges, any relevant government guidance will be followed. Stakeholder engagement and comparative data will be used where appropriate to ensure that charges do not adversely affect the take up of services or restrict access to services. Full consideration will be given and documented to the full costs of delivery and the opportunities for improving efficiency and reducing bureaucracy.
 - 2.1.3 **Subsidy:** In general, fees and charges will aim to recover the full cost of services except where this is prevented by legislation, market conditions or where alternative arrangements have been expressly approved by the relevant Director. A proportionate business case should be created for all charges that are subsidised by the Council. Approval for the level of subsidy should be obtained from the relevant Service Director, in consultation with the Chief Finance Officer.
 - 2.1.4 **Charging Levels:** The standard assumption is that all fees and charges will be

increased in line with CPI (a national inflation index that excludes mortgage costs) however some prices are subject to other indexation or must reflect changes to the underlying cost base that may be above or below this average inflation. In setting the level of fees and charges, Rutland County Council will have regard to the following principles:

- The level of fee set by statute
- Recovery costs and overheads
- Comparison with commercial offers
- Benchmarking with other councils
- Impact on behavioural change, including avoiding perverse incentives
- Considerations around pricing strategies and elasticity (for example, by setting fees too high, demand for the service may reduce. Equally setting fees too low may create unsustainable service demand)
- Implications for equality and diversity guidance.

2.1.5 **Charging Exemptions:** All services provided by the Council will be charged for unless prevented by statute, or where their use would have significant negative consequences in terms of the council's duty to promote equality of opportunity and protected groups who share a protected characteristic, or under exceptional circumstances agreed exempt by the relevant Director, in consultation with the Chief Finance Officer.

2.1.6 **Concessions:** Concessions to priority and target groups will be considered where appropriate, in accordance with any relevant government guidance and will take account of the user's ability to pay. All concessions should be fully justified in terms of achieving the Council's priorities. Wherever possible we will aim to provide concessions consistently across the Council.

3 STATUTORY AND DISCRETIONARY CHARGES LEGISLATION

3.1 Statutory services are those services that an authority is mandated to or has a duty to provide, fees and charges in respect of these services are either set by Government or based on full cost recovery.

3.2 The Local Government Act 2003 provides a general power to charge for discretionary services (services that an authority has the power, but is not obliged to, provide). Additions or enhancements to mandatory services above the standard that an authority has a duty to provide may be provided as discretionary services.

3.3 The Council may generate income from the public through charging and trading for services that exceed the statutory requirements or are added value optional services, such as pre-application planning advice.

3.4 In general terms, the Council may not make a profit on its charging activities, or subsidise other services and cannot charge for services that customers do not choose to use. A profit may be defined as a surplus received in excess of the full cost of delivering the service. Full cost includes all direct costs, such as pay and materials, and also indirect costs including overheads such as finance, accommodation, HR and IT.

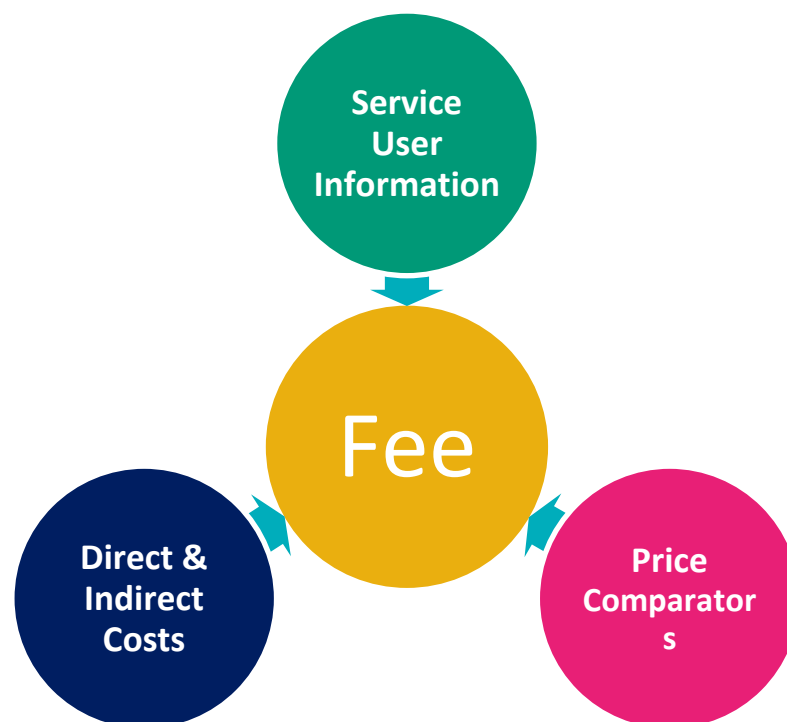
3.5 In accordance with the Localism Act 2011 and 'general powers of competence' contained within it, the Council may trade in any eligible service permitted by the

Council's constitution. But if the council wants to make a profit it must conduct this commercial activity via a separate company. Any such company must comply with competition law and standard trading legislation; however, services can be traded within the public sector environment, without resorting to a company.

4 REVIEWING FEES AND CHARGES

Process and Timescales

- 4.1 All fees and charges should be reviewed annually unless agreed otherwise (such as parking fees that are set three yearly) and in alignment with the annual budget setting timetable for the forthcoming financial year. Consideration should be given for any legislative consultations that may be required. Significant fluctuations in charges year-on-year should be avoided but may be inevitable if market conditions require this.
- 4.2 The effects of any new or substantially revised fees and charges on service usage and income levels should be closely monitored following implementation. Any unexpected adverse effect should be raised at the earliest opportunity.
- 4.3 Any comprehensive review of fees and charges for a service will need to include the following key elements. This is essentially about understanding the service, in terms of the cost both in total and for individual elements (activity costing), market conditions and service users.



- 4.3.1 **Direct and Indirect costs:** the charge for services to the service users should generally be calculated on the full cost of providing the service. This would include items such as:
- Salary and associated national insurance and pension charges
 - Travel / transportation costs
 - Premises costs

- Other supplies or equipment utilised in the provision of the service
- Capital cost for usage of asset (i.e. depreciation charges) regardless of the original funding of the asset
- Support service and other overhead costs (HR, accommodation, finance, IT) and corporate costs (democratic support and Corporate Leadership Team (CLT)) etc.

Not all these costs will necessarily be identifiable from the service budget on the system, so it is important that all relevant costs are identified through discussions with the finance team.

4.3.2 **Price Comparators:** Relevant data should be collected and analysed in relation to pricing information for similar services provided by other local authorities, preferably those in our nearest neighbour comparator group, together with any relevant local market competitor information. This should be used to benchmark the Council's current and proposed pricing structure. It is important that any significant differences can be explained.

4.3.3 **Service User Information:** It is important that managers understand their customer base and the key drivers for service users. Information should be obtained in relation to the level and types of user for each service. Ideally an assessment should be made in terms of price sensitivity, as this will need to be factored into the pricing models.

4.4 **Opportunities to Introduce New Fees and Charges:** In order to maximise income and/or reduce subsidy levels the council will fully explore opportunities to introduce charges for services that have previously been supplied for free. These opportunities will be highlighted within reports for member consideration.

4.5 **Links to Corporate and Service Objectives:** When proposing how to charge for the services being undertaken, it should be clear upon the basis used for charging, and there should be justification in respect of the method chosen in relation to the corporate and service objectives. When fees and charges are being set, any subsidies or concessions should be clear and transparent, and the reasons supported by corporate or service objectives. If the basis for charging is unclear, then a number of options should be presented for member consideration. The main charging models are set out in the table below:

Method	Description
Full Cost (default)	The Council seeks to maximise revenue within an overall objective of recovering the full cost of provision, including all overheads.
Full Cost – with discounts	As above, but with discounts being given to reflect market conditions, these will need to be evidenced.
Full Cost – with concessions	As above, but with concessions being given to enable disadvantaged groups to access the service. There needs to be a clear case for this. Subsidised Council policy is to make the service widely accessible but believes users of the service should make some contribution from their own resources. Could also be

Method	Description
	due to the adverse impact a commercial charging policy would have on other Council services.
Nominal	The Council wishes the service to be fully available, but sets a charge to discourage frivolous usage.
Free	Council policy is to make the service fully available without charge.
Statutory	Charges are set in line with legal obligations and charges are only made for added value services
Property Rental / Lease	Properties that are rented or leased to third parties should be done so at a commercial rate.

5 SUMMARY

5.1 Fees and charges are an important part of the council's income. This policy provides the framework to ensure that fees and charges are kept under review to ensure:

- Services continue to provide value for money to all our residents;
- The Council's charging potential is maximised, including ensuring opportunities to introduce new fees or charges are fully explored; and
- Fees and charges remain fit for purpose within the context of the charging principles established within this policy.

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Appendix D. Grant Register

Directorate	Council Reference	Reference Description	Budget 2024/25 £	Budget 2025/26 £	Budget 2026/27 £	Budget 2027/28 £	Grant Title	Confirmed
Places	RC4112	Crime And Disorder	(19,200)	(19,200)	(19,200)	(19,200)	Partnership and Locality Funding - OPCC & Youth Prevention and Diversionary Fund	No
Places	RC1518	Public Transport	(68,700)	(68,700)	(68,700)	(68,700)	Bus Service Operators Grant	No
Places	RC1409	Neighbourhood Planning	(20,000)	(20,000)	(20,000)	(20,000)	DLUHC - Neighbourhood Planning Grant	No
Places	RC1084	UKSPF	(659,200)	0	0	0	UK Shared Prosperity Fund	Yes
Places	RC1103	Transport - Bus Services Improvement Plan (BSIP)	(739,600)	0	0	0	Bus Services Improvement Plan (BSIP)	Yes
Places	RC1094	Transport Local Electric Vehicle Infrastructure (LEVI)	(66,600)	(66,600)	(33,200)	0	Local Electric Vehicle Infrastructure (LEVI)	Yes
Law & Governance	RC1062	Executive Support	(3,000)	(3,000)	(3,000)	(3,000)	Access to Work	No
Adults & Health	RC4708	Housing Options	(68,300)	(68,300)	(68,300)	(68,300)	Homelessness Prevention Grant	No
Adults & Health	RC4570	Public Health	(1,468,100)	(1,468,100)	(1,468,100)	(1,468,100)	Public Health	Yes (2024/25 only)
Adults & Health	RC4576	Substance Misuse	(21,949)	(21,949)	(21,949)	(21,949)	Supplementary Substance Misuse Treatment & Recovery Funding	No
Resources	RC3000	Revenues	(63,600)	(63,600)	(63,600)	(63,600)	Cost of Collection – Business Rates	Yes
Resources	RC3015	Benefit Processing	(94,500)	(94,500)	(94,500)	(94,500)	Housing Benefit Admin Subsidy Grants	Yes
Resources	RC3015	Benefit Processing	(6,500)	(6,500)	(6,500)	(6,500)	Various Minor Grants	No
Resources	RC3021	Housing benefits Payments	(3,388,500)	(3,388,500)	(3,388,500)	(3,388,500)	Housing Benefit Subsidy	Yes
Childrens & Families	RC4201	Care Leavers	(11,500)	(11,500)	(11,500)	(11,500)	Leaving care Allowance	No

Directorate	Council Reference	Reference Description	Budget 2024/25 £	Budget 2025/26 £	Budget 2026/27 £	Budget 2027/28 £	Grant Title	Confirmed
Childrens & Families	RC4207	Disabled Children	(22,500)	0	0	0		No
Childrens & Families	RC4252	UASC Over 16	(400,000)	(400,000)	(400,000)	(400,000)	Unaccompanied Asylum Seeking Children	Yes
Childrens & Families	RC4253	USAC Over 18	(113,000)	(113,000)	(113,000)	(113,000)	Unaccompanied Asylum Seeking Children	Yes
Childrens & Families	RC5240	Changing lives	(159,300)	(159,300)	(159,300)	(159,300)	Changing Lives	No
Childrens & Families	RC1075	Domestic Abuse	(63,000)	(63,000)	(63,000)	(63,000)	Domestic Abuse New Burdens	No
Childrens & Families	RC1013	New Apprenticeships	(20,083)	0	0	0	Supported Internships	Yes
Childrens & Families	RC1088	Multiply Funding	(43,400)	0	0	0	Multiply Funding	Yes
Childrens & Families	RC5129	Community Learning	(263.900)	(263.900)	(263.900)	(263.900)	Adult Education – Community Learning	Yes
Childrens & Families	RC5202	Rutland Adult Skills	(109,000)	(109,000)	(109,000)	(109,000)	Adult Education – Adult Skills	Yes
Childrens & Families	RC1055	Virtual School Head	(130,000)	(130,000)	(130,000)	(130,000)	Virtual School Heads to children with a social worker Virtual School Heads to certain previously Looked after Children	Yes (2024/25 only)
Childrens & Families	New	Wraparound Childcare	(174,440)	(88,998)	0	0	Wraparound Childcare Programme	Yes
Childrens & Families	RC1101	ELSEC Pathfinder	(251,653)	0	0	0	ELSEC Pathfinder	Yes
Childrens & Families	RC1102	SEN AP Programme	(3,909,833)	0	0	0	SEND AP Programme	Yes
Childrens & Families	RC1109	Delivering Better Value	(619,920)	0	0	0	Delivering Better Value	Yes
Childrens & Families	RC5246	Pupil Premium Plus	(58,625)	(58,625)	(58,625)	(58,625)	Pupil Premium Plus	Yes
Childrens & Families	RC1020	Bikeability	(22,500)	(22,500)	(22,500)	(22,500)	Bikeability	No

Directorate	Council Reference	Reference Description	Budget 2024/25 £	Budget 2025/26 £	Budget 2026/27 £	Budget 2027/28 £	Grant Title	Confirmed
Childrens & Families	RC5875	Schools Sports	(23,800)	(23,800)	(23,800)	(23,800)	School Games Organiser	No
Childrens & Families	RC5875	Schools Sports	(6,000)	(6,000)	(6,000)	(6,000)	Holiday and Food Programme	No
Corporate	RC3464	Corporate Grants	(2,993,500)	(2,993,500)	(2,993,500)	(2,993,500)	Better care fund	No
Corporate	RC3464	Corporate Grants	(218,818)	(218,818)	(218,818)	(218,818)	Improved Better Care Fund	Provisional 2024/25
Corporate	RC3464	Corporate Grants	(2,093,701)	(2,093,701)	(2,093,701)	(2,093,701)	Social Care Grant	Provisional 2024/25
Corporate	RC3464	Corporate Grants	(593,776)	(593,776)	(593,776)	(593,776)	ASC Market Sustainability	Provisional 2024/25
Corporate	RC3464	Corporate Grants	(995,149)	(995,149)	(995,149)	(995,149)	Rural Services Delivery Grant	Provisional 2024/25
Corporate	RC3464	Corporate Grants	(173,000)	(116,000)	(116,000)	(116,000)	Various small grants within the Local Government Finance Settlement	Provisional 2024/25
Corporate	RC3464	Corporate Grants	-	(2,608,000)	(2,003,000)	(1,319,000)	Fair Funding Review Assumptions	Provisional 2024/25
Total			(19,894,511)	(16,093,880)	(15,366,482)	(14,649,282)		

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General Funding Strategy & Policy

1. Background and Context

- 1.1. The Council receives general income from three main sources:
 - Council Tax
 - Business Rates
 - General government grants
- 1.2. This funding strategy outlines the objectives that will be applied with regards to this income. This strategy is factored into the MTFS and a more detailed review of the strategy will take place during 2024/25 and be presented to Council in the Autumn of 2024 to enable debate and inclusion in the following Integrated Budget Plan and MTFS
- 1.3. The Council is in receipt of specific service-related income such as with fees and charges and specific ring-fenced grant from government. This income is accounted for as part of the Directorate activity and forms part of the opportunities considered by Directors as to how their services operate, see Appendix D – Grant Register.
- 1.4. For income that relates to investments in Council assets this forms part of the capital strategy and treasury management strategy (Appendices M & L). The most cost-effective funding of assets is considered as part of the treasury management strategy and resulting impact on revenue expenditure. The overall approach is for the asset to be of benefit to the service delivery of the Council, leading to either a directly attributable saving or enhancement to service provision that create other non-monetary benefits. Additional grant funding for capital will not be undertaken if such expenditure provides an undue burden on future revenue expenditure both in terms of capital financing and ongoing maintenance costs.

2. Council Tax

- 2.1. Council Tax is levied on households by local authorities in Britain, based on the estimated value of a property.
- 2.2. Council Tax is the core funding stream for the Council and therefore an increase to raise this tax needs to be measured against the services required to deliver the Corporate Strategy and statutory functions, against what performance level is both affordable and acceptable. Each year the government, as part of the Local Government Finance Settlement, sets the limit as to the maximum increase to the rate of Council Tax that can be made without the need for a local referendum to increase fees above this rate. For 2024/25 this is 2.99% for the general Council Tax precept and 2% for the Adult Social Care precept.
- 2.3. For 2024/25 a 1% change in Council Tax equates to £0.3m on Council Tax income. The following table shows the assumptions in rates that have been applied to this MTFS period and assumes that the existing maximum % increases to precepts confirmed by Government before a local referendum is triggered will continue at the same level:

Council Tax rate increase / (decrease) for Rutland County Council	2024/25 %	2025/26 %	2026/27 %	2027/28 %
General precept	2.99	2.99	2.99	2.99
Adult Social Care precept	2.00	2.00	2.00	2.00
Total increase / (decrease)	4.99	4.99	4.99	4.99

- 2.4. The Council is the collecting authority for Police and Fire Council Tax precepts; however, it is unable to influence or control how much these precepting authorities charge. These precepting authorities are limited to their maximum increase by government.
- 2.5. The Council previously approved Council Tax reliefs for hardship which can be applied for in exceptional circumstances where the charge is reduce for a short time, and a separate discretionary fund which provides short term help for residents suffering from financial hardship. The use of these funds is kept under review and reported on during the year as part of the regular financial performance reports. The value of these funds over the MTFs are shown in the following table.

Council Tax discretionary reliefs funds	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Discretionary fund	20	20	20	20
Financial crisis fund*	20	20	20	20
Total	40	40	40	40

* The financial crisis fund is available to help in the event of a crisis, emergency, or disaster, and not limited to the payment of Council Tax. The fund is managed by Rutland Citizen's Advice Bureau on the Council's behalf.

- 2.6. Other statutory reliefs are available for residents such as Single Person Discount (SPD) and the Local Council Tax Support Scheme (LCTS). LCTS is a means tested support that is largely based on the abolished Council Tax Benefit scheme and considers the make-up of households. Cabinet considered a paper in October 2023 and approved that alternative schemes are to be explored during 2024/25 for further Cabinet approval seeking schemes that contribute to the financial sustainability of the Council. The Council's scheme has not fundamentally changed since its introduction in 2013.
- 2.7. The cost of SPD and LCTS reliefs reduce the tax base on which Council Tax can be charge, in effect depressing the number of dwellings from which income can be based upon. The impact of these reliefs on the tax base for MTFs Council Tax income assumptions are shown in the table, see point below.
- 2.8. Each year the Council makes an allowance for bad debt provision for the collection of Council Tax income. For Rutland, the collection rates compare favourably with neighbouring authorities and the Council, shown in the table below.
- 2.9. Following table shows the key assumptions for Council Tax base over the MTFs period.

Council Tax taxbase (Band D equivalents)	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Equivalent Chargeable Dwellings	16,292	16,391	16,507	16,623
Local Council Tax Support	(588)	(588)	(588)	(588)
Unbanded Properties	14	14	14	14

Growth	96	115	115	115
Bad debt provision (1% non-collection)	(158)	(161)	(162)	(163)
MOD Equivalent Taxbase Contribution	375	375	375	375
Taxbase assumed over the MTFS period	16,031	16,146	16,261	16,376

2.10. In March 2023 Council approved the adoption of the Empty Homes and Second Homes premiums in advance of legislation being passed (Government proposed amendments in May 2022). Further delays have been experienced and therefore the timing of implementation for these premiums is uncertain. The Council has begun modelling the assumptions of this in terms of increase to the tax based from 2025/26.

3. Business Rates (National Non Domestic Rates – NNDR)

- 3.1. Business rates are a tax levied on business properties to help pay for local Council services. They are the business equivalent of council tax on domestic properties. Business rates are paid to the Council by the occupiers or owners of most non-domestic properties. Business rates are calculated using a rateable value and applying a multiplier which is set annually by government.
- 3.2. The Council can retain 49% of the income its collects as Business Rates with 1% paid to the Fire Authority and the remaining 50% paid to central government.
- 3.3. The Council provides some discretionary relief to certain non-profit making organisations and is subject to eligibility criteria and evidence that the business can contribute to the Corporate Strategy priorities.
- 3.4. The following table provides a summary of the assumptions made with regards to business rates over the MTFS period:

Business Rate income & estimated reliefs	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Business rate income	19,503	20,126	20,762	21,452
Relief	(7,007)	(7,151)	(4,970)	(5,068)
Bad Debt Allowance	(33)	(33)	(34)	(34)
Appeals Allowance	(750)	(750)	(765)	(780)
Business Rate income	11,713	12,192	14,993	15,570
Less Renewables (100% retained by RCC)	(38)	(38)	(38)	(38)
Less Cost of Collection	(75)	(76)	(78)	(80)
Net Income	11,600	12,078	14,877	15,452
RCC Retention Percentage (%)	49	49	49	49
Retained Income	5,684	5,918	7,290	7,571
Compensation for Government Reliefs	1,997	2,034	940	958
Rates Income + Grant	7,681	7,952	8,230	8,529
Grant for Under Indexing	1,021	-	-	-
Tariff	(1,643)	(2,522)	(2,573)	(2,623)
Renewables	38	38	38	38
Levy	(267)	-	-	-
Total Business Rates Income	6,830	5,468	5,695	5,944

- 3.5. The Business Rates funding system continues to be increasingly complex, with Government making amendments frequently since 2013. This has resulted in a series of adjustments, shown in the previous table, and has resulted in many

councils having alternative calculations for their Business Rate income. The following points provide a summary of the business rates calculation:

- Previously the government set the business rate multiplier nationally and rates income was pooled nationally and re-distributed to councils via the government grant system.
 - Currently, under a 'hybrid' system, the business rate multiplier is still set nationally, but the total income is shared 50:50 between national and local government.
 - There is a system of 'top-ups' and 'tariffs' linked to the grant system to attempt to distribute funds based on need. This is based on a calculated Business Rates Baseline. The Council is deemed a 'tariff' authority as income receipts are greater than the calculated baseline.
 - A proportion (but not all) of the increased business rate income due to expansion in the business sector retained locally.
 - Safety nets to protect councils who experience business closures.
 - Complexity of the system means there is some local incentive for economic growth, but via a highly complex formula driven system.
 - The government has piloted a new system where some local councils retain more than 50% of any growth in business rates locally. The intention is to move to a revised system nationally, but this has now been deferred.
- 3.6. From 1992–2012, the national system meant that any local changes due to business closures or successful business rates appeals were dealt with at national level. Under the current system, any appeal that is successful has a local impact on the Council's funding levels. To offset some of this risk, some councils have joined together, usually in county areas, and formed voluntary business rates pools, which aim to spread such risk over a larger number of individual councils.

4. Grant Funding

- 4.1. The Council will ensure that all opportunities to attract additional grant funding are investigated when it is identified that the benefits of receipt of such funding aligns with the delivery of the Council's Corporate Strategy.
- 4.2. Applications to grants will be completed on a case-by-case basis to ensure that the costs of any bid submissions are not excessive in relation to the funds available and terms and conditions that may be applied to such funding.

5. Fees and Charges

- 5.1. The Council will ensure that commercial opportunities are maximised to generate income on the delivery of chargeable services. The aim of all fees and charges will be to recover full costs except where this is prevented by legislation and / or market conditions.
- 5.2. Income from fees and charges inform the overall Directorate budget and form part of the policies relevant to service provision, eg costs of green waste collection offset the total cost of the waste collection service. Fees and charges do not form part of the general fund income stream which underpins all Council expenditure.

5.3. Fees and charges are reviewed as part of each budget setting process in line with the Fees and Charges Policy detailed in Appendix E, and the design of affordable services to meet Cash Limit allocations.

6. Developer Contributions

6.1. The Council is a Community Infrastructure Levy (CIL) charging authority and will raise charges in line with the published scheme <https://www.rutland.gov.uk/planning-building-control/local-plan/community-infrastructure-levy-cil>.

6.2. S106 planning obligations are used for all affordable housing contributions and may also be used for site-specific mitigation measures where it is more appropriate than applying the CIL regulations.

6.3. The Council will retain 5% of CIL receipts to fund the administration of the process as per [The Community Infrastructure Levy Regulations 2010](#).

6.4. Administration fees for s106 obligations will be subject to separate negotiation and will be calculated inline with the fees and charges policy set out in Appendix E.

6.5. Developer contributions will be used to meet any obligations relating to needs arising from developments from where the contributions are received, generally these will be infrastructure needs such as;

- highways
- education
- learning and skills
- county sports provision
- health & wellbeing facilities

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Financial Health Indicators

1. Background and context

- 1.1. Against a backdrop of existing funding pressures, the financial costs of the pandemic and significant price increases, the financial challenges public services face currently feel unprecedented. Some Councils are better placed than others to weather this financial challenge. However, there is a need to maintain financial resilience against such significant pressures, new and emerging risks, and operating in an uncertain funding environment.
- 1.2. Financial resilience is the ability of public services to remain viable, stable, and effective in the medium to long term while facing pressures from growing demand, a tightening of funding and an increasingly complex and unpredictable financial environment.
- 1.3. These indicators have been created to form an opinion of the Council's financial resilience and are based on:
 - a) Revenue based indicators for financial sustainability in the public sector
 - b) Financial health indicators – based on traditional balance sheet indicators to inform the financial strategy
 - c) Capital based financial indicators as a key driver of the balance sheet health and resulting burden on revenue funding
- 1.4. A summary of the indicators is provided in the following table. Three indicators are classed as Red rated risk, four as Amber, and seven as Green.

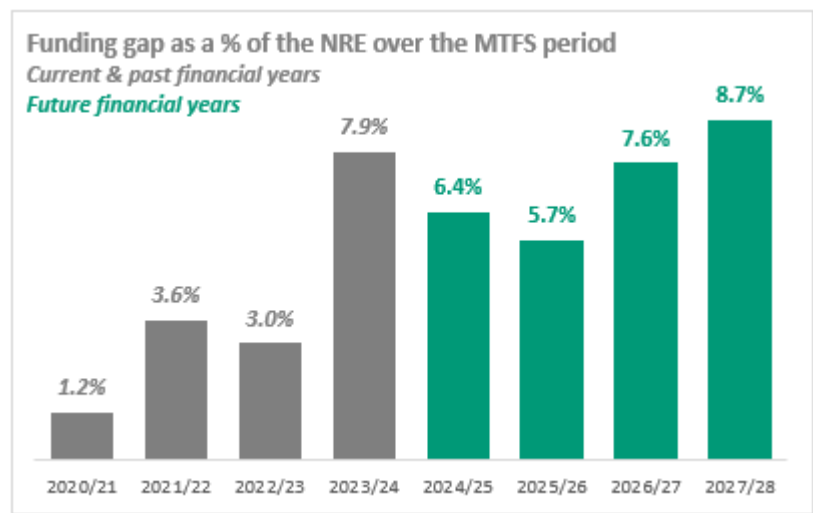
Indicator	Indicator Trend	RAG	
Revenue based financial sustainability indicators			
1	The funding gap as a percentage of Net Revenue Expenditure (NRE) over the MTFS period	Increasing over the MTFS period	R
2	Savings delivered as a percentage of planned savings	Steady over the MTFS period	A
3	Over/underspend relative to net expenditure	Steady over the MTFS period	A
4	Useable reserves as a percentage of net revenue budget	Decreasing over the MTFS period	R
5	The cost of total borrowing as a percentage of NRE	Decreasing over the MTFS period	G
Fiscal indicators			
6	Current assets to current liabilities	Above nearest neighbour average	A
7	Useable reserves to gross revenue expenditure	Above nearest neighbour average	G
8	Long term borrowing to tax revenue	Below nearest neighbour average	G
9	Long-term borrowing to long-term assets	Below nearest neighbour average	R
10	School balances to dedicated schools grant	Above nearest neighbour average	A
Capital investment indicators			
11	The direction of travel for the Capital Financing Requirement as % of asset value	Decreasing over the MTFS period	G
12	CFR as % of its asset value is no greater than nearest neighbour	Below nearest neighbour average	G
13	Risk impacting on the cost of total borrowing as a % of NRE	Steady over the MTFS period	G
14	The cost of total borrowing as a percentage of NRE	Decreasing over the MTFS period	G

2. Revenue based financial sustainability indicators

Indicator 1 - The funding gap as a percentage of Net Revenue Expenditure (NRE) over the Medium-Term Financial Plan (MTFP) period

- 2.1. Councils should have a clear estimate of their funding gap as a percentage of net revenue expenditure (NRE) over the medium-term financial planning (MTFP) period, along with robust saving plans to meet the gap. Targets or aspirational savings rather than firm plans pose a risk to financial resilience.
- 2.2. The Chief Finance Officers Robustness (Section 25) Statement in the main Cabinet report considers the robustness of estimates. The majority of savings have been based on the 12 transformation workstreams that formed part of the Financial Sustainability Strategy.

The savings have been RAG rated in terms of risk to delivery, with an enhanced monitoring of savings achievement being develop for implementation in the 2024/25 financial year.



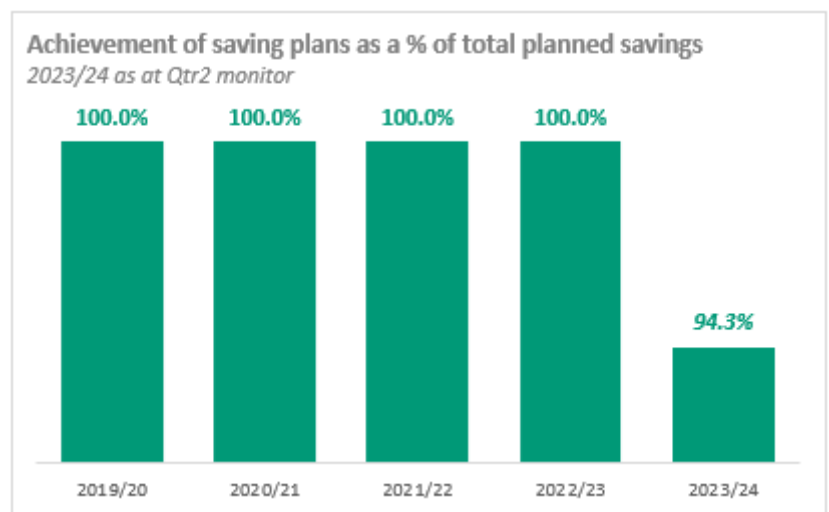
- 2.3. Whilst the Council has a balanced budget for each year across the MTFS period, savings and the use of reserves are required to achieve this position. The chart shows the level of savings and reserves required to balance the budget over the MTFS period is increasing compared to NRE.

2.4. Indicator trend - Increasing over the MTFS period – Red risk

Indicator 2 - Savings delivered as a percentage of planned savings

- 2.5. The ability to identify areas where specific financial savings can be made and to make those savings is a key aspect of ensuring ongoing financial sustainability against a backdrop of increasing financial pressures.

- 2.6. The chart shows that past performance for the achievement of savings plans. It has been assumed that the Council achieved all identified savings as planned as it was not reported otherwise. In the current financial year, the position as at Quarter 2 – September 2023 is shown, with one saving not proceeding as originally planned and three in services where there are other emerging pressures which puts achievement of the savings at risk.



2.7. CIPFA note that good practice is for bodies to have a single, consolidated, living document that tracks its savings plans. This should outline what has been agreed and how much progress has been made in implementation and links to both its budget and medium-term financial plan. The Corporate Leadership Team will adopt an enhanced approach to monitoring savings through 2024/25 alongside the corporate management of projects to ensure that the transformation agenda is being delivered through a series of Boards. Progress against savings achievement is reported as part of the regular financial performance reporting to Cabinet and Scrutiny, and Audit and Risk Committee through the Strategic Risk Register reporting framework.

2.8. Indicator trend - Steady over the MTFS period – Amber risk

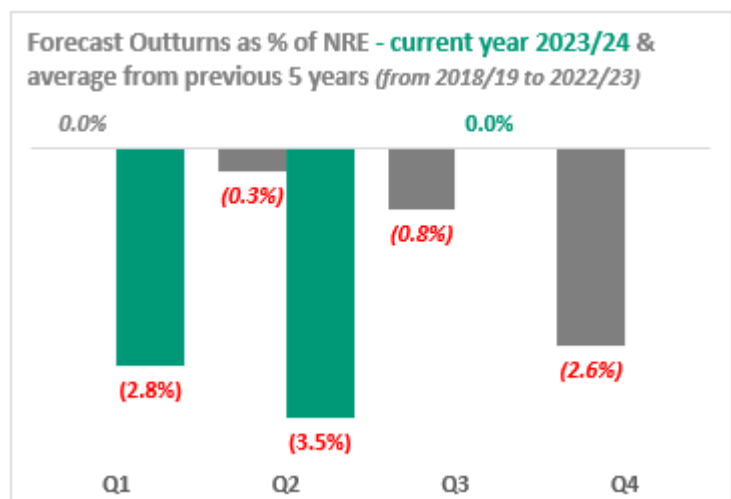
Indicator 3 - Over / underspend relative to net expenditure

2.9. It is important that overspending and underspending are kept under control and that actual expenditure is as close as possible to the levels planned. Inability to accurately forecast and plan expenditure risks creating unforeseen financial pressures and compromises the ability to set a balanced budget.

2.10. The quarterly revenue and capital forecast reports to Cabinet provide the narrative to for the reasons for the performance in year where budgets are forecast to under or overspend. The report details the planned use of reserves, unforeseen expenditure and mitigating actions by management to bring the forecast performance back to budget. Risks that are being management by the Corporate Leadership Team are also highlighted.

2.11. The 2023/24 forecast outturn performance is greater than the previous five years average performance. It should be noted that the current year has experienced increasing interest rates as the Bank of England puts in place measures to reduce inflation as experienced through increased costs in 2022/23. The Council also experienced exceptional financial challenges through the pandemic years of 2020/21 and 2021/22 where additional income was received that could not have been foreseen at the time of budget setting.

2.12. The following chart shows a general trend that the Council’s financial position improves as the year progresses. The average trend indicates prudent estimates used in building the budget alongside sound financial management throughout the year which has enabled less budget to be used to provide services which deliver the corporate strategy.

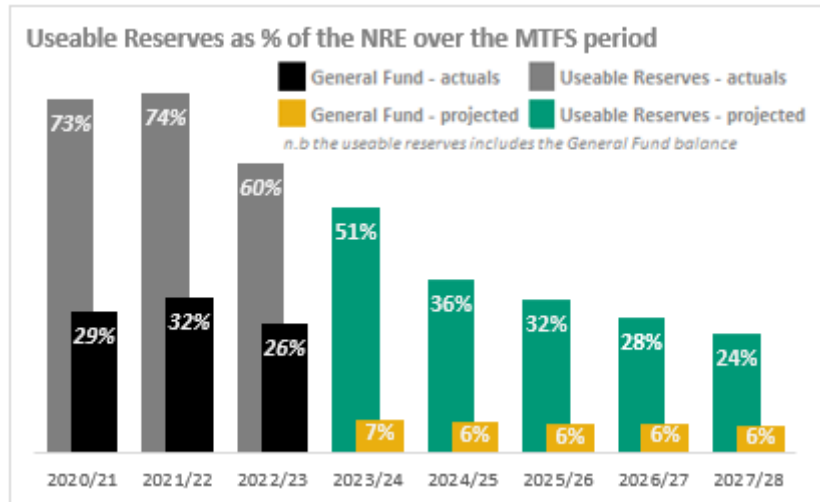


2.13. Indicator trend - Steady over the MTFS period – Amber risk

Indicator 4 - Useable reserves as a percentage of net revenue budget

2.14. Reserves allow financial uncertainty to be managed. Healthy levels of useable reserves are an important safety net to support financial sustainability. As well as being available to fund unexpected funding pressures, useable reserves can fund investments required to implement efficiency savings. The Council's strategic use of reserves is found in Appendix I.

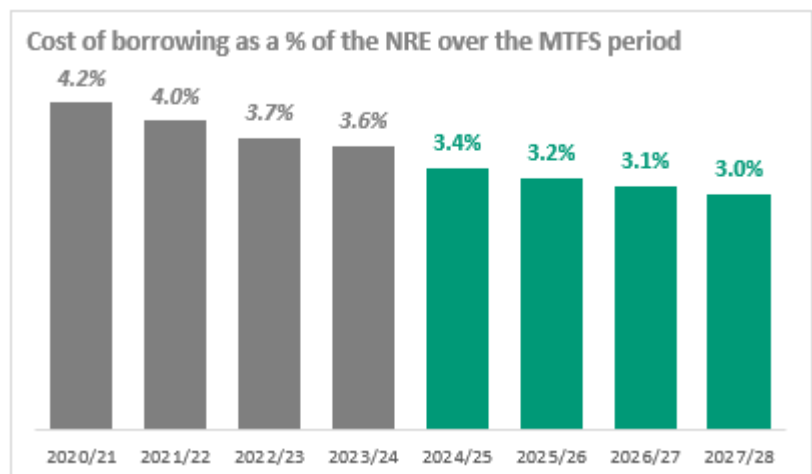
2.15. The chart shows useable reserves as a % of net revenue expenditure in recent years and over the MTFS period and is in line with the Reserves Strategy as the reduction in reserves is primarily due to the investment being made in order for the Council to become financially sustainable, with reserves expected to underpin the budget in 2024/25 only at £1.3m.



2.16. **Indicator trend - Decreasing over the MTFS period – Red risk**

Indicator 5 - The cost of total borrowing as a percentage of net revenue expenditure

2.17. Borrowing can be a valuable source of funding eg to fund large-scale capital projects. However, the cost of repaying borrowing, including interest costs, is ultimately funded from ongoing revenue budgets and can create a long-term commitment. The following chart shows the cost of borrowing as a % of the net revenue expenditure



in recent years and over the MTFS period. The Council currently has no plans to fund capital expenditure via borrowing and which shows through a decreasing proportion spent on servicing the Council's debt compared to all Council expenditure.

2.18. **Indicator trend - Decreasing over the MTFS period – Green risk**

3. Fiscal Indicators

3.1. These fiscal indicators are based on the Statement of Accounts (SoA) information and provide valuable insight into the historical financial performance of Councils. When used to examine trends over time they become increasingly powerful tools to scrutinise the financial decisions of Councils, and to assist this Council in evaluating options for the future.

3.2. These traditional accounting indicators are based on five indicators that the Audit Commission identified in 2009 that put aspects of a Council's finances – such as income, assets, debt and reserves – into context. These ratios, they suggested, could be used by elected members, taxpayers and auditors to scrutinise and challenge Councils' financial management decisions, based on the data in their accounts.

3.3. The following indicators show the Council's performance compared to a set of Councils that form Rutland's nearest neighbours according to CIPFA. The 'Nearest Neighbour' model was developed to aid local authorities in comparative and benchmarking exercises, the models provide a wide range of Standard Spending Assessment (SSA) based socio-economic indicators upon which the specific family group is calculated.

3.4. For this report, the associated Councils are:

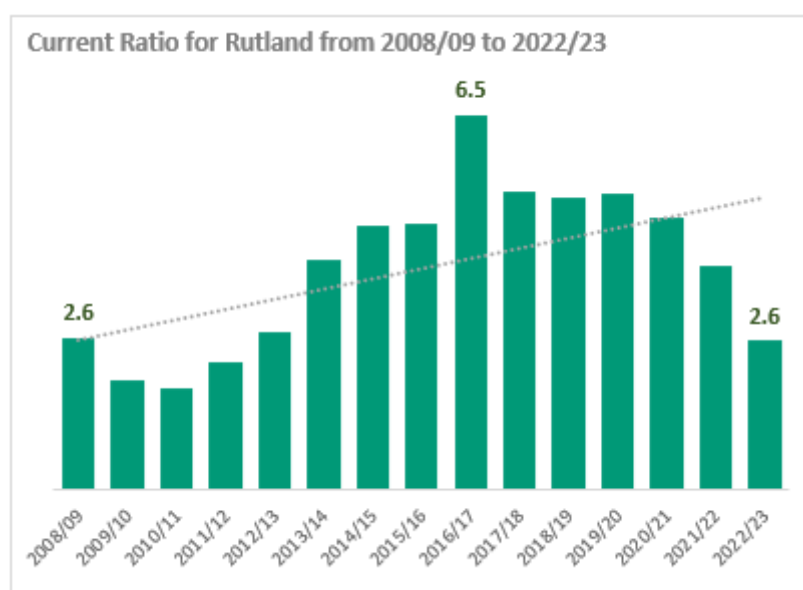
- Bath and North East Somerset
- Bedford Borough
- Central Bedfordshire
- Cheshire East
- Cheshire West & Chester
- Dorset
- East Riding of Yorkshire
- Herefordshire
- North Somerset
- Rutland
- Shropshire
- Solihull
- South Gloucestershire
- West Berkshire
- Wiltshire

Indicator 6 – Current assets to current liabilities

3.5. This ratio measures the relationship between a Council's current assets and its current liabilities. While it is commonly used to examine whether organisations are able to pay their debts in the short term, this is unlikely to be a risk for Councils given their ability to take short-term borrowing.

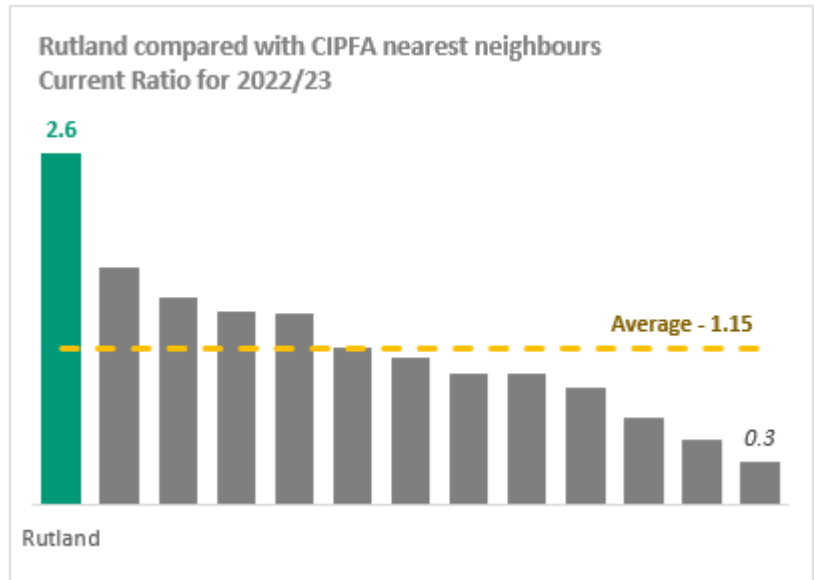
3.6. A current ratio that is in line with the industry average, in this case CIPFA nearest neighbour, or slightly higher is generally considered acceptable. A current ratio that is lower than the industry average may indicate a higher risk of distress or default. Similarly, if a company has a very high current ratio compared with its peer group, it indicates that management may not be using its assets efficiently.

3.7. For the Council the current ratio was 2.6 in 2008/09 and 2.6 in 2022/23. This compares with CIPFA



nearest neighbours group of 1.9 for 2008/09 and 1.0 for 2022/23. For Rutland this ratio has increased over time from 2008/09 to a peak of 6.5 in 2016/17 and is linked to an increase in current assets through an increasing cash balance as reserve balances have increased in order to mitigate the risk of the uncertain Local Government funding environment. Liabilities have increased each year since 2016/17 linked to income received in advance of activity being undertaken such as grants and contributions for capital investment.

3.8. Problems paying creditors, however unlikely, presents a significant reputational risk for Councils. If the ratio is below 1 the Council needs to satisfy itself that arrangements are in place to meet the liabilities. There may be additional costs for Councils that rely on short-term borrowing to pay debts.



3.9. Conversely, Councils with very high ratios should consider whether they are managing their current assets in the most effective way. For example, review their short-term investments and the adequacy of their debt collection arrangements, alongside other aspects of their financial management such as housekeeping and ensure only valid debtor balances remain on the balance sheet or have adequate provisions for bad debts.

3.10. For Rutland the main driver is linked to the cash balances which is linked to the value of reserve balances and having long dated maturity profile of debt which was transferred from Leicestershire County Council on the creation of the Unitary Council. Until this financial year it has remained prohibitive to refinance debt due to the premiums that would be charge through early redemption. However, due to the change in interest rates experienced during 2023/24 opportunities are being explored to redeem debt and with the knowledge of the Council's latest forecast capital programme expenditure and funding plans outlined in the Capital and Treasury Management Strategies.

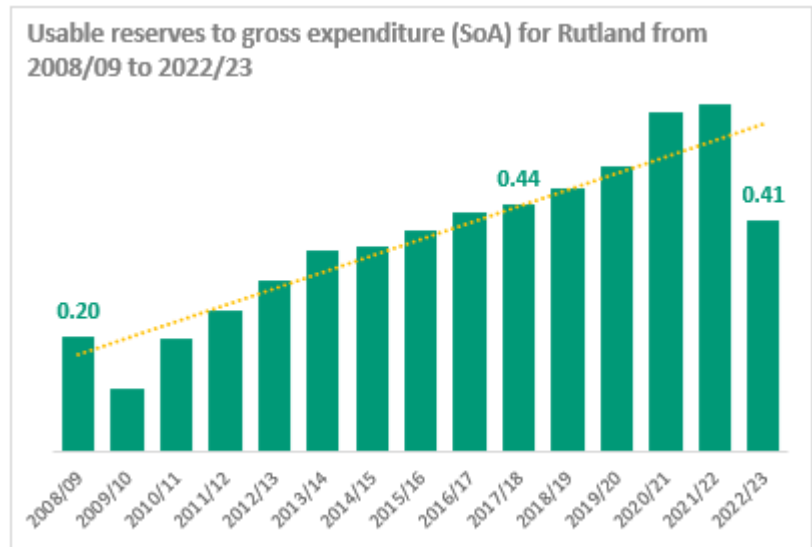
3.11. Indicator trend - Above nearest neighbour average – Amber risk

Indicator 7 – Useable reserves to gross revenue expenditure

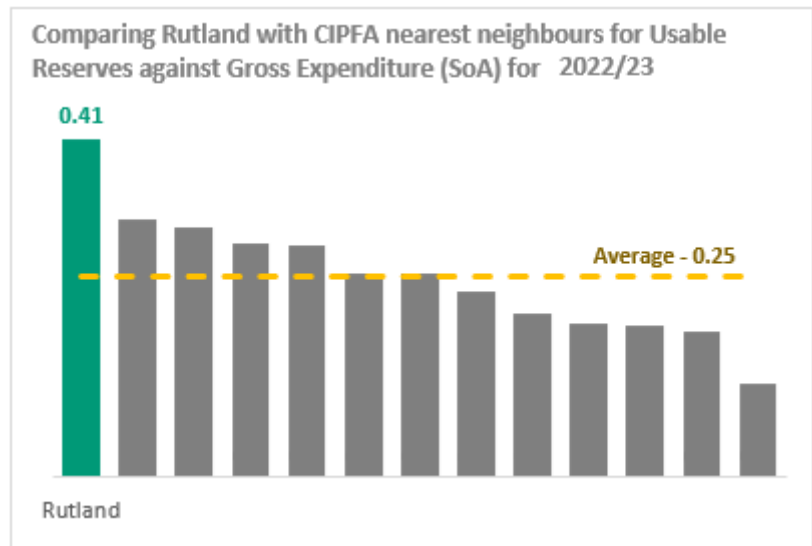
3.12. This ratio measures the relationship between a Council's useable reserves - the money it is retaining to fund future spending commitments and to meet unpredictable variations in spending - and its annual gross revenue expenditure (per the SoA).

3.13. For the Council the usable reserves to gross expenditure has risen from 0.2 in 2008/09 to 0.4 in 2022/23. This compares with CIPFA nearest neighbours' group of 0.2 for 2015/16 and 0.2 for 2022/23.

3.14. For Rutland this increase in ratio is linked to an increase in usable reserves balances over the period, whilst the increase in gross expenditure has increased at a reduced pace in comparison. These values are taken from the Statement of Accounts, and therefore provides an overview trend position so whilst the Gross Expenditure contains capital related expenditure it does provide an indication of consumption of all resources regardless of budgeting requirements between capital and revenue, as capital financing is only a timing issue and mitigations of this on council tax.



3.15. Councils face ongoing financial challenges as they adapt to deliver services at lower cost in response to rising demand and funding reductions. The cost and risks associated with service transformation and uncertainty about future funding, have resulted in some Councils increasing reserves, while others have been using reserves to make up shortfalls between their funding and spending plans.



3.16. Indicator trend - Above nearest neighbour average – Green risk

Indicator 8 – Long term borrowing to tax revenue

3.17. This ratio measures the relationship between a Council's long term borrowing and its tax revenue. When interpreting this ratio, consideration should be given to the reasons for long-term borrowing.

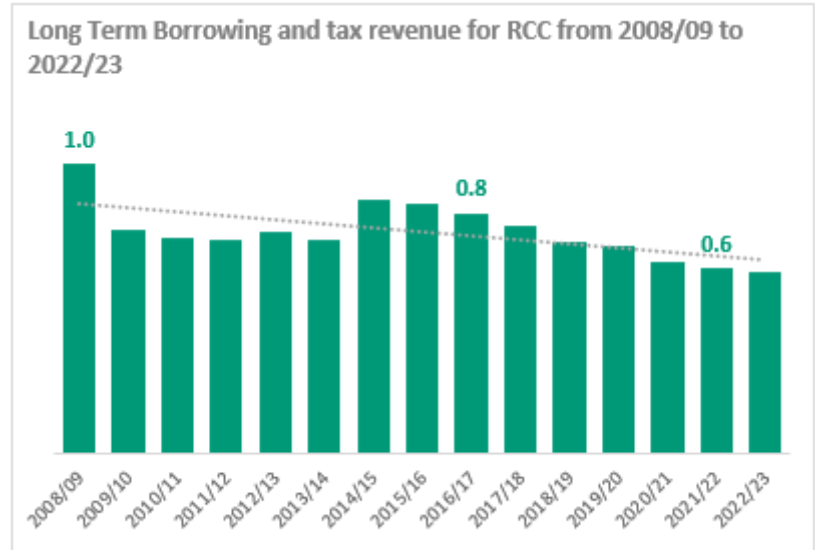
3.18. Councils enter into long-term borrowing to finance large-scale investment in the buildings and equipment they need to deliver high-quality services. The long-term borrowing considered in this ratio includes long-term liabilities related to Private Finance Initiative (PFI) schemes and finance leases.

3.19. Tax revenue in this analysis includes:

- revenue support grant
- council tax income
- business rates income

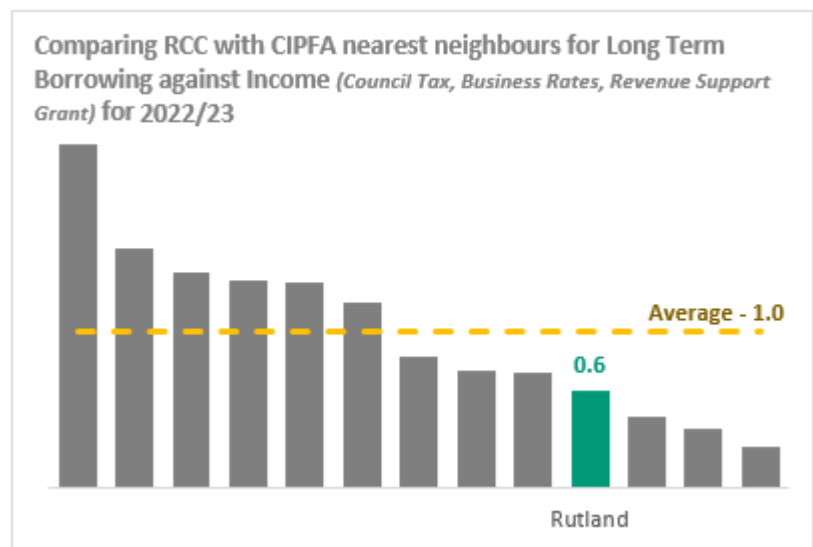
- 3.20. A number of factors have influenced the level of borrowing by Councils over the period, including:
- the freedom to enter into borrowing where this is deemed affordable (Prudential Code)
 - reductions in the funding provided by central government for capital investment
 - the historically low rates of interest which have made borrowing more affordable than at other times

3.21. For the Council the long term borrowing to taxable income has declined from 1.0 in 2008/09 to 0.6 in 2021/22. For Rutland long term borrowing has decreased over the period whilst taxable income has increased over the same period. This compares with CIPFA nearest neighbours' group of 0.9 for 2008/09 and 1.0 for 2022/23.



3.22. Councils need to ensure that their medium term financial strategies take sufficient account of the level of debt repayments to minimise any impact these may have on future spending plans. During most of the period of the analysis undertaken interest rates have been at historically low level, making borrowing more affordable. With interest rates set to rise in the years head future borrowing will be less so.

3.23. All Councils, but especially those with high ratios need to consider the affordability of their borrowing in the light of likely levels of tax revenue. Councils have already experienced reductions in support grant from government with further reductions expected. The retention of business rates created an incentive for Councils to increase income from this source but it has also increased exposure to risks of volatility in business rates yield.



3.24. **Indicator trend - Below nearest neighbour average – Green risk**

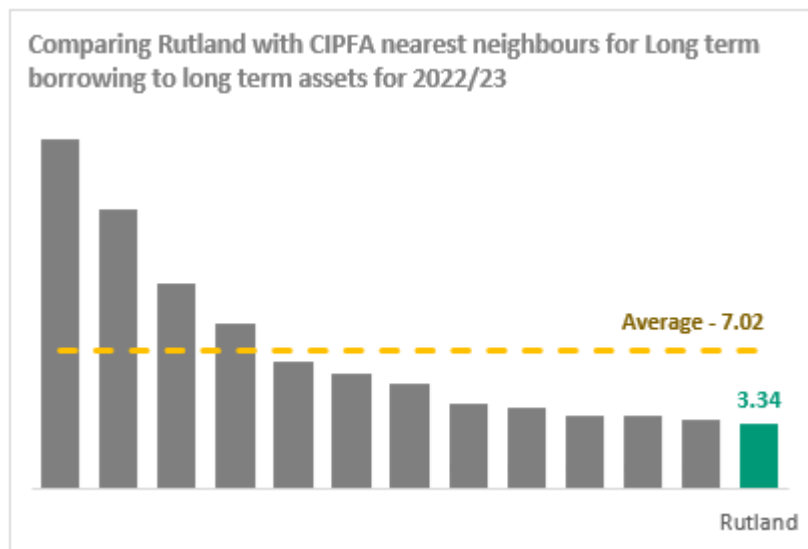
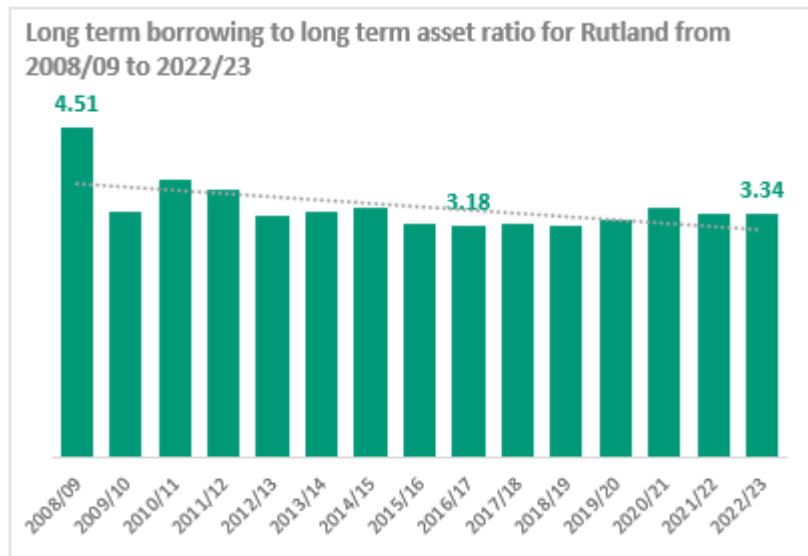
Indicator 9 – Long term borrowing to long term assets

3.25. This ratio measures the relationship between a Council's long-term borrowing (as per SoA) and long-term assets which include:

- fixed assets
- long-term investments
- long-term debts owed to the Council

3.26. The ratio provides insight into what borrowing has funded and the potential need for future borrowing. This is a traditional accounting ratio based on the Council's balance sheet, and for local government comparison to the Capital Financing Requirement (CFR) is suggested as a better test of assets to borrowing requirement, with the difference between the two reflecting the internal borrowing to fund asset investment.

3.27. For the Council the long term borrowing to long term assets has increased from 4.51 in 2008/09 to 3.34 in 2022/23. For Rutland both long term borrowing and the value of long term assets remained stable over the period. This is linked to the fact that over 56% of long term assets are infrastructure based ie roads, which do not appreciate in value. This compares with CIPFA nearest neighbours group of 6.8 for 2008/09 and 7.3 for 2022/23. Rutland's performance could be improved by a reduction in long term borrowing, per point 3.10, and until recently this option has been prohibitive due to the cost of premiums required to be paid on the early redemption of debt.



3.28. The level of existing long-term borrowing and the value of long-term assets should both influence a Council's decisions about how to finance its future investment in delivering its services.

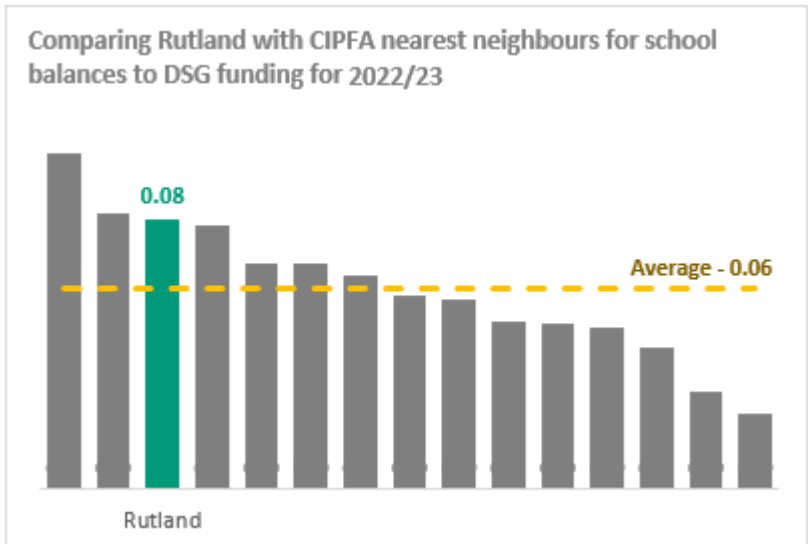
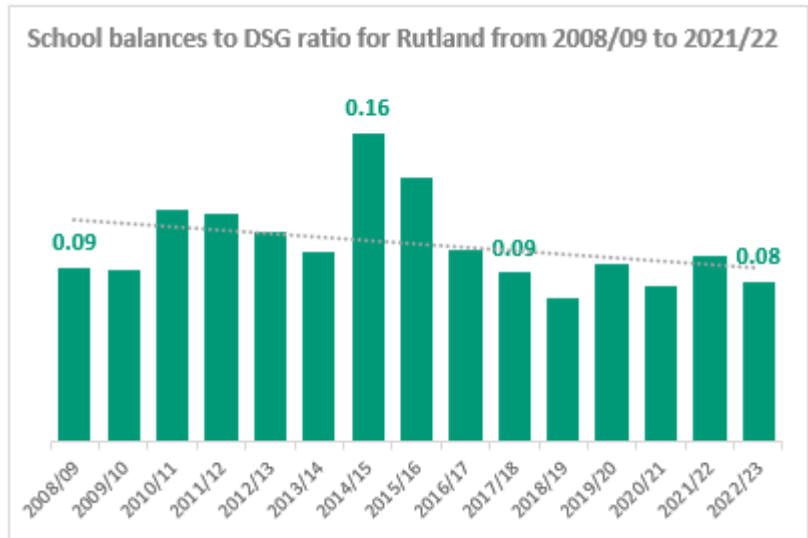
3.29. Indicator trend - Below nearest neighbour average – Red risk

Indicator 10 – School balances to dedicated schools grant

3.30. This ratio measures the relationship between the total - positive and negative - balances held by the maintained schools in the Council's area and the level of dedicated schools grant funding received from central government.

3.31. As with the ratio on useable reserves to gross revenue expenditure discussed earlier, this ratio highlights if there is a particularly high or low level of school balances relative to the money provided for spending on education.

3.32. For the Council the school balances to dedicated schools grant has reduced from 0.09 in 2008/09 to 0.08 in 2022/23. However, whilst this appears to be a relatively stable position school balances rose and peaked in 2014/15 and have generally declined in the years since. For Rutland as the DSG funding reduced school balances also decreased over the same period. This does not factor in the DSG deficit balance held on the Council's balance sheet.



3.33. Generally, a Council should consider whether there are specific reasons why schools are retaining particularly high balances and whether there is more that can be done to help schools manage their budget effectively, especially if General Fund is being used to support school related services. Through local schemes for financing schools the Council may introduce mechanisms to recover excessive uncommitted balances ' where some level of redistribution would support improved provision across a local area'. These are options that will be investigated through 2024/25.

3.34. Indicator trend - Above nearest neighbour average – Amber risk

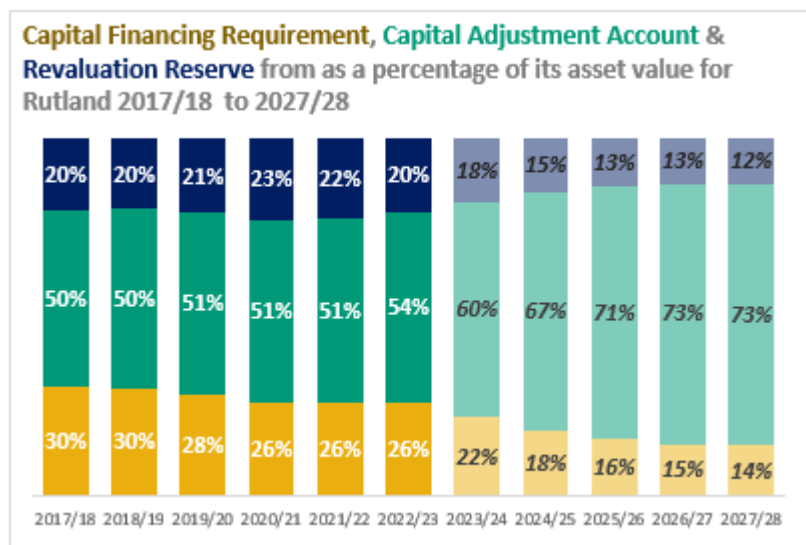
4. Capital Investment Indicators

- 4.1. A well-managed capital programme is a critical contributor to the overall financial position of the Council and in the delivery of excellent services to the residents and businesses of Rutland. As such the capital programme is a key factor to the achievement of a sustainable Council in the longer term. An effective Capital Strategy and a strengthened governance and control framework supports the Council in achieving this.
- 4.2. Depending upon the funding an investment in capital assets can create a long-term burden on revenue budgets through capital financing or the net treasury management expenditure. The revenue budget is therefore based on:
 - interest charges – existing borrowing
 - MRP - (minimum revenue provision – repayment of debt principal)
 - interest charges – new borrowing
 - interest receipts – from cash flow surplus's
- 4.3. The Council is required to produce Prudential Indicators for both capital and treasury strategies. The prudential indicators consider the affordability and impact of capital expenditure plans and set out the Council's overall capital framework. Each prudential indicator either summarises the expected activity or introduces limits upon the activity and reflects the underlying capital programme. However, it is also note worthy that those Council's that have issued S114s all had prudential indicators, and therefore having Prudential Indicators alone do not create financial sustainability, but form a basket of indicators, as included in this Appendix, which will provide an overview of all financial trends.

Indicator 11 – The direction of travel for the Capital Financing Requirement (CFR) as a percentage of its asset value over the medium-term period

- 4.4. The Capital Financing Requirement (CFR) measures a vital component of an authority's capital strategy, the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. It measures the underlying need to borrow for a capital purpose, although this borrowing may not necessarily take place externally. Therefore, it indicates a Council's debt position

- 4.5. The following chart shows the direction of travel for the Council since 2017/18 and projected up to 2027/28 based on this MTF5 and an assumption on appreciation rates based on recent performance of Long-Term Assets on the balance sheet. It shows that the CFR is projected to decrease over a ten-year period from 2017/18 to 2027/28 from 30% to 14%, and therefore the debt position for the



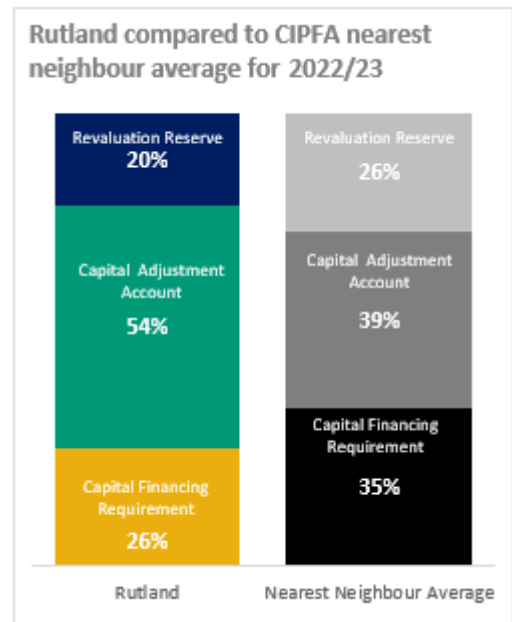
Council is also likely to decrease leading to a lesser burden on revenue budgets to

finance this debt (interest and MRP). However, as noted in 3.10 and 3.27, this would be dependent upon refinancing the Council's debt due to the long date maturity that is attached to the existing loans.

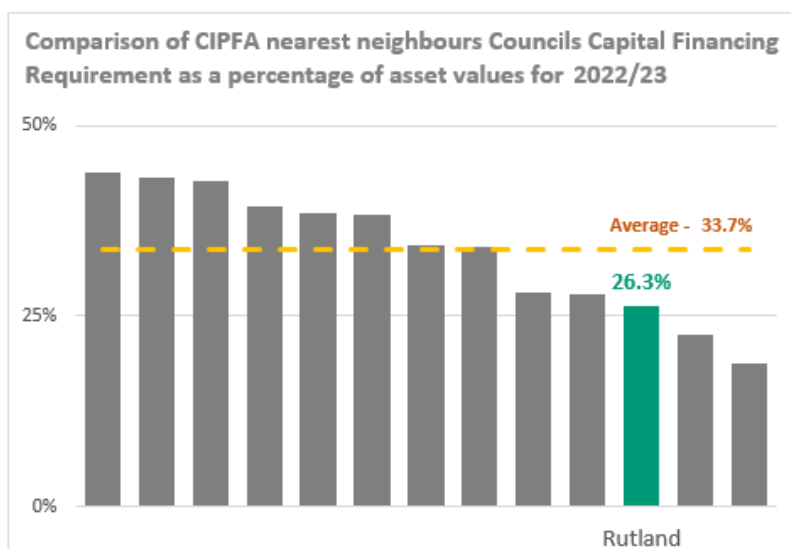
- 4.6. It also shows that appreciation for the assets on the Council balance sheet is likely to decrease from 20% to 12%. This is based on trends only and has not been modelled using factors from expert valuers. However, it may which suggest that the capital investments that are made are unlikely to appreciate over the same period based on historic performance as expenditure is incurred on assets do not appreciate.
- 4.7. Finally the chart shows that the amount of alternative funding of the capital programme from grants, third party contributions and capital receipts is to increase from 50% in 2017/18 to 73% in 2027/28. This estimate is based on the Council undertaking investment in its assets using third party funds or capital receipts and is subject to assets being actively managed as part of the Asset Management Strategies and Plans.
- 4.8. **Indicator trend - Decreasing over the MTFs period – Green risk**

Indicator 12 - The Capital Financing Requirement (CFR) as a percentage of its asset value is no greater than the nearest neighbour average

- 4.9. A comparison of the Council's CFR position with nearest neighbours would indicate whether capital investment is in line with service provision delivered by Councils of a similar size and service mix. If the CFR is greater than the average, then a review as to what is driving this difference should be undertaken and whether it is affordable in the longer term and confirmation on delivering a return on the investment assessed.
- 4.10. The Council, for 2022/23 has performed better than its nearest neighbour counterparts as to the impact of the capital investment on its balance sheet, as shown in the following chart.
- 4.11. A Council can only capitalise expenditure that meets the definition of an asset under proper accounting practice, that is expenditure on an asset that will provide the authority with control of the resulting economic benefit or service potential and has a measurable cost.
- 4.12. However, for Local Authorities, under the Local Government Act 2003, a Council can fund particular items of revenue expenditure from capital under statute if the expenditure is capital in nature such as enhancing an asset but the asset is not owned by the Council ie a Community Centre, or a school that has converted to an academy, or if approved by the Secretary of State a Capitalisation Direction ie equal pay compensation, or funding of transformational change. Therefore, it is possible for a Council to incur debt (a liability) without an associated asset on the balance sheet.



4.13. The chart shows the Council's debt position as a percentage of the value of assets 26.3%, and how this is below the average 33.7% for its group of nearest neighbour Councils as at 2022/23.



4.14. **Indicator trend - Below nearest neighbour average – Green risk**

Indicator 13 – Risks impacting on the cost of total borrowing as a percentage of Net Revenue Budget

4.15. This indicator looks in more detail at the risks inherent in the capital programme over the MTFS period. The direction of travel for these inherent risks of the capital programme compared to the year before are considered. Mitigation and management action can be put in place to help manage these risks and therefore impact on revenue budgets through increased governance and control measures and the Council does this through the Capital Programme Board which will commence in 2024/25 following the combination of the two previous asset management boards.

4.16. Based on the analysis of the following risks the trend suggests there is an increased risk of the capital programme impacting on revenue budgets over the MTFS period.

Direction of travel (DoT) based on comparison of values from the previous year									
IBP & MTFS Year	2023/24	2024/25	2025/26	2026/27	2027/28	Total ↑	Total ↓	Total ↔	Risk Basis
DoT - Capital Programme	↑	↑	↓	↓	↓	2	3	0	increasing capital expenditure = greater risk exposure based on value
DoT - Capital Receipts	↑	↑	↓	↔	↓	2	2	1	capital receipt target not achieved = no or reduced capital scheme OR increased borrowing
DoT - Grants & Contributions	↑	↑	↓	↓	↔	2	2	1	decreasing external funding may lead to additional borrowing however this is not the strategy
DoT - Borrowing	↔	↔	↔	↔	↔	0	0	5	there is no reliance on borrowing built into the capital programme or MTFS
Increased risk	2	2	1	1	0				

4.17. **Indicator trend - Steady over the MTFS period – Green risk**

Indicator 14 - The cost of total borrowing as a percentage of net revenue expenditure

4.18. Reference to this indicator has been included here as it relates to capital financing, however it was previously included as Indicator 5 as part of the financial sustainability indicators, 2.17. This shows the cost of borrowing forecast to reduce from 3.65% of net revenue expenditure as per the current financial year 2023/24 to 3.0% in 2027/28.

4.19. Indicator trend - Decreasing over the MTFS period – Green risk

5. Conclusion

- 5.1. Following the advice of their S151 Officer, Councils make local decisions in response to their local circumstances and plans. All elected members, regardless of political party and role within the Council, are responsible for ensuring that the Council budget balances and investment and expenditure decisions are appropriate for local circumstances.
- 5.2. These financial health indicators demonstrate the decisions of past Council members, with the resulting financial performance providing the foundations for decisions made today. All members are accountable to taxpayers for the decisions they make, both today and in the future through achievement of financial sustainability over the period.
- 5.3. In summary the 14 indicators of financial health for Rutland for the MTFS period suggest that the Council is taking appropriate measures to deliver a financially sustainable position.
- 5.4. There are indicators where improvements can be made such as the level of debt with the proactive management of current assets, and opportunities will be investigated in more detail during 2024/25.
- 5.5. Risks remain for the level of savings that are required over the MTFS. However, as outlined in this MTFS the Council has incorporated a transformation agenda in order to provide services within the funding envelope forecast. Whilst the immediate future year relies on reserves to underpin the position, the future years do not. Investment from reserves is being used to fund activity that creates financial sustainability or to effectively manage risks that are inherent in the activities of the Council and its financial operating environment.
- 5.6. The assumptions being used in the capital programme and associated capital and treasury related strategies provide a financial position that does not create additional revenue burdens.

Financial Risk Register

1. **Context**

1.1. Local Government has become increasingly exposed to risk and instability within the system.

1.2. Most of the financial risks identified are inherent, including the requirement to deliver savings plans, management of budgets, which

relate to demand led services, and assumptions in respect of the level of resources receivable through Council Tax, Business Rates and Government grants. In addition, there are rising external factors creating an additional layer of financial risk such as the rising cost of the national living wage, the impact of inflation and increasing energy prices.

Risk area	Description of the risk	Risk mitigation
<p>Level of Reserves</p> <p>135</p>	<p>As contained in Section 7 the Robustness Statement and the Reserves Strategy in Appendix I, sets out that the Council has a reducing balance of reserves.</p> <p>A risk to the financial sustainability of the organisation over the medium term is if reserve balances are continually used to underpin the day to day expenditure of Council activities.</p> <p>If the Council is unable to delivery savings to the timescales and values outlined in this MTFS, and is unable to mitigate during the year then reserve funding will be required to fund these delays and shortfalls.</p>	<p>The Council has adopted an enhanced budget setting process where Service Ambitions have been designed within an affordability envelope. This is in recognition that the current delivery of services is unaffordable and transformational change is required over the MTFS period. Reserves are being used to fund activity that will directly lead to savings as identified in the 12 transformation workstreams and through creation of a more modern Council in its operation and adoption of more modern working practices.</p> <p>The Council adopted a Reserves Strategy in September 2023, and has been updated and included in this MTFS document. This document outlines how reserves will now be used to fund investments to fund activities that in turn lead to financial sustainability and / or to mitigate risks inherent in the services the Council delivers. This MTFS outlines that only in 2024/25 are reserves required to balance the budget, which is in line with the Financial Sustainability Strategy approved by Council in November 2022.</p> <p>Reserves will only be drawn down one activity that requires funding ready to be taken, and a commitment against reserves shown until this point. Use will be monitored through the regular financial reporting cycle.</p> <p>The Council has considered these risks and there is provision within the Risk Management Contingency budget over the MTFS period and through the RAG risk rating of the savings plans a budget risk reserve has been allocated within the Financial Sustainability Strategy reserve.</p>

Risk area	Description of the risk	Risk mitigation
Level of one-off (non-repeatable) savings	A Council may rely on savings that are one-off in nature which puts at risk medium to longer term financial sustainability.	Savings have been planned over the MTFS period in alignment with the enhanced budget setting process. This has facilitated a shift in focus from making savings one year at time, and enabled strategic use of reserve funding to invest in activities that will lead to savings over the medium to long term.
Service delivery demand led services	The Council provides services in a number of areas where the need for support lies outside the Council's direct control, for example in children's, adult social care and homelessness. Demographic growth and demand pressures present financial risk for the Council over the medium term.	<p>The Council continues to take measures to review and modify its service provision to respond to increasing demand for services, through more cost-effective operating models and working with client groups and partners to manage demand for services. This approach underpins the transformational based approach to the savings identified in this MTFS.</p> <p>Regular monitoring, forecasting, and reporting of financial and service performance and anticipated pressures will be undertaken to ensure that corrective management action is taken to control expenditure within the approved budget. Savings plans are based on intervention and prevention, aiming to reduce need and service demand.</p>
Savings delivery (current and new proposals)	The achievement of a financial sustainable budget across the MTFS period is reliant upon the successful delivery of the agreed savings plans.	<p>The Corporate Leadership Team (CLT) consider the delivery of savings in two corporate boards monthly; the Risk and Finance Board and Corporate Project Management Board. The information and reports considered at these boards enables CLT to track delivery of savings and projects, taking remedial action where necessary.</p> <p>Delivery of savings and projects is then reported in the Finance performance reports to Cabinet and Scrutiny. Where changes in the operating environment have meant that the original savings plans are no longer achievable these are reviewed and updated as part of the MTFS budget setting process.</p>
Income	<p>Cost of provision of service outstrips returns or a reduced level of sales.</p> <p>There is a risk from the non-payment of invoices from our suppliers.</p>	<p>Delivery of planned income generation (and savings) is tracked through monthly financial reports and reported to CLT, Cabinet and Scrutiny. Programme and project governance will require recovery plans to be prepared where projects are identified as varying adversely from plan.</p> <p>The challenging economic environment has increased the risk on the recovery of debt. An assessment of the Council's bad debt has been undertaken and a provision made accordingly to mitigate the risk of the Council being able to recover this debt in full in the future. The Council</p>

Risk area	Description of the risk	Risk mitigation
		monitors the debt position and takes action to ensure payment of invoices.
137 Business rates	<p>The Council will benefit from any growth in business rates but also shares the risk of volatility of collecting business rates, changes to business rates during the financial year and administration costs associated with collecting business rates.</p> <p>The government's 'Check, challenge and appeal' system has reduced the level of open appeals however there is a provision set aside for appeals by the Council, and there is a risk that this may not be sufficient</p> <p>Business Rates collection rates</p> <p>Business Rates reforms have been further postponed. At present it is not clear how this could impact on the Councils funding levels</p>	<p>The finance team aligns forecasts using an approach with planning and revenue and benefit colleagues to monitor business growth as part of the budget setting process and at regular intervals during the financial year. On a monthly basis dashboard reports are made available to the s151 officer and the finance team to monitor business rates income.</p> <p>The Council has reviewed the level of Business Rates provision it holds to mitigate the financial impact of valuation change and appeals.</p> <p>Collection rate is on target and recovery action takes place on a timely basis. This is monitored by officers throughout the year and report to CLT.</p> <p>Officers will feedback to all consultations, to ensure all Rutland's views are communicated and considered. As information becomes available officers will model the financial impacts, and ensure the budget reflects the appropriate funding levels.</p>
Council Tax and Local Council Tax Support (LCTS)	<p>Non-collection rates increase beyond the budget assumptions.</p> <p>An increase in the levels of Local Council Tax Support (LCTS) claim levels, beyond budget assumptions. The current challenging economic climate, with the Cost of Living crisis, could increase the level of LCTS claims the Council has received, due to an increase in the levels of hardship being experienced.</p>	<p>Officers monitor the collection rate regularly and quarterly dashboard reports are made available to the s151 officer and the CLT to monitor council tax income collection and tax base growth. The Council will take necessary action to ensure payment of bills and has been mindful of challenges facing households.</p> <p>The Council will revise future year forecasts of council tax income accordingly.</p> <p>The LCTS case loads are being monitored by officers alongside the use of the Council's additional support funds of the Hardship, Discretionary, and Financial Crisis Funds.</p>
Local Government Reforms	<p>The Funding reforms (also known as the Fairer funding Review) presents a risk for the Council as it means there is uncertainty surrounding its future funding levels. Ministers have indicated that this review will form part of future proposals post a General Election in 2024.</p> <p>Government introduces new burdens for Local Authorities for example waste collection and disposal, and adult social care</p>	<p>Officers are continuing to monitor all announcements, publications and consultations from DLUHC and from Local Government advisors. This will include networking and attending events to keep abreast of the latest information.</p> <p>Officers will feedback to consultations, to ensure all Rutland's views are communicated and considered. As information becomes available officers will model the financial impacts, and ensure the budget reflects</p>

Risk area	Description of the risk	Risk mitigation
	<p>reforms. These burdens may or may not come with additional funding from government, the new expenditure exceeds funding available, or funding is provided but reduces over time which creates a new service expenditure burden.</p>	<p>the appropriate funding levels. This will include using the modelling tools which are available to us from PIXEL and the LGA.</p> <p>Officers will consider if there are opportunities for additional fees and charges, and other income sources to reduce the burden from new services.</p>
<p>Partnership working / contractual commitments</p> <p>138</p>	<p>The Council outsources or contracts out a large proportion of services on a long-term basis to third party organisations.</p> <p>There is a risk that the council could be subject to increased costs from these contracts due to:</p> <ul style="list-style-type: none"> • General inflation • Increasing salary costs • Fuel / energy price rises • Care Market sustainability • Pressures within the Local Government neighbouring authorities where services are procured <p>or alternatively have little flexibility to generate savings within the current budget due to the level accounted for via these contracts. The terms of the contracts may also restrict this.</p>	<p>The Council reviews all contracts with a view to achieving improved value for money through strengthened contract management arrangements and negotiation of variation to services delivered. The Council's Contract Procedure Rules requires that all contracts have a named contract manager for the duration of the contract.</p> <p>The Council will continue to work closely with its partner organisations to deliver the best services to its residents in the most effective and efficient manner</p>
<p>Capital</p>	<p>The proposed capital programme is partially reliant on third party contributions and grant allocations. These funding streams are not always guaranteed, such that they could be impacted by a downturn in development or reduced opportunity for central government funding.</p>	<p>The capital programme is monitored and reported by officers within the monthly financial performance reports. The Council is updating the Terms of Reference for the officer led Capital Programme Board. The Board will meet regularly to review the progress of schemes contained in the capital programme and evaluate new proposals or opportunities available to the Council. The larger capital schemes will fall under the Council's programme management framework and therefore have associated governance structures to further mitigate the risk to the Council eg the Levelling Up Fund programme.</p> <p>All capital investment proposals require a business case which assesses funding options and associated risks and mitigating actions.</p> <p>Developer contributions, such as that within a section 106 agreement, are to be realised in line with approved policy and legal agreements.</p> <p>Grant bids to be worked up by the budget / project managers in partnership with the finance team, in line with previous successful bid submissions.</p>

Risk area	Description of the risk	Risk mitigation
	<p>The capital programme is also reliant on capital receipts to fund some schemes.</p>	<p>Achievement of capital receipts is monitored as part of the financial performance reports that are considered by CLT, Cabinet and Scrutiny. The finance team receive information on the latest forecasts for sale completion, estimated level of receipt, and the market environment operating under from the property team. The Asset Review work undertaken as part of the transformational workstreams will identify further opportunities as part of the asset management plan.</p>
<p>Economic (Treasury) risk</p>	<p>Inflation – increases above forecasts assumed within the budget.</p> <p>Interest rates - a change in interest rates could impact on borrowing costs which may in part be offset by increased investment interest receipts.</p>	<p>The inflation position and forecasts will be reviewed, and the impact monitored through regular finance performance reporting. Mitigating actions will be taken accordingly to manage activity within the budgets set.</p> <p>The Council is not reliant on borrowing to fund the capital programme and therefore the risk exposure to rising interest rates is mitigated. The Council current debt portfolio is based on fixed rate loans so there is no exposure to interest rate rises from variable rate loans.</p>
<p>Financial Resilience</p>	<p>There is a risk that the Council's financial resilience is put under strain to withstand the combined pressures of reducing grant funding and the increased cost and demand pressures.</p>	<p>The MTFS report sets out that the Council still has a challenge ahead, in order to achieve financial sustainability in the future. Savings plans outlined within this MTFS are achievable albeit challenging. The use of reserves to underpin the budget is now only planned for 2024/25.</p> <p>The Council has reviewed its budget setting process and adopted an enhanced approach that puts service delivery at the heart of how it spends its money. Service Ambitions have been designed within an affordability envelope meaning that longer term savings are captured and balanced against the need for short term savings.</p> <p>This MTFS also includes a set of financial health indicators so that Council is able to make decisions on the MTFS based on the knowledge of previous Council decisions. The indicators show that the financial risk to the Council is the yearly funding of the revenue budget, with a relatively healthy balance sheet position to support ongoing achievement of saving plans.</p>
<p>Climate change</p>	<p>The impacts of climate change in the UK and around the world are clear and demand urgent action. Climate change that impacts lives and livelihoods and the reshaping of landscapes and communities is already being experienced.</p>	<p>The Council's refreshed draft Corporate Strategy proposes Tackling Climate Change as a key priority for the Council. Under this priority the following objectives are planned:</p> <ul style="list-style-type: none"> • Reduce carbon emissions and adapt to the impact of climate change. • Increase biodiversity in the County. • Further increase recycling rates and reduce levels of waste.

Risk area	Description of the risk	Risk mitigation
	<p>The Council is committed to mitigate this risk to residents, businesses and stakeholders</p>	<ul style="list-style-type: none"> • Improve public transport links and opportunities for greener forms of travel. <p>This MTFS includes service investments to aid the delivery of this key priority which will be monitored as part of the regular finance and corporate performance reporting.</p>
Recruitment & retention	<p>The Council is experiencing challenges with recruitment and retention in some critical roles. This is not a specific risk to the Council with a number of influencing factors such as:</p> <ul style="list-style-type: none"> • Expectations from an agile workforce post the pandemic • Succession planning seen less of a priority in the sector as whole has created a knowledge gaps as staff retire • Pay rates • Competition between local authorities • Public sector less attractive through reducing budgets <p>The loss of staff mean there is a risk to the delivery of the Corporate Strategy and performance of key services may suffer</p>	<p>The Council monitors and reports on this risk as part of the Strategic Risk Register. There are a series of actions to mitigate this risk (see latest Risk Register considered at Audit & Risk Committee – December 2023, Item 10).</p> <p>The Corporate Leadership Team (CLT) consider the delivery and impact of services on a monthly basis through finance reporting. The information and reports considered track financial performance, which is directly linked to performance, with the latter considered quarterly as part of the Performance reporting also considered by CLT, Cabinet and Scrutiny.</p>
Deficit on the High Needs block of the Dedicated Schools Grant (DSG)	<p>The Council has a deficit balance on the DSG estimated to be £1.9m by 31 March 2024. From 1 April 2020 a new regulation was introduced that enabled any deficit on the Schools budget to be transferred to the Dedicated Schools Grant Adjustment Account which had the effect of separating the schools budget deficits from the local authority General Fund until March 2026. There is a risk that the School's deficit continues to increase and schools are not able to make good the deficit through application of the DSG funding when the override is removed in March 2026.</p>	<p>The Council has set aside funds in the reserve to cover the costs of the cash flow of funding this deficit.</p> <p>The Council is part of the Department of Education's Delivering Better Value (DBV) programme which is providing support to aid the Council in activities that reduce the demands of SEN to create a financial sustainable system which it is not at present.</p> <p>The Council has previously made provision to support this deficit from General Fund balances. However, this requires approval from the Secretary of State as it is cross subsidy of government departments and therefore not a guaranteed solution.</p>
The Local Plan	<p>The Council voted in September 2021 to restart its Local Plan process and set aside £1.4m with further contribution of £0.62m to increase the fund to £2.02m.</p> <p>There is a risk that without the Local Plan in place that the Council's exposure to planning appeals is increased.</p>	<p>The Council has ringfenced reserves of £1.7m remaining, which will be drawn down in line with the profile to fund the costs of producing the New Local Plan and the additional resources required due to not having a 5 year land supply.</p> <p>The Council follows the local plan policy to ensure that decisions are appropriately made. Where planning appeals are successful the</p>

Risk area	Description of the risk	Risk mitigation
		Council will mitigate any potential cost pressures this causes, and where necessary will drawn down on reserve funding.

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Reserves Strategy & Policy

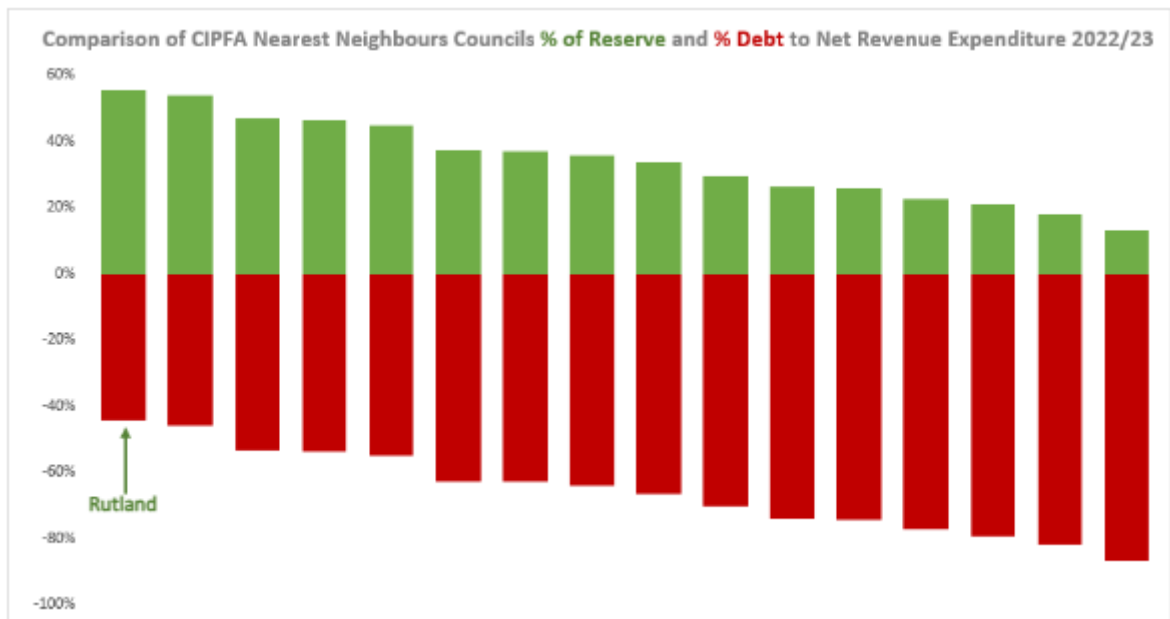
1. Background and Context

- 1.1. Sections 32 and 43 of the Local Government Finance Act 1992 require councils to consider the level of reserves when setting a budget requirement. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves when setting a budget requirement. This is completed at the Council through the 'Section 25 Report of the Director of Finance' contained within the Integrated Budget Plan and Medium-Term Financial Strategy (MTFS). The accounting treatment for reserves is set out in the Code of Practice on Local Authority Accounting.
- 1.2. In March 2023 CIPFA issued their Bulletin 13 – Local Authority Reserves and Balances (Updated), and replaces the previous guidance provided in LAAP Bulletin No.99. Compliance with the guidance is recommended in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government. In response to the above requirements, this strategy sets-out the Council's approach for compliance with the statutory regime and relevant non-statutory guidance for the Council's cash backed usable reserves.
- 1.3. All reserves will be categorised as per the Local Authority Accounting Practice guidance, into appropriate groupings.
- 1.4. Within the Statement of Accounts for General Fund Earmarked Reserves, all individual reserves are reported and include a description of the purpose of the reserve.
- 1.5. Earmarked reserves will be reviewed regularly as part of the in-year monitoring process and annually as part of the budget setting process, to determine whether the original purpose for the creation of the reserve still exists and whether or not the reserves should be released in full or in part or require topping up based on known / expected calls upon them. Particular attention will be paid in the annual review to those reserves whose balances have not moved over a two-year period, other than the General Fund, for further detail see Section 4 management and governance.

2. Overview

- 2.1. The Council will maintain:
 - a general fund reserve
 - a number of earmarked reserves in relation to specific purposes
- 2.2. The level of the general reserve is a matter for the Council to determine having had regard to the advice of the S151 Officer. Due to the prevailing economic uncertainties facing the Council's finances, the S151 Officer recommends aligning the use of reserves with their strategic use to achieve financial sustainability over the MTFS period. This enables assessment of their use and increases or decreases in fund balances to be transparently reported and shown in context of achieving the Council's objectives.
- 2.3. The Chartered Institute of Public Finance and Accountancy (CIPFA) recommend that the following factors should be taken into account when considering the level of reserves and balances:
 1. Assumptions regarding inflation and interest rates
 2. Estimates of the level and timing of capital receipts
 3. The capacity to manage in-year demand led pressures
 4. Ability to activate contingency plans if planned savings cannot be delivered

5. Risks inherent in any new partnerships
 6. Financial standing of the authority (level of borrowing, debt outstanding etc.)
 7. The authority's record of budget management and ability to manage in year budget pressures
 8. Virement and year-end procedures in relation to under and overspends
 9. The general financial climate
 10. The adequacy of insurance arrangements
- 2.4. Each Council must make their own decisions about the level of reserves they hold, taking into account all of the issues referred to above. An assessment with regards to these factors and the level of reserves held is included in the Budget document and forms part of 'Section 25 Report of the Director of Finance', and an initial assessment included as part of the introduction of this Strategy.
- 2.5. As at 31 March 2023, which is the latest set of meaningful data comparisons, Rutland is ranked 1 out of 16 CIPFA Nearest Neighbour Councils (previously ranked 4) in terms of the percentage of reserves held as a proportion of their budget. The range of reserves held as a percentage of budget is wide; the lowest authority at 20%, up to the highest, Rutland, at 71%. It is worth looking at reserves alongside borrowing, as borrowing can be used to protect reserves, or reserves used to reduce borrowing. This is an area that is to be reviewed alongside the fiscal health indicators of the Council, Appendix G. The data referred to is captured in the chart below:



- 2.6. This strategy is based on the establishment of six key reserves / funds which will provide a balance between funds required for investment to bring financial sustainability to the Council alongside funds for risk mitigation activity. These reserves / funds are detailed in the following sections, and in summary are:
- General Fund
 - Financial Sustainability Strategy Reserve & Budget Risk Reserve
 - Risk Reserve
 - Departmental Reserves & Capital Investment Fund
 - Innovation Fund
 - Process Improvement Fund
- 2.7. The level of the general fund reserve will be a matter of judgement which will take account of the specific risks identified through the various corporate processes. A risk assessment of the General Fund will be made each year as part of the Section 25

Report of the Strategic Director of Resources (S151 officer). The level will be expressed as a percentage of the general funding requirement (to provide an indication of financial context). As part of the Financial Sustainability Strategy the Council agreed that it should hold as a minimum general reserve an equivalent to 5.5% of the Council's Net Revenue Expenditure, or £3m by the end of the strategy period. This approach and value remains reasonable given 2.8.

2.8. A Risk Reserve will be set up take account of specific risks to be covered through earmarked reserves. An assessment as at the end of December 2023 is provided in Appendix A. This Risk Reserve will provide the Council with approximately 2.5 to 3 times the value of risk identified using the risks factors listed in 2.3. These factors have been allocated a financial value based on an assessment of the risk by the S151 officer and a multiplier applied. The multiplier reflects the approximate timings to mitigate the financial impact of the risk once materialised by proactive management, as outlined below:

Stage	Financial risk cover	Action
Stop risk activity & reduce financial risk	Between 2.5 – 3 times the financial risk identified	Proactive management action to cease risk exposure
Reduce financial risk further to minimal activity		
Activity back in line with budget assumptions		

2.9. This Strategy enables the Council to manage its reserves based on key funds which support the strategic financial approach over the medium term, see point 6.2.

2.10. This report is being considered as part of the Integrated Budget Plan 2024/25 and MTFS 2024/25 – 207/28, with Council approval planned for February 2024 with regular review as part of the in-year monitoring process.

3. Strategic investment funds

- 3.1. The Council continues to face a shortfall in funding compared to expenditure demands and must annually review its priorities to address the shortfall. This MTFS contains some challenging saving targets, and in order to become financially sustainability further transformational change will be required over the medium to long term.
- 3.2. To achieve financial sustainability, the Council will need to invest in a range of innovative and transformational activities in order to reduce future costs of service delivery. Two funds were designated to fund such activity:
 - the Innovation Fund
 - the Process Improvement Fund

The Innovation Fund

3.3. The balance on the Innovation Fund has been determined by assuming an approximate payback period of one year on the required investment (see formula below). For this purpose, the Transformational Savings of £4.0m identified in the MTFS has been used as the determining factor for the value of the reserve.

$$\frac{\text{Realisation of Savings}}{\text{(Years / Months)}} = \frac{\text{Investment Costs}}{\text{Value of Savings}}$$

- 3.4. Use of the Fund will be based on receipt and approval of Outline Business Cases which will provide an overview of the proposal, key milestones and timing of delivery of the proposal, along with a profile of the investment and achievement of savings and / or efficiency gains.
- 3.5. Savings from this Fund will directly support the savings required as part of the MTFS.

The Process Improvement Fund

- 3.6. For the MTFS period the balance on the Process Improvement Fund will be maintained in the region of £0.5m-£1.5m and will be drawn-down on the basis of business cases that either pay back the original contribution, or result in significant service improvements, or significantly reduced costs compared to the 'do-nothing' option.
- 3.7. Savings obtained from the use of these funds will be reinvested back into the fund creating a 'rolling fund' and an investment fund that is self-sustaining.
- 3.8. The use of this Fund must meet the criteria as described in the table in 5.4.

Summary for investment funds

- 3.9. Innovation and transformation need to be a constant and therefore any opportunity to replenish these reserves will be considered as part of each year's annual budget setting process, and any outturn opportunities offered by any underspends. As such, once the General Fund and Risk Reserve targets are achieved, any additional funds through underspends should be placed in the Innovation Fund and / or the Process Improvement Fund unless circumstances require alternative use. Consideration will also be given to the establishment of a fund to seed fund climate change activities.
- 3.10. The Council is in receipt of interest earned through investments of its cash balances to support its general spending plans. If the capital programme requires Council funding it is recommended that to avoid interest payments on borrowing the Council will effectively internalise that borrowing requirement by use of cash balances, including sums held in reserves and general positive cash flows. The Council will be able to facilitate this approach through use of the balances held in reserves that will help reduce on-going revenue costs. The use of reserves will reduce the opportunity to reduce costs of capital / interest receipts.
- 3.11. Reserves are one-off money. The Council will avoid using reserves to meet ongoing financial commitments, other than as part of the Financial Sustainability Strategy, and one of the Council's financial principles is to stop the use of one-off funding to support the base budget ie this reserves strategy will prevent reserves being applied merely to balance the budget.

4. Management and governance

- 4.1. For each earmarked reserve held there will be a clear protocol setting out:
 - The reason for/purpose of the reserve
 - How and when the reserve can be used
 - Procedures for the reserve's management and control
 - A process and timescale for review of the reserve to ensure continuing relevance and adequacy.
- 4.2. All protocols should have an end date and at that point any balance will be transferred to the General Fund. If there is a genuine reason for slippage, then the protocol will need to be updated. A questionnaire will be completed by the relevant budget

manager and reviewed by Finance to ensure all reserves comply with legislative and accounting requirements.

- 4.3. Reserves protocols must be sent to the Finance team for review and will be approved by the S151 Officer, the Corporate Leadership Team (CLT), and by the Cabinet Member for Finance. Protocols should clearly identify contributions to and drawdowns from reserves across the lifetime of the MTFS, and these will be built into the Annual Budget. Ongoing recurring costs should not be funded from reserves unless part of a smoothing reserve and approved as part of the MTFS. The short-term use of reserves may be agreed to provide time to plan for a sustainable funding solution in the following financial year. Decisions on the use of reserves may be delayed until financial year-end and will be dependent on the overall financial position of the Council rather than the position of just one budget area.
- 4.4. All earmarked reserves will be reviewed as part of the monitoring process, the budget preparation, financial management and closing of accounts processes. Cabinet will be presented with the monitoring of reserves on a regular basis and in the outturn report and the Council will consider a report from the S151 Officer on the adequacy of the level of reserves in the annual budget-setting process.
- 4.5. The use of reserve funds will be subject to the usual governance processes. The following rules apply:
 - Any in-year use of the General Reserve will need to be approved by Cabinet and any planned use will be part of the budget setting process.
 - In considering the use of reserves, there will be no, or immaterial, impairment to the Council’s financial resilience unless there is simply no alternative.
- 4.6. The Council will review the Reserves Strategy and Policy on an annual basis through Audit and Risk Committee.

5. General Fund and Earmarked Reserves detail

- 5.1. The General Fund balance is the statutory fund into which all the receipts of the Council are required to be paid in, and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. The General Fund balance summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.
- 5.2. Earmarked reserves are amounts set aside from the General Fund balance to provide financing for future expenditure plans. In summary:

General Fund	Earmarked Reserves
<ul style="list-style-type: none"> • A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing • As a contingency to cushion the impact of unexpected events, major incidents or emerging risks 	<ul style="list-style-type: none"> • Monies set aside for future events or liabilities

- 5.3. The Statement of Accounts that are produced each year details the Council’s Earmarked Reserves and explanations as to why each are held. There will continue to be draw-down and contributions to these reserves in line with the patterns of expenditure anticipated when the reserves were created. There is no proposal within the budget to change this strategy.

5.4. The following table provides the details of all the General Fund revenue reserves:

Reserve	Reserve description
General Fund	<p>This Fund is the statutory fund into which all the receipts of the Council are required to be paid in, and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise.</p> <p>This reserve ultimately smooths the financial impact of unexpected events, major incidents or emerging risks, including:</p> <ul style="list-style-type: none"> • Risks which exceed the other specific risk reserves (budget, inflation, and local taxation reserves) • The capacity to manage in-year budget pressures in relation to demand led service delivery • The general financial climate • Financial risks arising as a result of new government legislation or new burdens <p>The Financial Sustainability Strategy states that this reserve must not be reduced lower than £3m over the period.</p>
Financial Sustainability Strategy & Budget Risk Reserve	<p>This balance represents the strategic use of reserves to fund the budget gap whilst transformational activity is undertaken. The MTFS plans for £1.3m of this reserve to be used in the first year with a balance budget in the remainder of the years. This position is reliant on the delivery of saving plans. Therefore, the balance of this reserve will be used to mitigate the risk of delivering the savings on time and to value and will therefore act as a Budget Risk Reserve.</p>
Departmental Reserves	<p>Amounts set aside by departments in accordance with financial guidance. These funds have been received in advance for specific projects covering multiple years (ie grant funding), or funding to cover specific activity (ie the Local Plan), or for existing commitments (ie DSG deficit). The balance will vary as the projects / commitments progress. This includes funds set aside for investment in the Capital Programme.</p>
Risk Reserve	<p>This reserve is to be used to mitigate some of the financial risk resulting from the uncertainty contained within the budget such as from rising rates of inflation, risks associated with delivering a challenging savings programme not covered by the reserve above, and any timing differences due to Section 31 grants, future tax losses and the impact of the cost-of-living on income generating budgets.</p>
Innovation Fund	<p>The balance of the sums set aside which can be utilised to fund one-off type expenditure such as to fund service transformation with the aim of making current Council funding work harder ie efficiency gains.</p>
Process Improvement Fund	<p>This reserve will be used following the application of the following criteria:</p> <ul style="list-style-type: none"> • Delivers against the Council's corporate strategy and priorities, • Provides on-going revenue savings, or • Provides on-going revenue income, and • Must repay costs back to the fund within an agreed period (three year payback) OR delivers a benefit to a related service that contributes to sustainability <p>This reserve fund is not intended to:</p> <ul style="list-style-type: none"> ▪ Substitute existing funding-streams

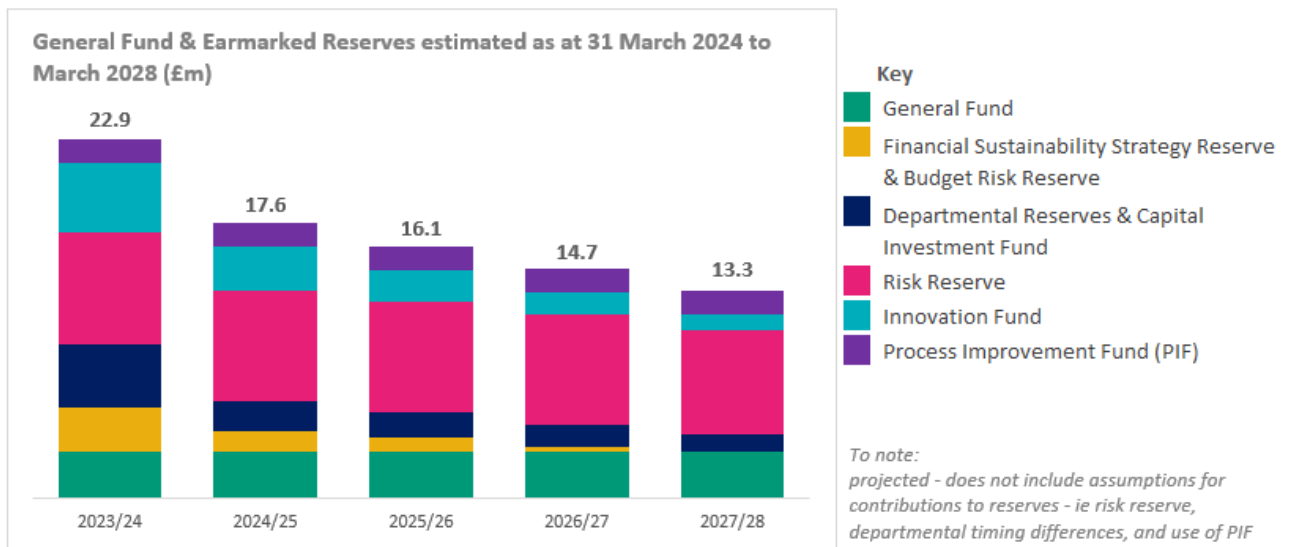
Reserve	Reserve description
	<ul style="list-style-type: none"> ▪ Meet on-going revenue needs ▪ Provide financial support for capital works

6. The Reserves Strategy balance of funds

6.1. The application of this Reserves Strategy on the balance of the General Fund and Earmarked Reserves is set out in the following table. Balances are estimated as at 31 March.

Reserves estimated balance as at 31 March	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
General Fund	3,000	3,000	3,000	3,000
Financial Sustainability Strategy & Budget Risk Reserve	1,293	909	326	0
Departmental Reserves & Capital Investment Fund	1,906	1,631	1,355	1,079
Risk Reserve	7,071	7,071	7,071	6,723
Innovation Fund	2,813	1,989	1,439	989
Process Improvement Fund	1,500	1,500	1,500	1,500
Total	17,583	16,100	14,691	13,291

6.2. The following chart provides an illustration of this reserve strategy. The chart shows a reduction in the reserve balances from an estimated £22.9m to £13.3m over the period. However, it should be noted that the future years are illustrative only, no assumptions have been made to the use of the Risk Reserve or made with regards to contributions to reserves – ie if there is use of a risk reserve appropriate contributions back to the reserve will need to be in as part of the overall Medium Term Financial Strategy (MTFS) and timings for additional saving delivery or income generation.



CIPFA Recommended Risk Factors in consideration of Reserve Balances

The factors that CIPFA recommend should be taken into account when considering the level of reserves and balances. Below, each of those factors is given a 'direction of travel' indicator since last year's budget was set. A downward direction means an improved position for this Council (i.e. the general trend direction of the risk compared to the assessments made the previous year).

1. Assumptions regarding inflation and interest rates

Inflation is currently at 4.7% above the Government target of 2%. Forecasts suggest a similar rate at the turn of the year, with monetary policy needing to be sufficiently restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term

↔ Interest rates are largely determined by the base rate, and to stabilise inflation the base rate has increased throughout 2023/24 to 5.25% in December 2023, and this maintains the 15 year high. This is aligned with policymakers' efforts to combat inflation, despite indications pointing to a deteriorating economic landscape.

The lower the actual and expected rate of inflation, the better it is for the Council's budget in net terms, but the converse may be true of interest rates.

2. Estimates of the level and timing of capital receipts

↔ For the current MTFS period reliance on capital receipts to part fund the capital programme is 1.3% of the programme with reliance peaking in 2025/26. Delivery against target is encouraging but remains challenging in the current economic climate. The Council has a Capital Receipts Reserve of £1.7m which is available to fund the future programme schemes.

3. The capacity to manage in-year demand led pressures

The forecast outturn position at Quarter 2 shows an overall forecast underspend of £1.6m compared to budget which largely relates to better investment income receipts (£1.3m) against the budget due to a national context of rising interest rates to combat inflationary pressures by the Bank of England.

↓ For 'net cost of services' the Council is forecasting an underspend of £0.3m. This underspend is arising due to the level of vacancies across the Council. This position is mitigating pressures arising from contract price increases through changes in demand, such as increased complexity in cases in addition to numbers of clients requiring care. Vacancy levels present the Council with risks (as outlined in the Strategic Risk Register) and management are addressing the impact of staffing levels on the performance of services, delivery of the Corporate Strategy, and the sustainable nature of this risk.

4. Ability to activate contingency plans if planned savings cannot be delivered

↔ The Council has in place a methodology which assesses the risk associated with key strategic partners. When risks are significant in terms of partnership contract risk or transport / infrastructure risks these are recorded as specific risks on the Strategic Risk register. There are no such risks at this high level contained on the risk register, and all risks are being managed by departmental teams.

Risks with our key Health partners, suppliers and commercial risks remain stable, but are kept under review given the prevailing economic climate and pressures such as inflation impacting costs of supplies and services.

5. Risks inherent in any new partnerships

↔ The Council has in place a methodology which assesses the risk associated with key strategic partners. When risks are significant in terms of partnership contract risk or transport / infrastructure risks these are recorded as specific risks on the Strategic risk register. There are no such risks at this high level contained on the risk register, and all risks are being managed by departmental teams.

Risks with our key Health partners, suppliers and commercial risks with our companies remain stable, but are kept under review given the prevailing economic climate and pressures such as inflation impacting costs of supplies and services.

6. Financial standing of the authority (level of borrowing, debt outstanding etc.)



The planned use of reserves of £1.3m to support the Financial Sustainability Strategy does reduce the Council's protection against a major unforeseen financial event, however a forecast underspend in the current financial year provides opportunities to contribute to reserves alongside management action to address vacancy levels, stabilise key service delivery, alongside bringing forward some transformational change. The general financial health of the Council remains fairly static, with overall debt levels comparing favourable compared to Nearest Neighbour statistical groups.

7. The authority's record of budget management and ability to manage in year budget pressures



The Council has continued to try and take the medium-term view on the financial position. The Council is has focused on the medium term position to deliver financial sustainability. The transformation workstreams are embedded into Service Ambitions and savings plans are integral in how services will be delivered over the period, as detailed in this MTFS.

Financial performance in the 2023/24 is encouraging and is enabling management to manage and mitigate risks now to aid financial sustainability in the medium to long term.

8. Virement and year-end procedures in relation to under and overspends



The Council's financial regulations set out clear expectations on the treatment and management of service under and overspends. The framework aims to balance incentives for services to benefit from efficiency and planned savings with the need to ensure in overall terms that policy and service priorities are being met where unplanned under or overspending occurs.

Any requests for Carry Forwards must identify the planned spend which has been delayed or the grant or other income which has been received late in the year, and state the purpose for which they will be used in the new financial year. They are subject to Cabinet approval.

A Reserves Strategy and Policy was agreed by Council in September 2023, with a revised version taken as part of the MTFS process. This clearly sets out the use of Reserves for investment in transformational activity that will aid financial sustainability or funds to mitigate risks inherent in the budget. The use of reserves outside of the Financial Sustainability Strategy is no longer permitted as part of the adoption of the Strategy.

9. The general financial climate



Inflation has exceeded 10% in recent years, with large increases in the price of energy and other materials and services. In the UK, this has impacted on households, businesses, and public sector organisations, including Councils, across the country. Rutland is no exception, and the external issues outlined are significantly impacting the Councils finances. This is on top of the legacy impact caused by the pandemic. This includes the impact on the medium-term cost profile, as the pandemic impacts on demand patterns and support for residents moving forward. Beyond 2024/25 there remains uncertainty over public finances over the medium term. The approval of the Council's Financial Sustainability Strategy and this MTFS provides a balanced budget with estimates for the future budget gap to be addressed and the financial strategy enables the Council to plan transformational service reform now to meet the future years funding challenges.

10. The adequacy of insurance arrangements



This will be kept under review as risks and claims develop, but based on historic claims this does not negatively impact on our adequacy of insurance arrangements.

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Rutland County Council budget consultation 2024/25

Introduction

Rutland County Council must set a balanced budget each year. The amount we spend on running 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.

Consultation around Rutland County Council's latest annual budget runs until 5.00pm on Friday 2 February 2024. All the feedback received as part of this consultation will be reported to Cabinet, Scrutiny, and Full Council at the end of February, helping to councillors to make their decision.

Key points

A full copy of our latest draft Integrated Budget Plan can be read and downloaded from our website. Some of the key things to note in our 2024/25 budget are:

- The total cost of funding local services in Rutland in 2024/25 is **£49.1million** (up from **£46.6million** last year)
- The latest Local Government Finance Settlement has awarded Rutland County Council more money than it did in 2023/24. However, this increase is not enough to cover the rising cost of services
- Service pressures of **£5.2m** have been included in the budget, arising from demand, market cost pressures and contracts.
- The budget 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 **£1.93** per week
- The budget also includes provisions for **£1.285m** of Council Tax Support to help people on a low income
- The draft budget for 2024/25 is balanced using **£1.3m** of the Council's General Fund reserves
- Without further planned savings, Rutland's funding gap is projected to be **£2.9m** in 2025/26, assuming **£1.8m** savings are made in the next year and Council Tax is raised by a further 5%.

Council Tax and fairer funding

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, this is based on a government assumption that all councils will raise Council Tax by the maximum 4.99% allowed (2.99% Council Tax and 2% just for Adult Social Care).

Under the current national funding formula, Rutland gets less government funding per household than other councils with our same responsibilities. Because of this, we rely heavily on Council Tax to fund local services – even more so than other councils. To put this in context, Rutland relies on Council Tax contributions for 77% of its funding. Nationally, other authorities rely on Council Tax for around 56% of their funding. This is a big difference.

We have recently written to the government along with other local authorities to call for fairer funding for all councils in England. [You can read more about this on our website.](#)

Council spending

The draft Integrated Budget Plan for 2024/25 includes the follow spending plans for key frontline services:

- **£17.6million** for adult social care services, which include day care, community care, residential care, and protection
- **£7.4million** to support children’s social care services such as fostering, adoption, residential care, and support for children with disabilities
- **£3.9million** to pay for waste services. This includes recycling and disposal of waste, as well as the cost of running Rutland’s recycling centres
- **£2.7million** for school transport and school support
- **£2.6million** to fund public transport and other services such as maintenance of all roads, car parks, footpaths, bridges, and street lighting in the County, together with the cost of winter gritting, traffic management and road safety.
- **£2.4million** for public protection and environment, including street cleaning, grounds maintenance, trading standards and licensing services

Where we’ve saved

Rutland County Council has been working hard for many years to find savings and efficiencies that help close gaps in our budget while minimising the impact on services. This has included measures like:

- Reductions in workforce across all teams in the Council
- Changing how we manage demand for services
- Increasing income generation such as with green waste charges
- Pausing and reducing highways works available for emergency works and unplanned remediation
- Withdrawal of a carers’ grant
- Reduction in the outsourcing of children’s assessments for courts
- Reduction in the support for some parts of our learning disability day care and dementia services

For 2024/25, the budget process the Council has adopted an enhanced budget setting process that has focused on service delivery based on affordability. This has helped officers to put forward a range of savings and investments that deliver financial sustainability. It also means that services will begin to look and feel different as the Council transforms, so that it can provide services within the income it receives. The Integrated Budget Plan outlines the services we provide, together with a breakdown of the associated budgets.

Ongoing investments planned for 2024/25 include:

- Additional budget for inflationary and demand pressures of £1.2m
- Home to School transport costs following a rise in demand from SEND provision £0.3m
- Cost associated with alternative provision for waste disposal of £0.1m
- New burden costs from government for flood and biodiversity £0.2m
- Investment in technology to support customer engagement and decision making £0.1m

Savings which planned to be undertaken during 2024/25 include:

- Prevention activities where Council intervention at the right time reduces costs in the future £0.3m
- Transformation of service delivery, including efficiencies £0.9m. Examples include a new Communities Hub model, redesign of the public bus network, alternative use of key Council sites, and alternative delivery model for heritage services
- Negotiations with contractors of £0.5m
- Additional income generation of £0.2m

Budget consultation

SECTION ONE: Corporate Strategy refresh

A huge amount of work goes into preparing the Council's budget each year but why?

Ultimately, Rutland County Council exists to provide local services that help people who live and work in the county, as well as visitors to our area. These services range from running libraries and caring for vulnerable adults to maintaining the county's roads and collecting Rutland's waste and recycling. We issue blue badges for people with disabilities and make decisions on planning applications. We find families for children without a home and inspect food businesses to make sure they're meeting hygiene standards. We must be financially sustainable and set a balanced budget each year so that we can keep providing the hundreds of services that people rely on.

To guide this work and make sure we are following a clear plan, the Council has just refreshed its Corporate Strategy. The Corporate Strategy has been shaped by the Future Rutland engagement exercise, so it reflects what Rutland residents have told us is most important to them. It has a total of four priority areas and everything we do will be geared towards achieving these goals:

1. Tackling the Climate Emergency

We will support the County to tackle the climate crisis, helping to reduce carbon emissions and minimise the impact of climate change on the lives of residents and local businesses.

2. A diverse and sustainable economy

We will play our part to build a strong rural economy with a productive, sustainable and diverse business base that provides opportunities for everyone.

3. Support the most vulnerable

We will work collaboratively to improve outcomes for residents, helping those who need additional support to live their best lives.

4. Provide good public services

We will deliver modern and cost-effective services that are easy to access and provide good levels of customer care.

A full version of the refresh with further information on our objectives and targets can be found on our website.

QUESTION ONE:

To what extent do you agree with each of the four priority areas in Rutland County Council's refreshed Corporate Strategy? (*Sliding scale of 1-10, with 10 being Strongly Agree and 1 being Strongly Disagree for each priority*)

QUESTION TWO:

Is there anything that you think is missing which should be included as a priority for the Council?

- Yes
- No

If you answered yes, please use the space below to tell us more about what you think is missing:

SECTION TWO - Our financial health

The financial pressure on local councils has never been greater. We often talk about the fact that councils have more responsibilities than ever before, while experiencing unprecedented demand for our services – growing numbers of people need our help, particularly when it comes to social care. When you factor in the rising cost of delivering these important services (caused by soaring energy costs, staffing costs and the rate of inflation), it's not hard to see why councils like Birmingham and Nottingham have recently issued Section 114 notices. This is the clearest possible indication that a council is in financial crisis. According to [a recent survey by the Local Government Association](#), almost one in five councils in England think it is very or fairly likely they will need to issue a Section 114 notice this year, due to a lack of funding to keep key services running.

Rutland County Council needed to find additional funding of £1.4m to meet in-year budget demands experienced during 2022/23. This means we had to spend £1.4m more than we budgeted at the start of 2023, on top of £2.7m of increased spending that we originally forecast when setting our last budget. Looking ahead, our financial position remains extremely challenging. Once again, the amount of money we need to spend to run local services is greater than the amount of income we expect to receive, meaning we will have a gap of £1.3m in our 2024/25 budget.

Rutland is in a better position than most councils because of the way we've managed our budget over many years. In response to all the pressures we've described, we have been looking for ways to close our funding gap. We've looked at ways to generate more income, alongside activities that will drive more efficiencies in service delivery. The services we provide to residents will need to look and work differently in the future. However, this change is necessary to avoid situations like Nottingham and Birmingham and we are determined to achieve similar outcomes or better, regardless of the pressures we're facing.

You can read more detailed information about our current financial position in Council's draft Integrated Budget Plan for 2024/25: www.rutland.gov.uk/budget

QUESTION THREE:

To what extent do you agree with the following statements about how Rutland County Council should prioritise spending on local services? (*Sliding scale of 1-10, with 10 being 'Strongly Agree and 1 being Strongly Disagree'*)

- The Council should focus on providing services that benefit the largest number of people
- The Council should focus on providing services that offer support to people who need help or care
- The Council should focus on providing statutory services (the services it is required to provide by UK law)

QUESTION FOUR:

If we can only do one of these things, which do you think is most important?

- The Council should focus on providing services that benefit the largest number of people
- The Council should focus on providing services that offer support to people who need help or care
- The Council should focus on providing statutory services (the services it is required to provide by UK law)

Please use the space below to provide any further comments:

Our latest budget

The Council has been clear of its number one priority, it is outlined in the Corporate Strategy and that it is to be financially sustainable. Our Integrated Budget Plan and Medium-Term Financial Strategy (IBP & MTFS) puts the Council on a firm footing to deliver on this priority. While the plan relies on the use of £1.3m of reserves for 2024/25, future years budgets are balanced against future estimated income receipts. This is ahead of the timelines outlined in the Financial Sustainability Strategy as approved by Council in November 2022 by using less reserves to underpin the day-to-day expenditure in the future years.

This Plan and Strategy has been put forward with affordable service provision at the heart of its creation, ensuring that these services deliver the Corporate Strategy. The Council previously recognised that a transformational approach to how it delivers services was required. Previous MTFS's showed the Council was living beyond its means with reserves being used to prop up day to day expenditure.

QUESTION FIVE:

To what extent do you support the following principles as a way to help the Council reduce costs while continuing to delivery local services? *(Sliding scale of 1-10, with 10 being 'Strongly Agree and 1 being Strongly Disagree)*

- We will create a smaller but functional council that spends less overall and makes better use of technology
- We will use the Council Tax flexibility given to us by national government, which assumes councils will apply maximum increases to help fund local services
- We will provide information, guidance and advice to help people serve themselves
- We will work with others, including voluntary organisations, who are in a position to deliver some services
- We will invest some of our reserve funding into the Council and services to reduce future running costs, if possible
- We will identify non-statutory services that can be charged for or run commercially (this means they make money and break even, at a minimum)

Please use the space below to provide any additional comments:

QUESTION SIX:

Do you have any other suggestions on how the Council could increase income, reduce costs or make savings to help us balance the budget?

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Appendix K – Capital Programme Schemes 2024/25 – 2027/28

1.1 The Council’s Capital Programme is viewed over a four-year period to ensure correct stewardship of assets and efficient use of budgets, with the years forming part of the MTFS. The Capital Programme includes estimated project costs and profiling of expenditure whilst detailed business cases and due diligence is completed on individual schemes.

1.2 A revised Capital Strategy forms Appendix M and once approved will guide the way for agreeing schemes in the Capital Programme in accordance with the key objectives within the Corporate Strategy. The following table shows the detailed schemes of the capital programme and funding over the MTFS period.

Programme Area	Programme Description	Corporate Priority	Capital Expenditure 2024/25 £000	Funding		Capital Expenditure 2025/26 £000	Funding		Capital Expenditure 2026/27 £000	Funding		Capital Expenditure 2027/28 £000	Funding	
				Grant / S106 2024/25 £000	Revenue / Capital Receipt 2024/25 £000		Grant / S106 2025/26 £000	Revenue / Capital Receipt 2025/26 £000		Grant / S106 2026/27 £000	Revenue / Capital Receipt 2026/27 £000		Grant / S106 2027/28 £000	Revenue / Capital Receipt 2027/28 £000
Rolling	Disabled Facilities Grants	Vulnerable	270	270	-	270	270	-	270	270	-	270	270	-
	Devolved Formula Capital	Public Services	5	5	-	5	5	-	5	5	-	5	5	-
	Highways	Economy	2,684	2,684	-	2,684	2,684	-	2,684	2,684	-	2,684	2,684	-
	Local Transport Plan	Public Services	462	462	-	462	462	-	462	462	-	462	462	-
	IT Refresh	Public Services	80	-	80	80	-	80	80	-	80	80	0	80
Total			3,501	3,421	80	3,501	3,421	80	3,501	3,421	80	3,501	3,421	80
Approved	Estimated Carry Forward from Prior Year		1,264	1,249	15	-	-	-	-	-	-	-	-	-
	Asset Investment (H&S works)	Public Services	542	-	542	-	-	-	-	-	-	-	-	-
	Affordable Housing - Brooke Road, Oakham	Economy	163	163	-	-	-	-	-	-	-	-	-	-
	Levelling Up Fund schemes	Economy	21,717	21,717	-	11,905	11,905	-	-	-	-	-	-	-
	UKSPF	Economy	165	165	-	0	0	-	-	-	-	-	-	-
	Waste and Street Cleansing Vehicles	Public Services	1,862	1,862	-	-	-	-	-	-	-	-	-	-
Total			25,712	25,155	557	11,905	11,905	0	0	0	0	0	0	0
Request Approval	Affordable Housing South Street	Economy	347	287	60	-	-	-	-	-	-	-	-	-
	Family Hub	Vulnerable	500	500										
Total			847	787	60	0	0	0	0	0	0	0	0	0
Total Programme			30,060	29,363	697	15,406	15,326	80	3,501	3,421	80	3,501	3,421	80
Pipeline	Waste Transfer Station	Climate	2,249	400										
	Waste Vehicles - impact of Waste Bill	Climate												
	Highways Vehicles	Economy												
	Asset Review - HQ & et al	Public Services												
	Records Office	Public Services												
	Rural England Prosperity Funding	Economy												
	EV Infrastructure Fund	Climate												
These funds are committed as per the report to Cabinet 13 December 2022. Business cases are required prior to spending these funds in accordance with usual governance processes.														
Pipeline Developer Contributions	Highways	Economy	507											
	Heritage & Culture	Public Services	571											
	Towns Villages & Public Spaces	Public Services	1,319											
	Public Transport	Climate	1,000											
	Health & Wellbeing Infrastructure	Vulnerable	372											
	Childrens & Young People	Vulnerable	302											
	Affordable Housing	Economy	283											
	Fire & Rescue	Public Services	12											
	Community Infrastructure Levy (CIL)	Public Services	403											
Total			4,769	0	0	0	0	0	0	0	0	0	0	0

- 1.3 **Approved projects – approved projects continuing into 2024/25** - 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 2024/25. The estimated spend in 2024/25 will depend primarily on the outturn position (the amount spent) for 2023/24.
- 1.4 **Approved projects – Rolling programmes delivered with ring fenced funding** - The Council received ring fenced funding each year, which makes up the councils rolling programme, these capital schemes are developed inline with the objectives set out in the Capital Strategy (Appendix M).
- 1.5 **Projects in pipeline – to be submitted for approval or added in due course** - In a few areas, works are ongoing and some proposals for new projects are being developed. In these areas, Cabinet reports are expected sometime in the future.
- 1.6 **Requesting Approval** - In line with the Councils strategic planning the following projects have been identified for approval as part of the 2024/25 budget setting process. The following projects outlined below request approval to be included within the 2024/25 capital programme:

1.6.1 **South Street – Affordable Housing**

Nottingham Community Housing Association (NCHA) is a well-established social landlord with 146 dwellings in Rutland serving local needs. As part of their partnership working, they identified a site at 96 South Street, Oakham and have liaised with the Council. They have submitted a planning application for 4 one-bedroomed flats and 5 three-bedroomed houses. Opportunities like this for affordable housing for rent are rare in the town centre. As of 8 September 2023, there were 140 households on the Council's housing register waiting for general needs one-bedroomed dwellings and 66 waiting for three-bedroomed general needs dwellings in Oakham. The Council would seek 100% of nomination rights for first lets and 75% for relets.

In order to make the scheme viable at 100% social rent and to deliver all properties at a predicted Energy Performance Certificate Band A, a capital contribution of £346,500 is required (subject to planning consent and a funding agreement), plus an estimated £5,000 to cover the Council's legal costs. Of this £286,640 is available from the Council's section 106 funding for affordable housing. This leaves a current shortfall of £64,860 towards the last phased payment. It is recommended that this shortfall be met from section 106 affordable housing commuted sums, should these be received by the Council in time but, alternatively, that the remainder be funded from capital receipts.

1.6.2 **Communities Infrastructure Project**

The Communities Infrastructure project is a crucial part of the Council transformation aims for the Communities and Prevention workstream... The investment of capital funds will have a long-term impact on the facilities available to those in greatest need in the county and improve equality of access, and the provision of support.

It is proposed that the following spaces be developed, in summary:

Oakham Library – creation of a permanently partitioned group work/bookable meeting space with digital information point/IT access and which, could be used for example, for housing, employment and debt advice, and community support groups.

Oakham Library – creation of a multi-purpose family hub/teaching space for children out-of-school and adult learning in small groups.

Oakham Library – redevelopment of garage space to provide youth space (with separate access), bookable meeting room(s) and storage area for library/community hub resources.

Oakham Children's Centre (primary family hub site) – conversion of existing windowless meeting room into a sensory space (or use with neuro-diverse children/ including a resource for the Early Years Pathway).

Uppingham Library (community hub site) – originally it was proposed to extend the existing building and refurbish/reconfigure library space to provide group work/bookable meeting space and private interview space/information portal for families, with particular focus on family support and activities for parents of children with SEND, and housing, employment and other community groups. Potential to utilise space for young people as a drop in facility. Creation of accessible toilet facilities.

Following a series of site visits, however, the design of the existing space has been reconfiguration to house all the above within the existing footprint of the building thereby negating the need for any extension of the building.

Ketton Library (community hub site) – reconfigure existing disused dispensary reception area and storeroom with small area of library to create child and family space and refurbish existing clinic room to create area suitable as information point, drop-ins and advice/community clinics.

The funding for the project is proposed as being £63,000 from s106 and £437,000 from Education capital funds.

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Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

Rutland County Council
2024/25

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1 KEY CONSIDERATIONS

1.1 Background

1.1.1 The Council is required to operate a balanced budget, which means that cash raised through the year will meet its cash expenditure. The Treasury Management Strategy (TMS) has four fundamental roles:

- Manage external investments - security, liquidity and yield
- Ensure debt is prudent and economic
- Produce and monitor the Prudential Indicators
- To ensure that decisions comply with regulations.

1.1.2 The role of treasury management is to ensure cash flow is adequately planned so that cash is available when it is needed. Surplus monies are invested in low-risk counterparties commensurate with the Council's low risk appetite ensuring that security and liquidity are achieved before considering investment return.

1.1.3 Another function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that it 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 risk or cost objectives.

1.1.4 The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

1.1.5 CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, including 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."

1.1.6 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

1.2 Key Changes for 2024/25

1.2.1 For 2024/25 there have been no changes to key legislation that governs Treasury Management

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021
- CIPFA Prudential Code 2021

1.2.2 Other key changes within the strategy are:

- Consideration of the Treasury Management operations of the Council to the Audit & Risk Committee – the key principle of the Treasury Management strategy is to document how risks are managed and the Audit and Risk Committee consider the key strategic risks of the Council and therefore the approach is consistent. Reporting to commence to the Audit and Risk Committee in 2024/25 following approval of this strategy by full Council in March 2024.
- Updated the conditions for undertaking new or rescheduling borrowing (para 4.6.3)
- Updated the policy on undertaking borrowing in advance of need (para 4.7) minor change to ensure the Council can take to decisions to ensure value for money
- Included details of approved institutions for borrowing purposes (para 4.10) – included as this is the first TMS approved by newly elected members following the May 2023 local elections.
- Increased the level the Council can invest with high quality institutions from £7.0m to £10.0m. This increase is to ensure the Council can invest with high quality institutions. The Council will still ensure that there is not a reliance on one institution as set out in this strategy.

1.3 Reporting Requirements

Capital Strategy

1.3.1 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of service delivery
- an overview of how the associated risk is managed
- the implications for future financial sustainability

1.3.2 The aim of the strategy is to ensure that all the Council's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures, and risk appetite.

1.3.3 This Capital Strategy is reported separately from the Treasury Management Strategy Statement and non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and investments usually driven by expenditure on an asset. The Capital Strategy will show:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- For non-loan type investments, the cost against the current market value;
- The risks associated with each activity.

1.3.4 Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

1.3.5 Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the DLUHC

(Department for Levelling Up, Housing and Communities) Investment Guidance and CIPFA Prudential Code have not been adhered to.

- 1.3.6 The Council does not hold any non-treasury investment for purely yield and financial return purposes. However, if a loss were to be incurred on any non-treasury investment during the final accounts and audit process, the strategy and revenue implications will be reported through the budgetary control process.

Treasury Management Reporting

- 1.3.7 The Council is required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.
- a) **Prudential and treasury indicators and treasury strategy** - the first, and most important report is forward looking and covers: -
- the capital plans - including prudential indicators
 - 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 Annual Investment Strategy - the parameters on how investments are to be managed
- b) **A mid-year treasury management report** – this is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Council will receive quarterly update reports as part of the Financial Reporting throughout the year.
- c) **An annual treasury report** – this is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

- 1.3.8 The above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the Audit and Risk Committee. The Strategic Overview and Scrutiny Committee also receive the Financial Reporting throughout the year and the Integrated Budget report which will also include the Treasury Management Strategy. As noted in 1.2.2 this will commence in 2024/25 financial year.

1.4 Treasury Management Strategy for 2024/25

- 1.4.1 The strategy for 2024/25 covers two main areas:
- a) **Capital expenditure and revenue costs**
- the capital expenditure plans and the associated prudential indicators
 - the minimum revenue provision (MRP) policy
- b) **Treasury management considerations**
- the current treasury position
 - treasury indicators which limit the treasury risk and activities of the Council
 - prospects for interest rates
 - the borrowing strategy

- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

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

1.5 Training

1.5.1 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. The Audit & Risk Committee have received training from the Councils Treasury Management Consultants during the Autumn of 2023/24, see section **1.5**.

1.5.2 To guide future training requirements the Council will use, CIPFA's Better Governance Forum and Treasury Management Network 'self-assessment'.

1.6 Treasury Management Consultants

1.6.1 The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

1.6.2 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 the services of its external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

1.6.3 It also recognises that there is value in employing external providers of treasury management services 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 2024/25 – 2026/27

2.1 Capital Expenditure and Financing

2.1.1 The Council's capital expenditure plans 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.

Indicator 1 – Capital Expenditure

2.1.2 This Prudential Indicator is a summary of the Council's estimated capital expenditure for the forthcoming financial year and the following financial years including how it will be funded either from grants, contributions, or capital receipts with the remaining being the 'net financing requirement':

Estimated Capital expenditure	Actuals 2022/23 £000	Projects 2023/24 £000	Projects 2024/25 £000	Projects 2025/26 £000	Projects 2026/27 £000	Projects 2027/28 £000
Service Investments	7,145	7,951	30,060	15,406	3,501	3,501
Commercial Activities / non- financial investments	-	-	-	-	-	-
Total	7,145	7,951	30,060	15,406	3,501	3,501
Grant & Contributions	6,958	7,928	29,363	15,326	3,421	3,421
Direct Revenue Financing	187	-	-	-	-	-
Capital Receipts	-	23	697	80	80	80
Net Financing Requirement	-	-	-	-	-	-
Total	7,145	7,951	30,060	15,406	2,663	2,663

Indicator 2 – Capital Financing Requirement (CFR)

2.1.3 The CFR is the total historical capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Council's underlying borrowing requirement. Any capital expenditure which has not immediately been paid for will increase the CFR.

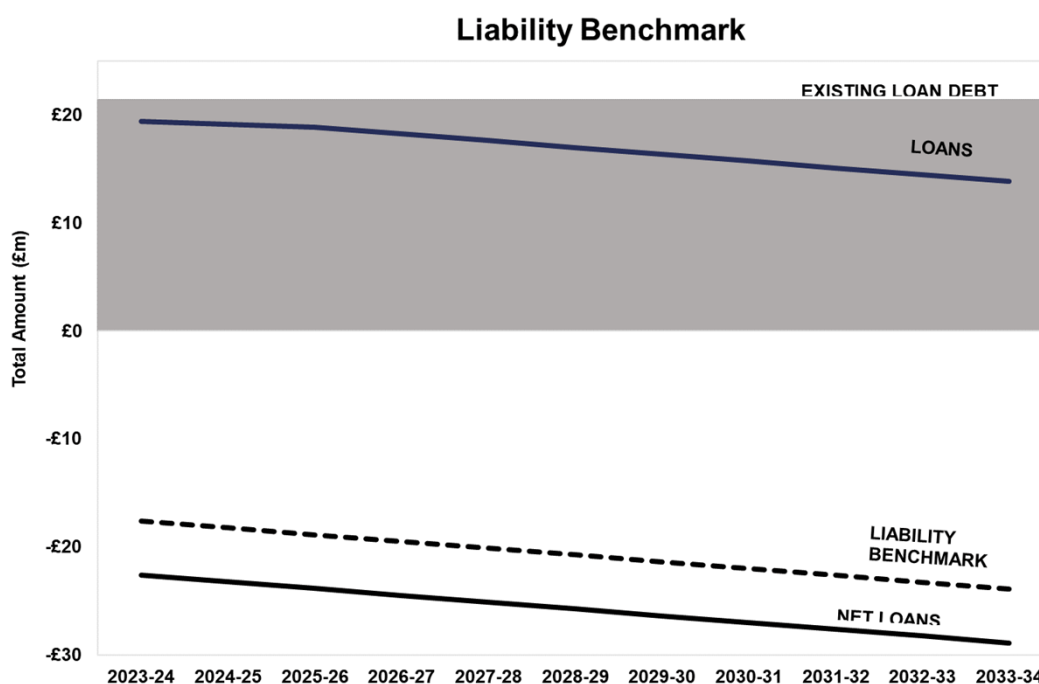
2.1.4 The CFR does not increase indefinitely, as the MRP is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

2.1.5 The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases) included on the Council's balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes. The following table shows the CFR estimates for the next financial years for Council approval:

Capital Financing Requirement	2022/23 Act. £000	2023/24 Est. £000	2024/25 Est. £000	2025/26 Est. £000	2026/27 Est. £000	2027/28 Est. £000
CFR – Services 1 April	19,425	18,810	18,195	17,580	16,965	16,350
Movement in year	(615)	(615)	(615)	(615)	(615)	(615)
Total CFR	18,810	18,195	17,580	16,965	16,350	15,735
Movement in CFR represented by						
Net financing requirement for the year (per Indicator 1)	0	0	0	0	0	0
Less MRP and other financing movements	(615)	(615)	(615)	(615)	(615)	(615)
Movement in CFR	(615)	(615)	(615)	(615)	(615)	(615)

2.2 Liability Benchmark (LB)

- 2.2.1 The Liability Benchmark is effectively the Net Borrowing Requirement of a local authority plus a liquidity allowance. In its simplest form, it is calculated by deducting the amount of investable resources available on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments required to manage day-to-day cash flow.
- 2.2.2 The Council is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum.
- 2.2.3 There are four components to the LB:
- Existing loan debt outstanding:** the Council's existing loans that are still 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 Council's 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** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



2.3 Core Funds and Expected Investment Balances

- 2.3.1 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions 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 day-to-day cash flow balances.

Year End Resources	2022/23 Actual £000	2023/24 Est. £000	2024/25 Est. £000	2025/26 Est. £000	2026/27 Est. £000
Fund balances / reserves	29,830	28,093	23,430	22,702	22,252
Capital receipts	1,656	1,633	1,046	1,016	986
Provisions	908	908	908	908	908
Total core funds	32,394	30,634	25,384	24,626	24,146
Working capital*	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
New borrowing	-	-	-	-	-
Expected investments	30,394	28,634	23,384	22,626	22,146

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

3 MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

3.1 Legislation

- 3.1.1 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge called the Minimum Revenue Provision (MRP).
- 3.1.2 The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Council can use any other reasonable basis that it can justify as prudent.
- 3.1.3 The MRP policy statement requires full council approval in advance of each financial year.

3.2 Adopted Methodology

- 3.2.1 The Council is recommended to approve the following MRP Statement
- For capital expenditure incurred before 1 April 2008 will either be
 - a) **Straight line basis** over 50 years.
 - b) **Asset Life, annuity method** – MRP will be based on the prevailing PWLB interest rate for a loan with a term equivalent to the estimated life of the project.
 - 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.
 - c) **Asset Life, annuity method** – MRP will be based on the prevailing PWLB interest rate for a loan with a term equivalent to the estimated life of the project.
- 3.2.2 The Council will undertake a review during 2024/25 with regards to timing of the repayment of existing borrowing. This will be in line with the financial health indicators outlined in Appendix G, specifically indicator 6 which considers the management of current assets and cash balances which indicates an opportunity for an alternative approach. Any amendments will require full Council approval and will be based on the methods outlined above.

3.3 MRP Overpayments

- 3.3.1 Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).
- 3.3.2 VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.
- 3.3.3 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.

4 BORROWING

4.1 Current Portfolio Position

- 4.1.1 The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.
- 4.1.2 The overall treasury management portfolio as at 31 March 2023 and for the position as at 1 December are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	actual	actual	current	current
Treasury Investments	31.3.23	31.3.23	01.12.24	01.12.24
	£000	%	£000	%
Banks	35,000	76%	46,000	81%
Building societies - unrated	1,000	2%	4,000	7%
Building societies - rated	7,000	15%	1,000	2%
Local authorities	3,000	7%	6,000	11%
Total managed in house	46,000	100%	57,000	100%
Bond Funds	0	0%	0	0%
Property Funds	0	0%	0	0%
Total managed externally	0	0%	0	0%
Total treasury investments	46,000	100%	57,000	100%
Treasury external borrowing				
Local Authorities	0	0%	0	0%
PWLB	21,386	100%	21,386	100%
LOBOs	0	0%	0	0%
Total external borrowing	21,386	100%	21,386	100%
Net treasury investments / (borrowing)	24,614	0	35,614	0

Indicator 3 - Actual and estimates of the ratio of financing costs to net revenue budget.

- 4.1.3 This indicator identifies the proportion of the revenue budget which is taken up in financing capital expenditure i.e., the net interest cost and the provision to repay debt.

%	2022/23 Actual	2023/24 Est. £000	2024/25 Est. £000	2025/26 Est. £000	2026/27 Est. £000	2027/28 Est. £000
Interest Cost	1,033	1,033	1,033	1,033	1,033	1,033
MRP	615	615	615	615	615	615
Total Financing Costs	1,648	1,648	1,648	1,648	1,648	1,648
Net revenue stream	39,901	45,771	47,779	50,914	52,590	54,327
Ratio of Debt to Net revenue stream	4.13%	3.60%	3.45%	3.24%	3.13%	3.03%

Indicator 4 - The Council's treasury position

- 4.1.4 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Year End Resources	2022/23 Actual £000	2023/24 Est. £000	2024/25 Est. £000	2025/26 Est. £000	2026/27 Est. £000	2027/28 Est. £000
External Debt						
Debt - 1 April	22,058	21,386	21,386	21,386	21,386	21,386
Expected Change in Debt	(672)	0	0	0	0	0
Actual / projected Gross Debt 31 March	21,386	21,386	21,386	21,386	21,386	21,386
Capital Financing Requirement	18,811	18,196	17,581	16,966	16,351	15,736
Under / (Over) Borrowing	(2,575)	(3,190)	(3,805)	(4,420)	(5,035)	(5,650)

- 4.1.5 Within the range of prudential indicators there are several 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 2024/25 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.
- 4.1.6 The overborrowed position has not materialised from borrowing for revenue purposes, which this indicator is a key test. 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). Due to the repayment dates of the Council's inherited debt, as part of Local Government Re-Organisation. In recent years it has remained prohibitive to refinance debt due to the premiums that would be charged through early redemption. However, due to the change in interest rates experienced during 2023/24 opportunities are to be explored to redeem debt given the MTFs forecast of capital programme expenditure.

4.2 Treasury Indicators: Limits to Borrowing Activity

Indicator 5 – The Operational Boundary

- 4.2.1 This is the limit beyond which external debt is not normally expected to exceed. 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 resources.

Operational Boundary	2023/24 Est. £000	2024/25 Est. £000	2025/26 Est. £000	2026/27 Est. £000	2027/28 Est. £000
Debt	23,000	23,000	23,000	23,000	23,000
Other long-term liabilities	-	-	-	-	-
Total	23,000	23,000	23,000	23,000	23,000

Indicator 6 – The Authorised Limit

- 4.2.2 This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal 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.
- 4.2.3 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 local authority plans, or those of a specific authority, although this power has not yet been exercised.
- 4.2.4 The Council is asked to approve the following Authorised Limit:

Authorised Limit	2023/24 Est. £000	2024/25 Est. £000	2025/26 Est. £000	2026/27 Est. £000	2027/28 Est. £000
Debt	28,000	28,000	28,000	28,000	28,000
Other long-term liabilities	-	-	-	-	-
Total	28,000	28,000	28,000	28,000	28,000

- 4.2.5 The following chart shows where the Council is currently are against all of the borrowing prudential indicators.



4.3 Prospects for Interest Rates

4.3.1 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 07 November 2023. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps, and form the basis of assumptions contained within this strategy.

	Dec-23 %	Jun-24 %	Dec-24 %	Jun-25 %	Dec-25 %	Jun-26 %	Dec-26 %
Bank Rate	5.25	5.25	4.50	3.50	3.00	3.00	3.00
3 Month Av Earnings	5.30	5.30	4.50	3.50	3.00	3.00	3.00
6 Month Av Earnings	5.60	5.40	4.60	3.60	3.10	3.10	3.10
12 Month Av Earnings	5.80	5.50	4.70	3.70	3.30	3.30	3.30
5 Yr PWLB	5.00	4.80	4.40	4.00	3.70	3.50	3.50
10 Yr PWLB	5.10	4.80	4.40	4.00	3.70	3.60	3.50
25 Yr PWLB	5.50	5.10	4.70	4.30	4.10	4.00	4.00
50 Yr PWLB	5.30	4.90	4.50	4.10	3.90	3.80	3.80

4.3.2 Link Group interest rate forecasts, detailed above, are based on their views of the future economic climate, and below are some extracts taken from their economic forecasts:

- The central forecast for interest rates was previously updated on 25 September and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least Q2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent GDP releases have surprised with their on-going robustness.
- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.
- On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, as noted previously, most of those excess savings are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

4.4 PWLB RATES

4.4.1 Yield curve movements have with the short part of the curve has not moved far but the longer-end continues to reflect inflation concerns.

The balance of risks to the UK economy:

- The overall balance of risks to economic growth in the UK is to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates include:

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates:

- Despite the recent tightening to 5.25%, the **Bank of England proves too timid** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- The **pound weakens** because of a lack of confidence in the UK Government's pre-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer-term **US treasury yields rise strongly** if inflation remains more stubborn there than the market currently anticipates, consequently pulling gilt yields up higher. (We saw some movements of this type through October although generally reversed in the last week or so.)
- **Projected gilt issuance**, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields compensating.

4.5 Link Group Forecasts

4.5.1 We now expect the Monetary Policy Committee will keep Bank Rate at 5.25% for the remainder of 2023 and the first half of 2024 to combat on-going inflationary and wage pressures. We do not think that the MPC will increase Bank Rate above 5.25%, but it is possible.

Gilt yields and PWLB rates

4.5.2 The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation starts to fall through the remainder of 2023 and into 2024.

4.5.3 Links target borrowing rates are set two years forward (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out in the following table:

PWLB debt	Current borrowing rate as at 06.11.23	Target borrowing rate (end of Q3 2025)
5 years	5.02%	3.80%
10 years	5.15%	3.80%
25 years	5.61%	4.20%
50 years	5.38%	4.00%

4.5.4 **Borrowing advice:** Links long-term (beyond 10 years) forecast for Bank Rate has increased from 2.75% to 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can generally be obtained at the shorter end of the curve and short-dated fixed Local Authority to Local Authority monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to wait for inflation, and therein gilt yields, to drop back later in 2024.

4.5.5 Link's suggested budgeted earnings rates for investments up to about three months' duration in each financial year are rounded to the nearest 0.10% and set out below. It should be noted that investment earnings have been revised somewhat higher for all years from 2025/26 as Bank Rate remains higher for longer.

Average earnings in each year	Now	Previously	RCC Budgeted Position
2024/25	4.70%	4.70%	4.89%
2025/26	3.20%	3.00%	3.26%
2026/27	3.00%	2.80%	2.76%
2027/28	3.25%	3.05%	2.70%

4.5.6 As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

4.6 Borrowing Strategy

4.6.1 The Council is currently maintaining an over-borrowed position, as mentioned in para 4.1.5 this is not due to borrowing, but largely due to the CFR reducing. In essence the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

4.6.2 Against this background, S151 officer will in conjunction with the Council's advisers monitor the interest rate situation closely and will adopt a pragmatic approach to delivering the objectives of this strategy within changing economic circumstances.

4.6.3 All decisions on whether to undertake new or replacement borrowing to support previous or future capital investment will be subject to evaluation against the following criteria:

- a) Overall need, namely whether a borrowing requirement to fund the capital programme or previous capital investment exist
- b) Timing, when such a borrowing requirement might exist given the overall strategy for financing capital investment, and previous capital spending performance
- c) Market conditions, to ensure borrowing that does need to be undertaken is achieved at minimum cost

- d) Scale, to ensure borrowing is undertaken on a scale commensurate with the agreed financing route
 - e) To consider whether to use cash balances as a form of internal borrowing, but this will reduce the level of investments that can be made.
- 4.6.4 Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

4.7 Policy on Borrowing in Advance of Need

- 4.7.1 The Council will not borrow more than or in advance of need with the objective of profiting from the investment of the additional sums borrowed. However, borrowing in advance of need is permitted to pre-fund future years' capital requirements, providing this does not exceed the authorised limit for borrowing. Therefore, the council may look to borrow in advance if the need to finance the future capital investment will materialise in two years or less; and
- a) Where the most advantageous method of raising capital finance requires the council to raise funds in a quantity greater than would be required in any one year, or
 - b) Where in the view of the section 151 officer, based on independent advice, the achievement of value for money would be prejudiced by delaying borrowing .
- 4.7.2 Having satisfied the criteria above, any proposal to borrow in advance of need would be reviewed against the following factors:
- a) Whether the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered and reflected in those plans and budgets, with the value for money of the proposal fully evaluated.
 - b) The merits and demerits of alternative forms of funding.
 - c) The alternative interest rate bases available, the most appropriate periods over which to fund and repayment profiles to use.
- 4.7.3 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.

4.8 Treasury Debt Prudential Indicators

- 4.8.1 There are three debt treasury indicators which ensure debt structure remains within appropriate limits. This manages risk and reduces the impact of any adverse movement in interest rates.

Indicator 7 – Upper limit on fixed interest rate exposure.

- 4.8.2 This identifies a maximum limit for fixed interest rates based upon the debt position net of investments. This has been set at 100% of the borrowing requirement.

Indicator 8 - Upper limit on variable rate exposure.

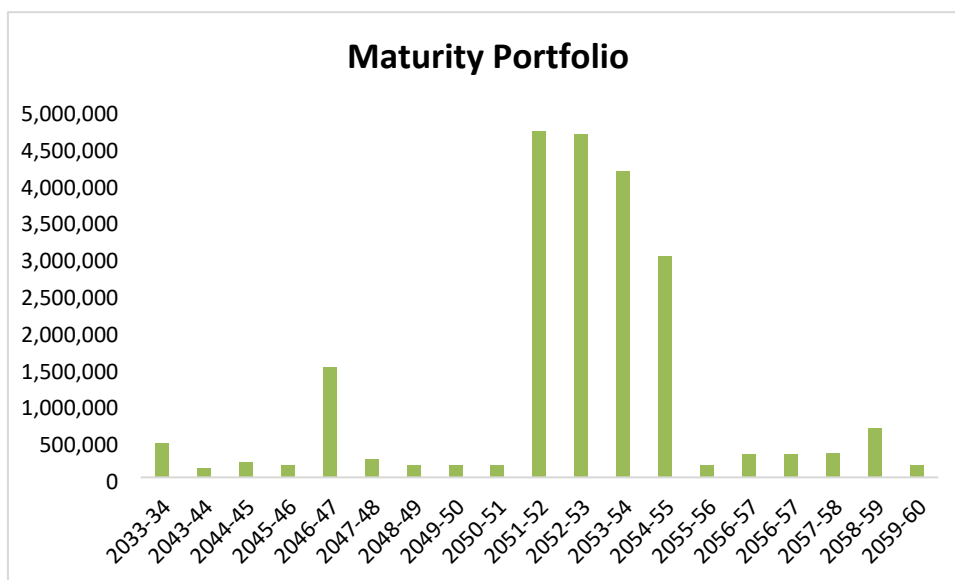
4.8.3 This identifies a maximum limit for variable interest rates based upon the debt position net of investments. This has been set at 25% of the borrowing requirement.

Maturity structure of rates for borrowing in 2024/25	Fixed Interest Rate		Variable Interest Rate	
	Lower	Upper	Lower	Upper
Under 12 months	0%	25%	0%	25%
12 months to 2 years	0%	25%	0%	25%
2 years to 5 years	0%	20%	0%	25%
5 years to 10 years	0%	20%	0%	25%
10 years and above	0%	100%	0%	25%

4.9 Rescheduling of debt

4.9.1 Rescheduling of current borrowing in the Council’s debt portfolio may be considered if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate and creates no additional revenue burden.

4.9.2 The following chart shows the Council’s debt maturity profile by financial year as at 13 December 2023:



4.9.3 If rescheduling is to be undertaken, it will be reported to Council at the earliest meeting following its action.

4.10 Approved Sources of Long and Short-term Borrowing

4.10.1 Traditionally the Public Works Loan Board (PWLB) has been the main source of longterm borrowing for local authorities. The interest rate charged on Public Works Loan Board loans is linked to the gilt yield. Currently the Council can obtain a Public Works Loan Board loan at 0.8% higher than the gilts yield (this rate is referred to as the margin).

4.10.2 The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board
- UK Local Authorities
- UK public and private sector pension funds

- Municipal Bond Agency
- UK Infrastructure Bank
- Any other financial institution approved by the Prudential Regulation Authority, (this is part of the Bank of England and is responsible for the regulation and supervision of around 1,700 banks, building societies, credit unions, insurers and major investment firms)

5 ANNUAL INVESTMENT STRATEGY

5.1 Investment Policy – Management of Risk

- 5.1.1 The Council’s investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Council’s risk appetite.
- 5.1.2 The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments. Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, Appendix M.
- 5.1.3 The Council’s investment policy has regard to the following:
- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
 - CIPFA Treasury Management Guidance Notes 2021
- 5.1.4 In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

5.2 Creditworthiness Policy

- 5.2.1 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.
- 5.2.2 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.
- 5.2.3 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.
- 5.2.4 Credit rating information is supplied by the Council’s 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

5.2.5 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:

5.2.6 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.

5.2.7 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):

Credit rating criteria alongside the time and monetary limits	Fitch Rating (long-term / short-term)	Money Limit	Time Limit
Banks/ Building Society higher quality	AA-/F1+	£10m	3yrs
Banks /Building Society medium quality	A-/F1	£10m	364 days
Banks – part nationalised	N/A	£10m	364 days
Council's banker (not meeting Banks above)	BBB/F2	£10m	overnight
Building Society (not meeting Banks above & minimum assets £1 bn)	Not Rated	£10m	6 months
UK Government Gilts	UK sovereign rating	£7m	3 years
Debt Management Account Deposit Facility managed by the DMO (Debt Management Office)	UK sovereign rating	£10m	364 days
Local authorities	N/A	£10m	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.

5.3 Use of additional information other than credit ratings.

5.3.1 Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria rely 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.

5.3.2 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 that are issuing s114 notices showing financial distress. An additional check will be undertaken before lending to other local authorities to confirm at the time of investment the Council is not subject to DLUHC intervention and they have not issued a s114 notice.

5.4 Other limits.

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

- 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.

Indicator 9 – Upper limit on total principal sums invested for periods of longer than a year

5.4.2 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.

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

5.5 Investment Strategy

5.5.1 As per the Council's overall objectives, it will ensure that surplus balances are managed in a way to maximise the income potential whilst having regard to security risk.

5.5.2 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 5.2.7;
- The rate of return on offer,
- Liquidity – the Council seeks to maintain liquid short-term deposits of at least £1.0m available with a week's notice and no bank overdraft.

5.6 Investment returns expectations.

5.6.1 The benchmark SONIA (Sterling Overnight Index Average) 1-month rate will continue to be the bench. 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.

5.6.2 The investment income budget proposed for approval in the Budget 2024/25 is £1.95m. This is based on expected balances and forecast interest rate based on the anticipated base rate changes during 2024/25. This will be regularly monitored during the year and variances to budget will be reported in line with the reporting requirements.

5.6.3 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 following table demonstrates a financial representation of how much the Council would stand to lose at 0.10%.

	2023/24 Forecast £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Total Investments at 31 March	36,860	35,840	34,820	34,820
Revenue impact of risk of default at 0.10%	37	36	35	35

6 APPENDICES

1. Economic background
2. Approved countries for investments
3. The treasury management role of the section 151 officer

6.1 ECONOMIC BACKGROUND

6.1.1 The first half of 2023/24 saw:

- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
- Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
- CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.
- Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.
- A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).

6.1.2 The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.

6.1.3 The fall in the composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% q/q rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.

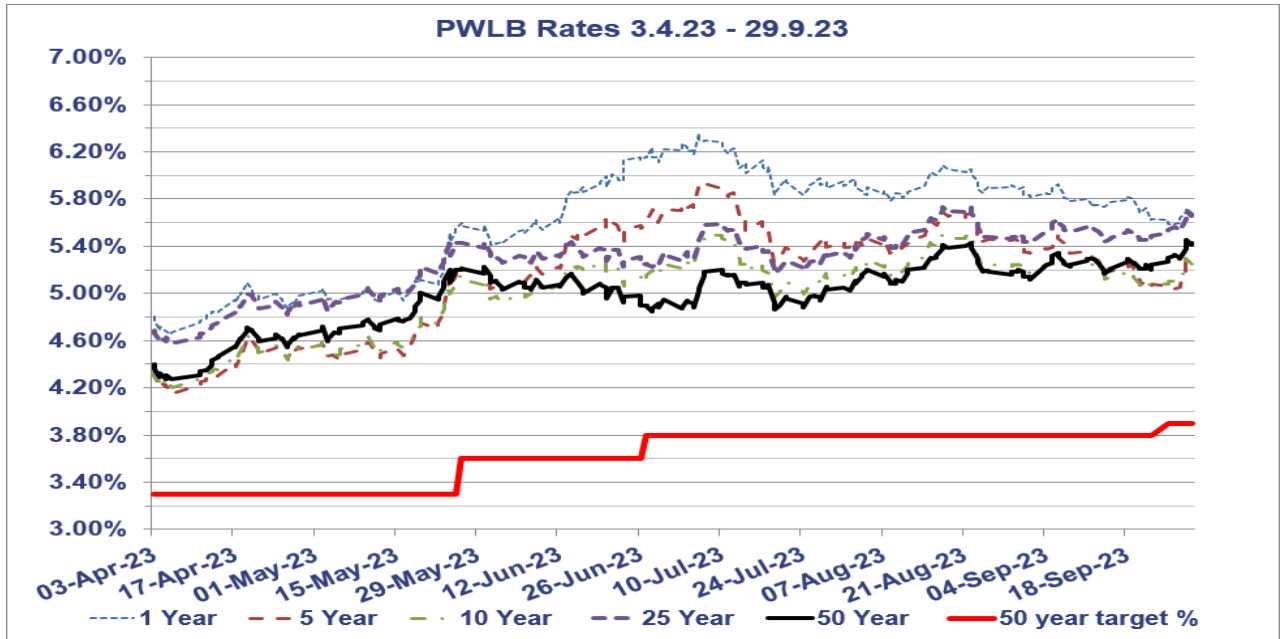
6.1.4 The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.

6.1.5 As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

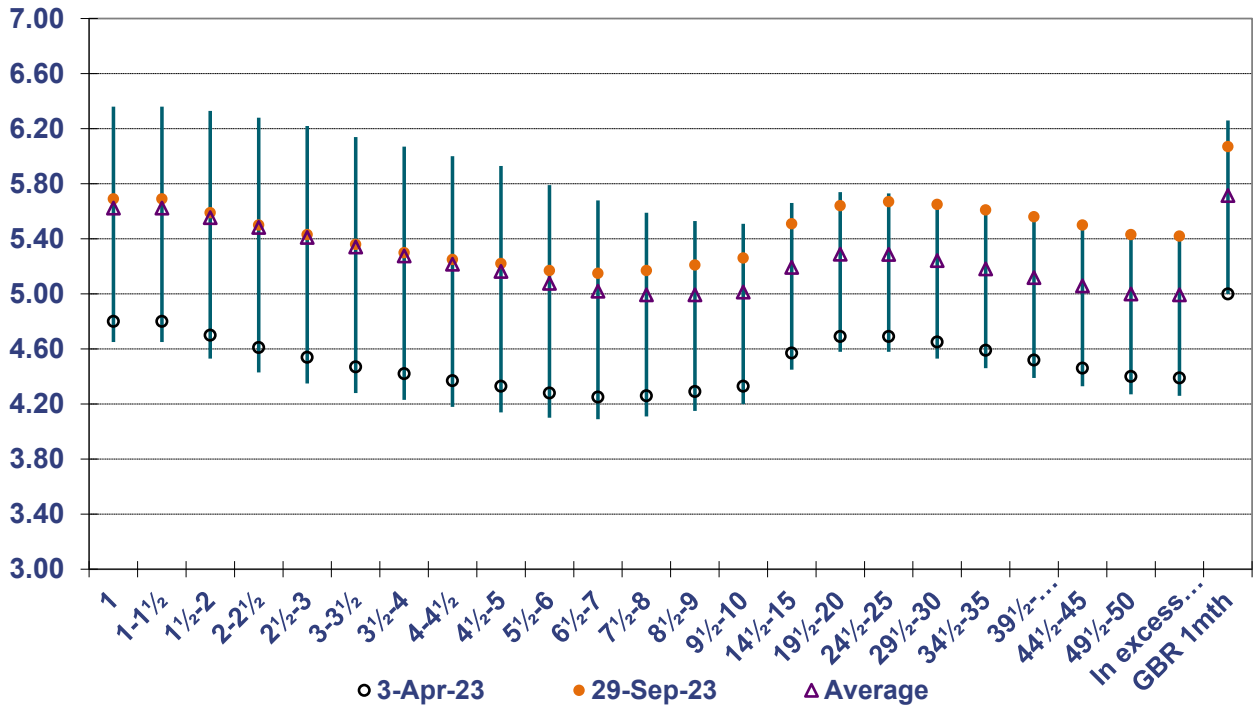
6.1.6 The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

- 6.1.7 But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3my rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.
- 6.1.8 CPI inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.
- 6.1.9 In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the stickiness of inflation.
- 6.1.10 Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures", citing the rise in global bond yields and the upside risks to inflation from "energy prices given events in the Middle East". So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be "sufficiently restrictive for sufficiently long" and that the "MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time". Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.
- 6.1.11 This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.
- 6.1.12 In the table below, the rise in gilt yields across the curve as a whole in 2023/24, and therein PWLB rates, is clear to see.

PWLB RATES 01.04.23 - 29.09.23



PWLB Certainty Rate Variations 3.4.23 to 29.9.23



HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Date	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.51%	5.73%	5.45%
Date	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
Average	5.62%	5.16%	5.01%	5.29%	5.00%
Spread	1.71%	1.79%	1.31%	1.15%	1.18%

6.1.13 The peak in medium to longer dated rates has generally arisen in August and September and has been primarily driven by continuing high UK inflation, concerns that gilt issuance may be too much for the market to absorb comfortably, and unfavourable movements in US Treasuries.

6.1.14 The S&P 500 and FTSE 100 have struggled to make much ground through 2023.

CENTRAL BANK CONCERNS

6.1.15 Currently, the Fed has pushed up US rates to a range of 5.25% to 5.5%, whilst the MPC followed by raising Bank Rate to 5.25%. EZ rates have also increased to 4% with further tightening a possibility.

6.1.16 Ultimately, however, from a UK perspective it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

6.2 APPROVED COUNTRIES FOR INVESTMENTS

6.2.1 This list is based on those countries which have sovereign ratings of AA- or higher, and also have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France
- Qatar
- **U.K.**

6.3 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

6.3.1 List of specific responsibilities of the S151 officer in the 2021 Treasury Management Code includes;

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a Capital Strategy
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Council
- ensure that the Council has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the Council does not undertake a level of investing which exposes the Council to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- ensuring that members are adequately informed and understand the risk exposures taken on by the Council
- ensuring that the Council has adequate expertise, either in house or externally provided, to carry out the above

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Capital Investment Strategy

Version & Policy Number	CIS 23/24
Guardian	Andrew Merry, Head of Finance
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1 INTRODUCTION

1.1 This strategy sets out the Council's approach to compiling the capital programme, its priorities, availability of funding and financial management and has been prepared in line with the requirements in the Prudential Code. In terms of capital expenditure, the capital strategy should include:

- An overview of the governance process for approval and monitoring of capital expenditure, including links to the Council's policies on capitalisation.
- A long-term view of capital expenditure plans, where long term is defined by the financing strategy and risks faced by the Council with reference to the life of projects / assets.
- An overview of asset management planning including the cost of past borrowing, maintenance requirements and planned disposals.
- Any restrictions around borrowing or funding of ongoing capital finance.

1.2 The strategy should additionally include:

- The Council's approach to commercial activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources.
- Requirements for independent and expert advice and scrutiny arrangements.
- An overview of the governance process for approval and monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.
- A summary of the knowledge and skills available to the Council and confirmation that these are commensurate with the Council's risk appetite.

1.3 The overall approach to developing the capital strategy is based upon the following key principles:

Principle 1	Principle 2	Principle 3	Principle 4
Delivery of council objectives and priorities	Maximise and promote best use of available funds	Ensure strong governance in decision-making	Ensure plans are affordable, prudent, and sustainable
Clear on objectives and priorities	Bidding for external funds where possible	Ensuring that all projects have an officer and lead member sponsor	Capital investment decisions will not place additional pressure on Medium Term Financial Plan
Appraising all investments in the context of objectives / priorities	Taking advantage of increased freedom and flexibilities. Both in terms of terms and conditions of grants or borrowing powers.	Option appraisal for all projects requiring evidence of need, cost, risk, outcomes and methods of financing.	Promoting capital investment which allows either invest to save outcomes or generates a revenue and/or capital return
Ensuring decision-makers are clear on the positive contribution capital investment makes to objectives	Generate funding, where possible, from the rationalisation of existing assets.	Ensuring all decisions are approved in line with the Constitution and the Capital Strategy	Minimising borrowing requirements by putting the first call on grants / internal resources

2 CAPITAL EXPENDITURE AND INVESTMENT

- 2.1 Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £25,000 and are charged to revenue in year.
- 2.2 There are three key drivers of the Council's capital plans:
- Corporate Strategy - strategic aims and priorities (para 2.3)
 - Asset management requirements (para 2.4)
 - Invest to Save (para 2.5)
- 2.3 The Council is being requested to approve a Corporate Strategy alongside the Capital Strategy and is doing significant work in all the above areas that may have a significant impact on future versions of the Capital Strategy. The priorities are:

Tackling the Climate Emergency
Policies will support the County to tackle the climate crisis, helping to reduce carbon emissions and minimise the impact of climate change on the lives of residents and local businesses.
A diverse and sustainable local economy.
Building a strong rural economy with a productive, sustainable, and diverse business base that provides opportunity for all.
Support the most vulnerable
Working collaboratively to improve outcomes for residents, helping those that need additional support to live their best lives.
Provide good public services
Delivering modern and cost-effective services which are easy to access and provide good levels of customer care.

- 2.4 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 the Council's 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; and
 - Work with Partners to maximise opportunities and consider the transfer of services/assets to Town and Parish Councils and others.

Invest to Save

- 2.5 The Councils Integrated Budget Plan 2024/25 and Medium-Term Financial Strategy 2024/25 to 2027/28 requires the Council to transform the way it works and its service offer. As part of this, the Council understand that it will need to support one off investment with the aim of making current Council funding work harder ie efficiency gains.
- 2.6 Invest to save capital projects will follow a similar criterion to the Process Improvement Fund (revenue reserve, see Appendix I), with the key criteria for investment being:
- Delivers against the Council's corporate strategy and priorities,
 - Provides on-going revenue savings, or
 - Provides on-going revenue income, and
 - Must repay costs back to the fund within an agreed period (three-year payback) OR delivers a benefit to a related service that contributes to sustainability.
- 2.7 The capital programme will deliver £48.3m of capital investment to support the achievement of Council objectives. Key projects contributing to these objectives are summarised below with additional detail provided on the following page, and Appendix K.

Estimated Capital Expenditure*	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Supporting the most vulnerable	1,033	270	270	270
A diverse & sustainable local economy	26,043	14,589	2,684	2,684
Tackling the climate emergency	0	0	0	0
Provide good public services	2,984	547	547	547
Total Investment	30,060	15,406	3,501	3,501
Grant & Contributions	29,363	15,326	3,421	3,421
Direct Revenue Financing	-	-	-	-
Capital Receipts	697	80	80	80
Net Financing Requirement	-	-	-	-
Total Financing	30,060	15,406	3,501	3,501

Table 1: Estimates of Capital Expenditure over the MTFS period

Programme Area	Programme Description	Corporate Priority	Capital Expenditure £000	Funding		Uncommitted Funding £000
				Grant / S106 £000	Revenue / Capital Receipt £000	
Rolling	Disabled Facilities Grants	Vulnerable	810	810	-	-
	Devolved Formula Capital	Public Services	15	15	-	-
	Highways	Economy	8,052	8,052	-	169
	Local Transport Plan	Public Services	1,386	1,386	-	1,435
	IT Refresh	Public Services	240	-	240	-
Approved	Estimated Carry Forward from PY	77% Economy	1,264	1,249	15	-
	Asset Investment (H&S works)	Public Services	542	-	542	-
	Affordable Housing - Brooke Road, Oakham	Economy	163	163	-	-
	LUF	Economy	33,622	33,622	-	-
	UKSPF	Economy	162	162	0	0
Requesting Approval	Waste and Street Cleansing Vehicles	Public Services	1,862	1,862	-	-
	Affordable Housing South Street	Economy	347	287	60	0
Pipeline	Communities Infrastructure Developments	Vulnerable	500	500	-	-
	Waste Transfer Station	Climate	-	-	-	-
	Waste Vehicles - impact of Waste Bill	Climate	-	-	-	-
	Highways Vehicles	Economy	-	-	-	-
	Asset Review - HQ & et al	Public Services	-	-	-	2,249
	Records Office	Public Services	-	-	-	-
	Rural England Prosperity Funding	Economy	-	-	-	400
Pipeline Developer Contributions	EV Infrastructure Fund	Climate	-	-	-	-
	Highways	Economy	-	-	-	507
	Heritage & Culture	Public Services	-	-	-	571
	Towns Villages & Public Spaces	Public Services	-	-	-	1,319
	Public Transport	Climate	-	-	-	1,000
	Health & Wellbeing Infrastructure	Vulnerable	-	-	-	372
	Childrens & Young People	Vulnerable	-	-	-	302
	Affordable Housing	Economy	-	-	-	283
	Fire & Rescue	Public Services	-	-	-	12
Community Infrastructure Levy (CIL)	Public Services	-	-	-	403	
Total			48,467	47,610	857	9,319

195

Rolling Programmes

- 2.8 The rolling programmes will potentially have sub projects, these projects will be prioritised based on the following:
- 2.8.1 **Disabled Facility Grants** – will be allocated in line with the Disabled Facility Grant criteria or the Health and Prevention Grant criteria found on the Councils website <https://www.rutland.gov.uk/adultsocialcare/grants-home-adaptations-equipment>
- 2.8.2 **Devolved Formula Capital** – passported on to schools inline with the grant terms and conditions.
- 2.8.3 **Highways** – The Highways Capital Programme supports the Council's statutory duties as a highway authority, under Section 41 of the Highways Act 1980. The Council has a duty to maintain the Highway in such a state as to be safe and fit for the ordinary traffic that may reasonably be expected to use it.
- The capital programme delivers on the targets as set out in the 2020 - 2026 Corporate Plan.
- The programme of maintenance schemes is driven by the asset management and lifecycle planning based approach, contained within the Highways Asset Management Plan (HAMP) and Council's Street Lighting Policy.
- 2.8.4 The programme is then prioritised from highways asset condition surveys and inspections using a risk-based approach, further details on how the schemes are identified can be found in the Highways Asset Management Plan (HAMP).
- Any material highways schemes that are delivered in year will be reported separately as part of the Council's Quarterly Financial Performance monitoring report to Cabinet.
- 2.8.5 **Local Transport Plan** - The Local Transport Act 2008 sets out a duty for all local transport authorities to produce and keep under review a local transport plan and associated policies. Moving Rutland Forward (MRF) is the name of the Council's fourth local transport plan (LTP4), this covers the period from 2019 to 2036.
- The government grant for these schemes is provided by the Department of Transport to support small-scale transport improvement schemes, such as road safety, bus priority, walking, cycling and transport information schemes.
- Future capital projects will be driven by the themes within the Council's Local Transport Plan, and associated policies. The approval of these schemes will be in line with the Council's Budget Virement policy, contained within section 9 of the Cabinet Integrated Plan and Medium Term Financial Strategy, of which this strategy forms Appendix M.
- 2.8.6 **IT Refresh** - The IT Refresh Capital programme will be used to modernise the Council by ensuring the end user hardware is appropriate and up to date. IT will establish projects to ensure that both the oldest IT equipment in the Council, as well as service areas needing IT investment and supporting new starters. The scope of this IT investment will be end user hardware including laptops, tablet, mobile phones, monitors and any other hardware to support modernisation.
- The IT Refresh Capital programme will also make investment in centralised hardware such as wireless, network switches, video-conferencing facilities, firewalls and other security hardware and IT server-room infrastructure to ensure that the Council is operating a modern, efficient IT service that is helping staff to be productive and operate in a safe, secure environment.
- 2.9 Full details of the Capital Programme can be found in **Appendix K** of the **Integrated Budget Plan 2024/25 and Medium-Term Financial Strategy 2024/25 - 2027/28**.

3 RESOURCING STRATEGY

3.1 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 (Capital Receipts, Grants, 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, the current cost of servicing this debt is £1.6m per annum; so
- Any investment decision that requires borrowing must take into account any impact to the Councils Medium-Term Financial Strategy.

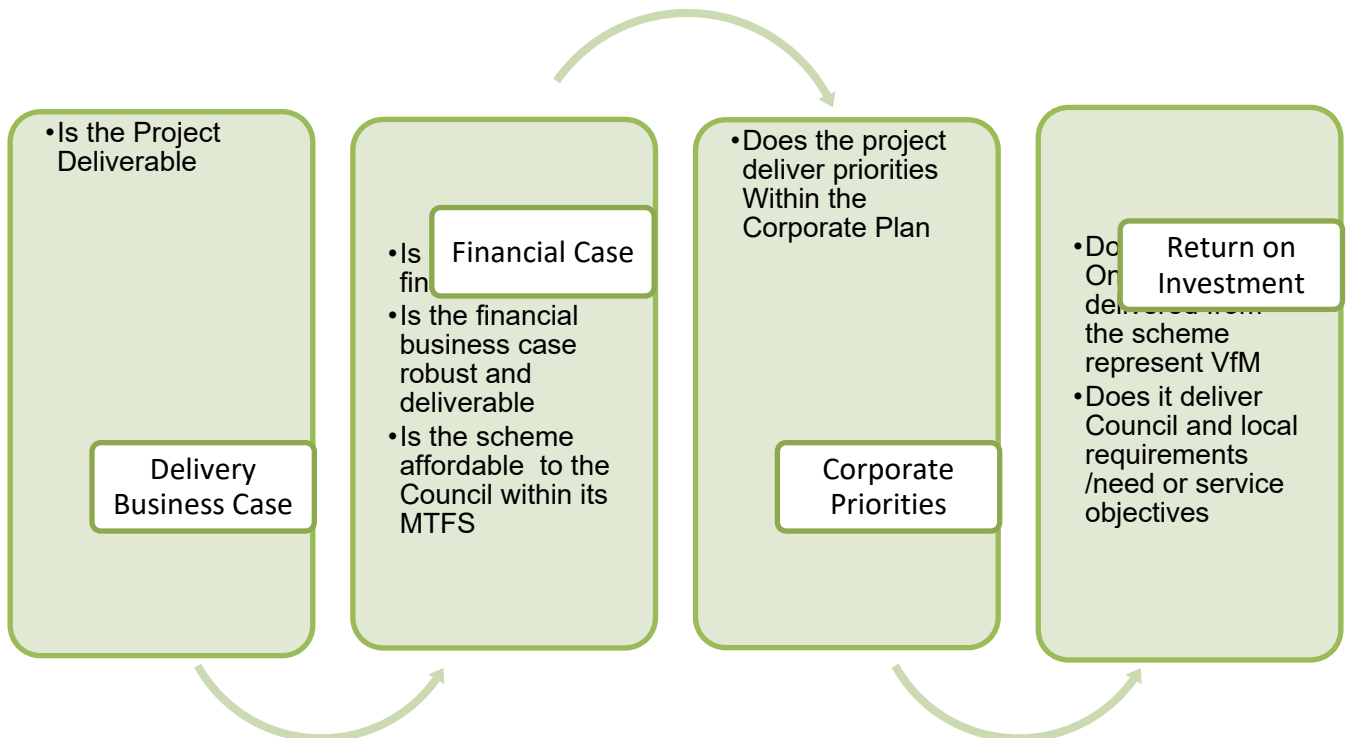
3.2 There are a range of potential funding sources which can be generated locally either by the Council itself or in partnership with others. The Council continues to seek new levels of external investment to match against its capital programme, this may be additional capital receipts from asset sales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

3.3 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).
 - 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).
- **Capital Receipts** – capital receipts come from the sale of the Council's assets. Capital receipts will be available to support the capital programme as a corporate resource.
- **Revenue Contributions** - councils are free to make a contribution from their revenue budget to fund capital schemes. There are no limits on this.
- **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.

Capital funding prioritisation

- 3.4 To ensure the Council makes appropriate capital investment decisions it will establish a prioritisation framework that is designed to support the decision making process for which capital investment projects and programmes are brought forward.
- 3.5 This supports scheme development and appropriate decision making through the Council's Capital Governance processes.
- 3.6 The Council continues to operate a rolling Capital Investment Portfolio, ensuring that decision making can be made at times when it's within the best interests of the Council.
- 3.7 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.
- 3.8 To assist the prioritisation of resources the Council will introduce a business case approach for new bids that are not funded from Specific Grants. The business case approach will adopt the principles 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 the area, a contribution to your housing target, improved connectivity, a refurbished asset for community use or other such outcomes.



4 GOVERNANCE AND DECISION-MAKING

4.1 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.

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

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

Capital expenditure / investment decisions

4.4 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.

4.5 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.

4.6 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 Places in consultation with the Section 151 Officer and Director Legal and Governance, and the relevant Portfolio Holders 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 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.

4.7 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.

4.8 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.

- 4.9 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.

5 PERFORMANCE MONITORING AND INDICATORS

CIPFA Prudential Code requirements

- 5.1 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?
- 5.2 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.
- 5.3 These indicators are included in the Treasury Management Strategy but are based on the capital plans derived in accordance with this Strategy.

6 SKILLS AND KNOWLEDGE

In-house resources

- 6.1 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.
- 6.2 The Council currently has in place a team in the Resources directorate which manages the current operational and non-operational asset portfolio.

Externally available resources

- 6.3 The Council 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.

Members

- 6.4 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 Committee.

**A large print version of this document is available
on request**



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Appendix N. Dedicated Schools Grant and the Schools budget

1 THE 2023-24 DEDICATED SCHOOLS GRANT (DSG)

- 1.1 On 19th December 2023, the Department for Education (DfE) published the DSG allocations for 2023-24. Full details can be found on the DfE website at the following link - <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2024-to-2025>
- 1.2 The headline numbers are included in the draft budget with the detail to be provided in the final budget.
- 1.3 The DSG announcement made by the DfE in December 20223 included the Schools Block, the Central Services Schools Block, the High Needs Block and Early Years Block (indicative). The actual amount to be received by the local authority during the 2032/24 financial years is subject to change and will be amended to reflect recoupment for academies. The current proposed 2023-24 allocations for Rutland are set out in table below, which also provides for comparison the 2023-24 allocations.

Dedicated Schools Block	2024/25 £m	2023/24 £m	Change £m
Schools Block	31.644	30.294	1.350
High Needs Block	5.882	5.656	0.226
Central Services Schools Block	0.208	0.198	0.010
Early Years Block*	2.598	1.609	0.989
Total	40.332	37.757	2.575

*Includes new duties for wraparound childcare

1.4 Schools Block

- 1.4.1 The Council follows the [national funding formula](#) with no centrally retained funds. Schools forum approved the maximum 0.5% transfer from the schools block to the high needs blocks.
- 1.4.2 Details of per pupil funding will be provided in the final budget.

1.5 High Needs Block

- 1.5.1 The decision making for spend on high needs activities rests with the Local Authority and the final decisions on budget allocations will be presented in the final budget.

1.6 Central Services Block

- 1.6.1 This funding is retained by the Council to meet its statutory responsibilities for Education and schools funding.

1.7 Early Years Block

- 1.7.1 The table below shows the hourly rates the Council will receive for each type of care. Final rates to be passported to service providers will be provided within the final budget

Early Years Block Hourly Rates	2024/25 £	2023/24 £	Change £
3 and 4 Year Old Funding	5.47	5.20	0.27
2 Year Old Funding	6.98	5.63	1.35
Under 2 Year Old Funding*	9.45	-	-

*Introduced in 2024/25

Appendix O – Carbon Impact Assessment

		This could be via the Council's own emissions or emissions across the County						
Ref	Proposal	Building Energy	Transport Energy	Water Usage	Renewable Energy	Carbon Offsetting	Other Carbon Reducing Activities	Embodied Energy
Service Investments								
CP001	Childrens additional resource capacity	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PN001	Increase contract costs for Regulatory Services	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PN004	Highways service redesign	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PN006	Electric Vehicle charging infrastructure	Neutral	Decrease	Neutral	Decrease	Neutral	Neutral	Neutral
PP004	Heritage redesign of service	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PP006	SEND transport additional costs	Neutral	Increase	Neutral	Neutral	Neutral	Neutral	Neutral
PP007	Waste transfer mitigation costs	Neutral	Increase	Neutral	Neutral	Neutral	Neutral	Neutral
PP010	Biodiversity net gain officer	Neutral	Neutral	Neutral	Neutral	Decrease	Unknown	Neutral
NP011	Local Flood Authority investment	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
SP001	Investment in data analysis	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
LP002	Increase contract costs for services within Law & Governance	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
LP003	Increase costs for Member allowances	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RP001	Human Resources additional resource capacity	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RP002	Greater use of technology cost to realise efficiency savings	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
Saving Proposals								
AS001	Savings from resourcing synergies across teams in Adult Social Care	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
AS002	Savings within Adult Social Care that focus on demand management, better recruitment and retention, internal day care for complex cases, focus on funder market	Neutral	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral
AS003	Supplier negotiations in Adult Social Care	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
CS002	Community hubs providing universal and preventative services	Neutral	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral
CS003	Early intervention to reduce service demands in Children's directorate	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
CS004	Reduction in costs following commissioning review of services	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
CS005	Savings from resourcing synergies across teams in Children's directorate	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral

		This could be via the Council's own emissions or emissions across the County						
Ref	Proposal	Building Energy	Transport Energy	Water Usage	Renewable Energy	Carbon Offsetting	Other Carbon Reducing Activities	Embodied Energy
PN004	Introduction of street permitting scheme to become a self-financing service	Neutral	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral
PN006	Electric Vehicle charging infrastructure grant funding	Neutral	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral
PS004	Museum and Castle business rates (NNDR) savings	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PS005	Savings from resourcing synergies across teams in Place's directorate	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PS006	Transformation work redesign of heritage service	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PS009	Supplier negotiations in Places and public realm to change standards	Neutral	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral
PS010	Redesign of public Bus network & post 16 review	Neutral	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral
PS012	SEND Transport demand savings	Neutral	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral
PS014	Green Waste Fee Increase	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PS015	Income from the redesigned heritage service	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
LS001	In House provision rather than commission for legal services	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
LS002	Savings from resourcing synergies across teams in Law & Governance Directorate	Neutral	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral
LS007	Savings from budget realignment in Corporate Services & Legal services	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RS001	Savings from resourcing synergies across teams in Resources Directorate	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RS002	Supplier negotiations in ICT & Digital	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RS007	Supplier negotiations in Finance - Insurance	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RS009	Supplier negotiations in Finance	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RS011	Greater use of technology cost to realise efficiency savings	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RS018	Charging of Overheads to Grants	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RS019	Savings from the repurposing of an asset in association with the Levelling Up Fund schemes	Unknown	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RS020	More efficient and effective use existing Council buildings	Unknown	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral
Investments from reserves								

		This could be via the Council's own emissions or emissions across the County						
Ref	Proposal	Building Energy	Transport Energy	Water Usage	Renewable Energy	Carbon Offsetting	Other Carbon Reducing Activities	Embodied Energy
AI001	Temporary increase in resource capacity to delivery business case to lead to additional savings - Adults Directorate	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
AI002	Temporary increase in resource capacity to deliver projects - Adult Social Care	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
CI001	Temporary increase in resource capacity to deliver contract review to lead to additional savings - Childrens Directorate	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
CI002	Short term continued investment in preventative measures - Childrens Directorate	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
CI003	Temporary increase in resource capacity to delivery projects - Adult Social Care	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
CI004	Investment to improve efficiencies using the Liquid Logic system	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PI001	Investment to move to permitting - Highway & street works	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PI003	Investment in the greater use of technology to realise efficiency savings - Places Directorate	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PI004	Waste Prevention Programme investment	Neutral	Decrease	Neutral	Neutral	Neutral	Decrease	Neutral
PI008	Investment required in the Highways contract mobilisation	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PI009	Investment to develop Carbon baseline	Neutral	Neutral	Neutral	Neutral	Neutral	Decrease	Neutral
PI010	Investment for the redesign of Heritage service	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
LI001	Temporary increase in resource capacity to deliver contract review to lead to additional savings - Adults Directorate	Neutral	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral
LI003	Investment in audio / visual technology in the Council chambers	Neutral	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral
RI001	Temporary increase in resource capacity to deliver projects - Resources Directorate	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RI007	Temporary increase in resource capacity to deliver projects Council wide	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RI009	Investment in the greater use of technology to realise efficiency savings - Resources Directorate	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
RI016	Capital Programme for replacement of IT end user hardware	Decrease	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
PI011	Temporary increase in resource capacity to deliver projects in Highways	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral

This could be via the Council's own emissions or emissions across the County

Ref	Proposal	Building Energy	Transport Energy	Water Usage	Renewable Energy	Carbon Offsetting	Other Carbon Reducing Activities	Embodied Energy
RI019	Service efficiencies pump priming	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral

**Strategic Overview and Scrutiny Committee
Work Plan 2023-24 v8**

Standing Agenda Items	Welcome and Apologies
	Record of Meeting
	Actions Arising
	Declarations of Interest
	Petitions, Deputations and Questions
	Questions with Notice from Members
	Notices of Motion from Members
	Consideration of Any Matter Referred to the Committee in Relation to the Call-In of a Decision
	Scrutiny Recommendations/Outcomes (<i>when required</i>)
	Review of the Work Plan
	Group/Panel Updates
	Any Urgent Business
	Date of Next Meeting

Meeting Date	Proposed Item	Reason/Format	Author
15th June 2023	Election of Vice-Chair	Statutory Decision	
	Confirmation of Co-opted Members	Statutory Decision	
	LLR Joint Health Scrutiny Committee: Confirmation of Representation	Delegated Decision	
	Scrutiny Annual Report 2022-23	Statutory Report	Chair / Vice Chair / Scrutiny Officer
	Annual Work Plan	Statutory Report	
	Scrutiny Improvement Plan	Discussion	Chair / Scrutiny Officer

Meeting Date	Proposed Item	Reason/Format	Author
13th July 2023	LLR Joint Health Scrutiny Committee: Confirmation of Substitute Member	Delegated Decision	
	Corporate Performance: Annual Progress Report 2022-2023	Statutory Report	Head of Corporate Services
	Financial Outturn Position 2022-2023	Statutory Report	Strategic Director of Resources
	Scrutiny Improvement Plan: Draft	Report	Chair / Scrutiny Officer
	Group/Panel Updates Economic Strategy Task and Finish Group: feedback from final meeting	Report	Chair of the Task and Finish Group
Asset Review Task and Finish Group	Terms of Reference	Strategic Director of Places & Head of Property Services	

Meeting Date	Proposed Item	Reason/Format	Author
21 st September 2023	SEND Programme Update (inc. SEND Inspection Outcome, SEND governance changes & Delivering Better Value Programme)	Report & Presentation	Strategic Director of Children and Families
	Transport Network Review Business Case	Report	Strategic Director of Places & Acting Senior Transport Manager
	Group/Panel Updates Economic Strategy Task and Finish Group: final report	Report	Chair of the Task and Finish Group

Meeting Date	Proposed Item	Reason/Format	Author
23 rd November 2023	Corporate Performance – Mid Year	Statutory Report	Head of Corporate Services (Kevin Quinn)
	2023/24 Quarter 2 - Revenue and Capital Forecast Report	Statutory Report	Strategic Director of Resources / Andrew Merry
	Plan of Health Responsibilities and Key Decisions	Presentation	Strategic Director of Adult Services and Health

Meeting Date	Proposed Item	Reason/Format	Author
25 th January 2024 [BUDGET]	Scrutiny of the Budget Integrated Budget Plan and Medium-Term Financial Strategy - 2024/25 to 2027/28	Statutory	Strategic Director of Resources

Meeting Date	Proposed Item	Reason/Format	Author
8 th February 2024	CQC Inspection Framework	Update Report	Strategic Director of Adult Services and Health and Adult Social Care Principal Social Worker and Quality Lead
	Charging for Care and Support Policy	Report	Strategic Director of Resources / Andrea Grinney

Meeting Date	Proposed Item	Reason/Format	Author
21 st March 2024	Local Plan (Date tbc)	Report	Strategic Director of Places & Planning Policy and Housing Manager
	SEND Programme Update (inc. the Delivering Better Value Implementation Plan)	Report	Head of SEND, Inclusion and Learning and SEND Improvement Programme Manager

Meeting Date	Proposed Item	Reason/Format	Author
23 rd May 2024	Election of Vice-Chair	Statutory Decision	

<i>DATE TBC</i>	Confirmation of Co-opted Members	Statutory Decision	
	LLR Joint Health Scrutiny Committee: Confirmation of Representation	Delegated Decision (TBC)	
	Scrutiny Annual Report 2022-23	Statutory Report	Scrutiny Officer
	Annual Work Plan	Statutory Report	

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Pending Items for Scrutiny Work Plan 2023/2024 (Updated: 10 January 2024)

The Scrutiny Work Plan outlines the areas of work which are expected to be scrutinised over the coming months/year by or on behalf of the Council's Scrutiny function and any Panels/Task and Finish Groups convened for review work.

Topics added to the work plan will have expected outcomes to add value to the services delivered by the Council and its partners and/or improve the quality of lives of Rutland residents. It is recognised that there is a need for flexibility in the work plan so as to allow relevant issues to be dealt with when they arise.

Scrutiny should always link back to the Council Corporate Strategy so that it is scrutinising whether the Council is meeting its strategic aims. Scrutiny should use effective processes to select topics that will contribute towards the best possible work plan for Scrutiny. This means looking at and using sources of information that may help them to choose the right topics.

Successful Scrutiny is about looking at the right topic in the right way and Members will need to be selective whilst also being able to demonstrate clear arguments in favour of including or excluding topics.

A common pitfall for Scrutiny can be the inclusion of topics on the work plan that are unmanageable, of limited interest to the community, purely for informational purposes, have few outcomes and fail to 'add value' to the work of the Council or the wellbeing of the community.

The selection and prioritisation of topics is critical to the effectiveness of Scrutiny so processes are in place to ensure clearer focus, particularly in poor or weak areas of performance or major issues of concern to the wider community. It is not possible to include every topic suggested as Scrutiny has limited time and resources and therefore workplans need to be manageable.

Does it stand up to the PAPER test?

- **Public interest** – is the matter of concern to residents?
- **Ability to have an impact** – can Scrutiny influence and change things?
- **Performance** – is it an underperforming area or service?
- **Extent** – does it affect a number of residents or a large geographic area?
- **Replication** – is it a new matter? i.e. not discussed in the past 6 months or currently being dealt with

PENDING ITEMS FOR SCRUTINY WORK PLAN: UPDATED 10.01.24

Timescale (approx.)	Suggested Topics	Directorate	Lead Officer(s)	Notes	Corporate Aim	Decision
214 Sept / Oct 2023	Leisure	Places	Strategic Director of Places & Head of Culture and Registration (Robert Clayton)	<p>Public Interest</p> <ul style="list-style-type: none"> Part 1 of the leisure procurement process closed on Friday, 14.07.23. Involvement of the scrutiny committee was dependent upon the outcome of Part 1 of the leisure procurement process. Outcome of Part 1 of the process was considered by Cabinet on 15.08.23. The Corporate Leadership Team (CLT) would be able to provide Scrutiny Committee with clearer details including timings regarding possible scrutiny options following this Cabinet meeting. Catmose Sports Leisure Contract to be considered by Council 25.03.24. 	Healthy and Well	
Oct. 2023	Access to NHS Dental Services: Update	Adults and Health	NHS England - Dental	<p>Public Interest</p> <ul style="list-style-type: none"> NATIONAL ISSUE Item not to be discussed at Scrutiny Committee as scrutiny would have little influence or ability to change things. Update report to be presented to the LLR Joint Health Scrutiny Committee (27.03.24). Chair of SOSC to share outcome with Scrutiny Committee members for communication with residents. 	Healthy and Well	
Dec. 2023	Customer	Resources	Strategic Director of Resources and Head of IT and Customer Services (Andy Nix)	<p>Public Interest</p> <ul style="list-style-type: none"> It was proposed that a possible impact assessment study could be done by the Scrutiny Committee but this would depend on the results of the upcoming performance reports. Customer Services Performance Reports were 	A Modern and Effective Council	

PENDING ITEMS FOR SCRUTINY WORK PLAN: UPDATED 10.01.24

Timescale (approx.)	Suggested Topics	Directorate	Lead Officer(s)	Notes	Corporate Aim	Decision
				considered by CLT: 27.07.23, 30.11.23 & 28.03.24 • Corporate Leadership Team (CLT) to advise if the Scrutiny Committee can be involved.		
Late 2023/24 or Early 2024/25	Waste	Places	Strategic Director of Places & Head of Safe and Active Public Realm (Angela Culleton)	Extent • Scrutiny Committee would have little to add at this stage following the extension of the waste contract. • Waste and Street Cleansing Vehicle Provision considered at Council 04.09.23 • Corporate Leadership Team (CLT) to advise if the Scrutiny Committee can be involved.	Sustainable Lives	
TBC	Safety on our Highways	Places	Strategic Director of Places	Public Interest • Rutland's Community Speed Watch worked in partnership with the LLR Road Safety Partnership. • Scheme closed in November 2023 and had worked effectively helping villages to combat speeding on local roads. • <u>Community Crackdown on Speeding in Rutland</u>	A County for Everyone	

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