



Rutland County Council

Public Document Pack

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TO: ALL MEMBERS OF THE COUNCIL

8th November 2017

Dear Member

**RE: Report No. 193/2017 Quarter 2 Performance Management Report 2017/18
(Pages 3 – 32)
Report No. 191/2017 Quarter 2 Finance Management Report 2017/18
(Pages 33 – 78)**

Please find attached the above reports from the Chief Executive and the Director for Resources and which will be considered at the following meetings:-

| | |
|--|---------------------------|
| Growth Infrastructure and Resources Scrutiny Panel | Thursday 16 November 2017 |
| Cabinet | Tuesday 21 November 2017 |
| Children and Young People Scrutiny Panel | Thursday 23 November 2017 |
| Adults and Health Scrutiny Panel | Thursday 30 November 2017 |

Members are requested to ensure they bring this copy to the relevant meetings.

Yours sincerely

Natasha Taylor
Corporate Support Team

Encs

Copy to: Chief Executive
Chief Officers
Corporate Support Team
CST Public Copy

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CABINET

21st November 2017

**PERFORMANCE MANAGEMENT REPORT – QUARTER 2
2017/18**

Report of the Chief Executive

| | | |
|--------------------------------|--|--|
| Strategic Aim: | All | |
| Key Decision: No | Forward Plan Reference: FP/260517/08 | |
| Exempt Information: | No | |
| Cabinet Member(s) Responsible: | Mr Tony Mathias, Leader and Portfolio Holder for Finance and Places (Highways, Transport and Market Towns) | |
| Contact Officer(s): | Helen Briggs, Chief Executive | 01572 758201 hbriggs@rutland.gov.uk |
| | Jason Haynes, Performance and Projects Co-ordinator | 01572 720962 jhaynes@rutland.gov.uk |

DECISION RECOMMENDATIONS

1. That Cabinet notes the overall position in relation to performance for the second quarter of 2017/18 and the actions being taken to address areas of underperformance.

1 PURPOSE OF THE REPORT

- 1.1 To provide Cabinet with strategic oversight of the Council's performance for the second quarter of 2017/18 in delivering our Corporate Plan Aims and Objectives. Members are accountable for the delivery of the Council's Corporate Plan and this monitoring information reports on progress and highlights any key challenges.

2 INTRODUCTION

- 2.1 Work was conducted throughout 2016/17 to align the Quarterly Performance Report with the new Corporate Plan which was approved in September 2016.
- 2.2 The Corporate Plan sets the strategic direction for Rutland County Council for the remaining period of this Council (to May 2019). The plan is reviewed annually and the latest version was presented to Cabinet in September 2017.
- 2.3 The Strategic Aims set out in the plan are as follows:
 - Deliver sustainable growth in our County supported by appropriate housing, employment, learning opportunities and supporting infrastructure (including

other public services) whilst protecting our rural environment in accordance with our Local Plan

- Safeguard the most vulnerable and support the health and well-being needs of our community
- Plan and support future population and economic growth in Rutland to allow our businesses, individuals, families and communities to reach their full potential
- Ensure that our Medium Term Financial Plan is in balance and is based on delivering the best possible value for the Rutland pound

2.4 The Corporate Plan also sets out a range of Strategic Objectives and the targets we will use to measure our success. Each quarter we will monitor how these are being delivered by reporting on:

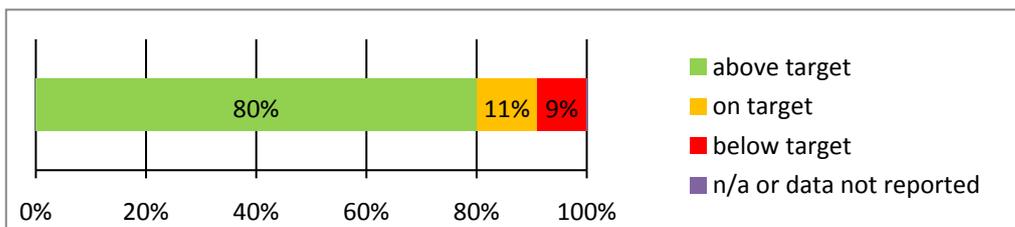
- Performance measures – how well are we doing
- Progress of targets and key projects
- Trend measures – to demonstrate performance over time and compared to national performance and our statistical neighbours where this information is available.

3 OVERALL SUMMARY

3.1 This report brings together an update on progress across a number of areas:

3.2 **Appendix A** contains detailed information on the Council's performance in relation to a number of local and statutory indicators covering the Council's Aims and Objectives. The Council's overall performance is summarised below:

3.3 Performance against targets:



3.4 At the end of Quarter 2, 42 (91%) indicators were on or above target with 4 (9%) currently below target.

3.5 Key successes include percentage of children not in education, employment or training (NEET) where only one child in Rutland currently is classed as NEET (para 4.2), achievement in the new Progress 8 score at Key Stage 4 (para 6.4), gender gap at KS2 and 4 (para 6.5) and average sickness days lost per employee which has fallen for the second quarter in a row (para 7.2)

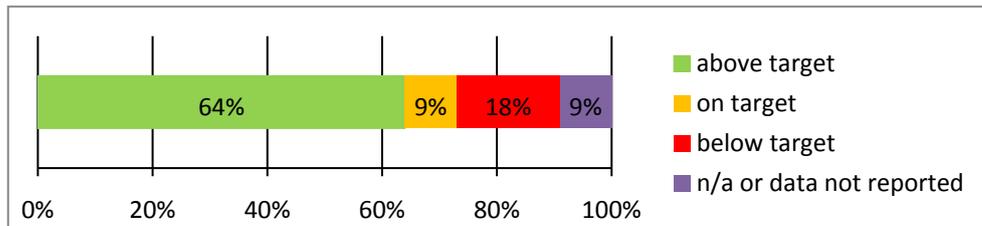
3.6 Key areas where performance is being monitored include percentage of children whose destination is not known (para 4.3), % of waste sent for recycling (para 4.4), the number of affordable homes delivered, with only 5 completed so far during 2017/18 (para 4.5), the number of delayed days in transfer of care (DToC)

where we have been set a new, challenging target (para 5.2), % of contacts progressed within one working day (para 5.3) and the proportion of pupils achieving higher than expected standards at Key Stage 1 (para 6.3)

4 SUSTAINABLE GROWTH

Delivering sustainable growth in our County supported by appropriate - housing, employment, learning opportunities and supporting infrastructure (including other Public Services.

4.1 Performance against targets:



73% of indicators on or above target at the end of Quarter 2, with two (Number of affordable homes delivered and % of children whose destination is not known) currently below target.

Achievements and issues

- 4.2 Continued improvement in the service offered to young people in Rutland means that currently only 1 (0.2%) child in Rutland out of 589 eligible 16-18 year olds are registered as NEET. Further improvement on the previous quarter in an area where performance is already one of the highest in the country.
- 4.3 The % of children whose destination is not known has risen above our target of 2.6% to 39.6%. Our aim is to ensure all children and young people have a suitable offer of education and the Youth Service tracks the destinations of young people in education and reports performance on the level of children whose destination is unknown to the DfE. Tracking takes place at the start of each academic year when children and young people move through education to other destinations. Naturally at this point of the year the unknown level is higher whilst new destination data is verified, and the level of unknowns then drops throughout the rest of academic year. In terms of overall performance Rutland had one of the lowest levels of unknowns in the country during 2016/17 and was ranked 7th nationally for performance.
- 4.4 The percentage of waste sent for recycling dropped to 60.5% this quarter from 63.2% for the corresponding quarter last year. The main factor is a reduction in the tonnage of green waste compared with last year which was an exceptional growing season.

Update on issues from previous quarter

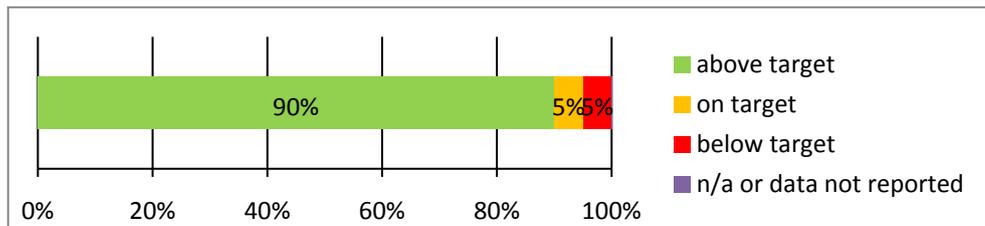
- 4.5 The number of affordable homes completed during the first quarter of 2017/18 still remains low with only 5 completed so far during 2017/18 (6 were completed during the whole of 2016/17 against a target of 40). Although the number of affordable homes completed in Quarter 1 is below target, the prediction for completions

during the year is good with a tentative forecast of 62 completions during 2017/18 at a number of sites across Rutland. Delivery can fluctuate during the year due to the small number of sites and the finalised construction times being set by Housing Associations, with sector delivery concentrated towards year end.

5 SAFEGUARDING

Safeguard the most vulnerable and support the health and well-being needs of our community.

5.1 Performance against targets



Good performance with eighteen indicators (95%) on or above target at the end of Quarter 2 and one (5%) below target.

Achievements and issues

5.2 The Department of Health have set new targets for the number of delayed transfers of care based on data from February 2017. DToC rates in Rutland were exceptionally low in Rutland in February, meaning that our target will be extremely challenging to meet (it translates to 3.9 delayed days per 100,000 adults per day for 2017/18). From March to August we have been running an average of 6.6 days, a significant improvement on last year's average (10.25) and teams are continuing to work proactively to prevent and minimise delays towards our new target.

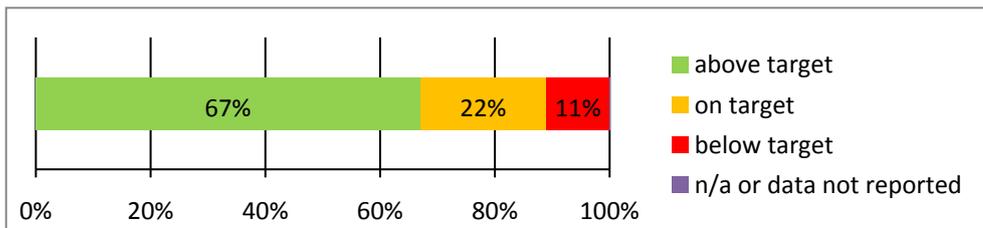
Updates on issues from the previous quarter

5.3 The number of contacts progressed within one working day remains below target (100%) at 89% this quarter. The delayed contacts were low level contacts which did not meet social care thresholds so the delays did not place any child at risk. The delay was due to one new staff member not completing contacts correctly, this has now been addressed and should be resolved; however managers will be doing more to understand this further during Quarter 3.

6 REACHING OUR FULL POTENTIAL

Plan and support future population and economic growth in Rutland to allow our businesses, individuals, families and communities to reach their full potential.

6.1 Performance against targets



Good performance with six indicators (89%) on or above target at the end of Quarter 2, with one (11%) currently below target.

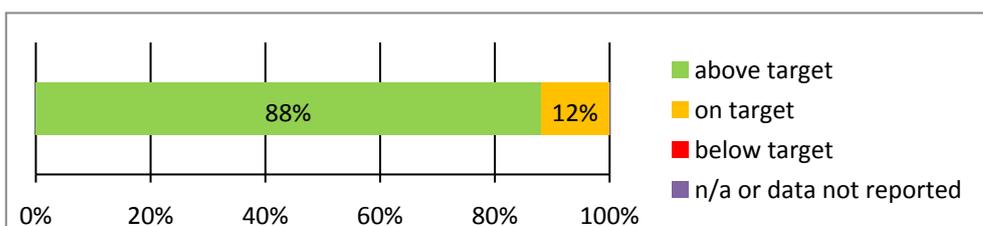
Achievements and issues

- 6.2 The percentage of children achieving higher than expected standard at Key Stage 1 (i.e. Greater Depth) is lower than national averages, with only Reading on par with national averages (25% of pupils achieving greater depth). In Writing, 13% of Rutland pupils are currently achieving Greater Depth (compared to 16% nationally) and in Mathematics it was 16% of Rutland pupils compared to 21% nationally.
- 6.3 Whilst progress from Key Stage 1 to Key Stage 2 shows a slight improvement in 2017, the average progress score in all subjects in only broadly average compared to the national average, with Writing being the area of most concern and the only one showing negative progress between these two Key Stages (Reading 0.2, Writing -0.3, Mathematics 0.1).
- 6.4 The progress 8 score for Key Stage 4 shows that Rutland is performing well and above national averages at this level. Progress 8 is new measure of the progress students make between the end of Key Stage 2 and Key Stage 4 based on performance in eight qualifications. Rutland schools overall progress score of 0.32 compares favourably with the national score of 0.0.
- 6.5 The gender gap at both Key Stage 2 and 4 is currently better than national averages. At Key Stage 2 the gap is 5% compared to 9% nationally, due to boys performing 2% better than national averages, and girls 2% worse. At Key Stage 4, the gap is only 1.4%, here both girls and boys are performing better than national averages, with girls 5.6% better and boys 10% better.

7 SOUND FINANCIAL AND WORKFORCE PLANNING

Ensure that our medium term financial plan is in balance and is based on delivering the best possible value for the Rutland pound.

7.1 Performance against targets



Good performance with seven indicators (88%) on or above target at the end of Quarter 2 and one (12%) below target.

Achievements and issues

- 7.2 The average sickness days lost per employee has dropped for the second quarter in a row, and is now at 1.52 days per employee, the lowest level of sickness absence within the authority since Quarter 1 2016/17.
- 7.3 The most significant variation this quarter is in long term sickness with an overall reduction from 13 to 9 cases. The number of short term cases has increased from 90 to 98 but there is no discernible common reason and the increase is spread across a number of reasons (cold/flu, dental pain, ears/eyes/nose and throat, headache/migraine).
- 7.4 The highest reason for absence in Q2 was injury/fractures and joint problems, accounting for 42% of all absence (compared to 30% in the previous quarter).
- 7.5 The table below shows the number of days lost by each Directorate in Quarter 2, expressed as total days lost per Directorate and days lost per employee:

| Directorate | Days lost through Sickness | Headcount 1 st July 2017 | Headcount 30 th Sept 2017 | Average | Days lost per employee |
|-------------|----------------------------|-------------------------------------|--------------------------------------|---------|------------------------|
| PEOPLE | 427 | 235 | 231 | 233 | 1.83 |
| PLACES | 209 | 147 | 148 | 147.5 | 1.42 |
| RESOURCES | 66 | 80 | 81 | 80.5 | 0.82 |
| Total | 702 | 462 | 460 | 461 | 1.52 |

- 7.6 The table below shows a comparison of sickness for the whole Council over the last 5 quarters:

| Year | Days lost through sickness | Average no of employees | Days lost per employee | Days lost per month |
|----------------|----------------------------|-------------------------|------------------------|---------------------|
| Q2 2017/18 | 702 | 461 | 1.52 | 234 |
| Q1 2017/18 | 734 | 459 | 1.60 | 245 |
| Q4 2016/17 | 1,051 | 461 | 2.28 | 350 |
| Q3 2016/17 | 887 | 466 | 1.91 | 296 |
| Q2 2016/17 | 777 | 466 | 1.67 | 259 |
| AVERAGE | 843.5 | 461.8 | 1.83 | 281.3 |

- 7.7 93% of calls received by the Customer Services team were answered within four minutes during Quarter 2. A summary of performance for Customer Services is included as **Appendix B**.

8 OUTSTANDING AUDIT RECOMMENDATIONS

- 8.1 There are seven 'essential' audit recommendations overdue for implementation. In all cases action is underway to address issues raised but has not yet been completed:

- Three actions relate to a review of the Council's data management arrangements. Internal Audit recommended that the Records Management Policy be updated so that officer accountability for records management is clearly defined, access to network folders is regularly reviewed and 'old' Council records are disposed of. The new Head of Corporate Governance is working on a new Policy which will ensure that all data is retained in accordance with the data retention schedule.
- Some 'access conflicts' were identified during the audit of Business World. These 'conflicts' could theoretically allow certain individuals (in Finance) to process and approve changes without a secondary check. There are alerts and other compensating controls in place but these need to be documented to close off the risk. This action has been delayed as the Payroll service is now being transferred to Hoople.
- Three recommendations relate to the Highways Management contract. Internal Audit recommended that the process of documentation, review and approval of any proposed price and overhead changes was improved, and a detailed analysis of all payments for fixed local overheads was undertaken. Progress has been made in this area but not yet completed.

9 CONSULTATION

9.1 Consultation is not required as no changes are being proposed within this report.

10 ALTERNATIVE OPTIONS

10.1 Alternative options are not considered within this report.

11 FINANCIAL IMPLICATIONS

11.1 There are no direct costs associated with this report.

12 LEGAL AND GOVERNANCE CONSIDERATIONS

12.1 There are not considered to be any legal or governance issues associated with this report. However, poor performance may lead to legal and/or governance challenges.

13 EQUALITY IMPACT ASSESSMENT

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

14 COMMUNITY SAFETY IMPLICATIONS

14.1 There are no Community Safety implications arising from this report.

15 HEALTH AND WELLBEING IMPLICATIONS

15.1 There are no Health and Wellbeing implications arising from this report.

16 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 16.1 At the end of Quarter 2, 91% of indicators measured were on or above target. 9% of indicators are currently below target and main areas of concern have been highlighted in this report and the remedial action being undertaken to improve performance has been identified.
- 16.2 Overall performance based on activity in the second quarter of 2017/18 is satisfactory.

17 APPENDICES

- 17.1 Appendix A – Quarterly Performance Report
- 17.2 Appendix B – Customer Services summary

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

11

Rutland County Council
Quarterly Performance Report
Quarter 2 summary
2017/18

Key to symbols used within the report

Where icons appear in this report, they have been applied to the most recently available information.



Performance against target
Meeting/Exceeding Target



Performance approaching target (within 5%)



Performance >5% behind target

Compared to 12 months ago

Better performance now than twelve months ago

Same performance now as twelve months ago

Worse performance now than twelve months ago

Sustainable Growth - Performance

| Indicator | Target | Cumulative Year to Date | Current Performance to Target | Performance compared to 12 months earlier | |
|--|--------|-------------------------|---|---|---|
| LI085 - % of children not in Education, Employment or Training | 2.2% | 0.2% |  | 0.8% |  |
| LI213 - % of children whose destination is not known | 2.6% | 39.6% |  | 49% |  |
| PI152 – Working age people in receipt of benefits | 7.3% | 5.4% |  | 5.5% |  |
| PI154 – Net additional homes provided | 140 | 90 |  | 113 |  |
| PI155 – Number of affordable homes delivered | 40 | 5 |  | 5 |  |
| PI157a – Processing of major planning applications | 60% | 100% |  | 100% |  |
| PI157b – Processing of minor planning applications | 65% | 96.5% |  | 97% |  |
| PI157c – Processing of other planning applications | 80% | 98.4% |  | 99% |  |
| PI191 – Residual waste per household | 130kg | 129kg |  | 123 |  |
| PI192 - % of waste sent for recycling | 59% | 60.5% |  | 63.2% |  |
| LI190 – Number of fly tipping incidents | | 76 | | 229 |  |

Sustainable Growth -

14

| | Scrutiny Panel | RAG |
|---|----------------|-----|
| Develop Phase 2 of Oakham Enterprise Park to create further employment and business growth opportunities | Places | |
| <p>Currently there are 4 vacant units at OEP out of 106. This represents a void rate of circa 4% which is excellent considering the type of units at OEP.</p> <p>Work is ongoing to identify development opportunities and to future proof the site to ensure its longevity. Future year's expenditure is expected to focus on ensuring compliance issues and increasing revenue income.</p> <p>A strategy for the future development of the Central Area of OEP is being developed which will create further employment opportunities but also increase the revenue return.</p> <p>Projected rental income for 2017/18 is £456.9k with a net surplus estimated at £100.3k. This is due to significant revenue spend on essential building works and infrastructure improvements.</p> | | |
| Complete the improvement of broadband, developing and implementing a strategy for 2020 connectivity for the County | Places | |
| <p>Phase 1 deployment connected circa 9,600 homes and businesses to fibre broadband with the majority of these having access to superfast broadband speeds.</p> <p>Phase 2 deployment is now completed connecting some further 970 premises to fibre broadband with the majority of these at superfast broadband speeds. This brings the combined total across all deployed phases to circa 10,600.</p> <p>Cabinet has now approved a Phase 3 deployment to tackle as many of the remaining sub 24mbps intervention premises as possible within the approved budget. This is currently being scoped with deployment expected to complete within 12 months of a change form being signed.</p> | | |

Good mobile broadband coverage alongside fixed broadband provides maximum flexibility for both residents and businesses and the project board will continue to monitor and encourage 4G roll out in Rutland by commercial operators.

Castle Restoration Project

Places

Restoration works to the Great Hall are complete; official opening took place in May 2016. Work on the external curtain wall was completed on 19th October 2016, bringing a close to the major construction phase. Inspection at the end of the defects period was undertaken on 30th June 2017, and final issues are being addressed.

An agreed scheme for Motte stabilisation and gardens has been developed, meeting with contractors on site on 27th October to agree next steps in procurement and delivery.

Project remains currently within budget.

Oakham Town Centre Phase 1

Places

The stakeholder engagement strategy was approved by Cabinet on 17th January 2017.

Stage 1 consultation was completed in April 2017 which narrowed 3 concepts down to 2. These have been developed as outline designs. Option A is a one-way scheme and Option B is a two-way scheme.

Stage 2 consultation involving public exhibitions on these options closed on 7th July 2017. A report will be considered by Cabinet on 10th October 2017 to consider which option should be taken forward to the detailed design stage.

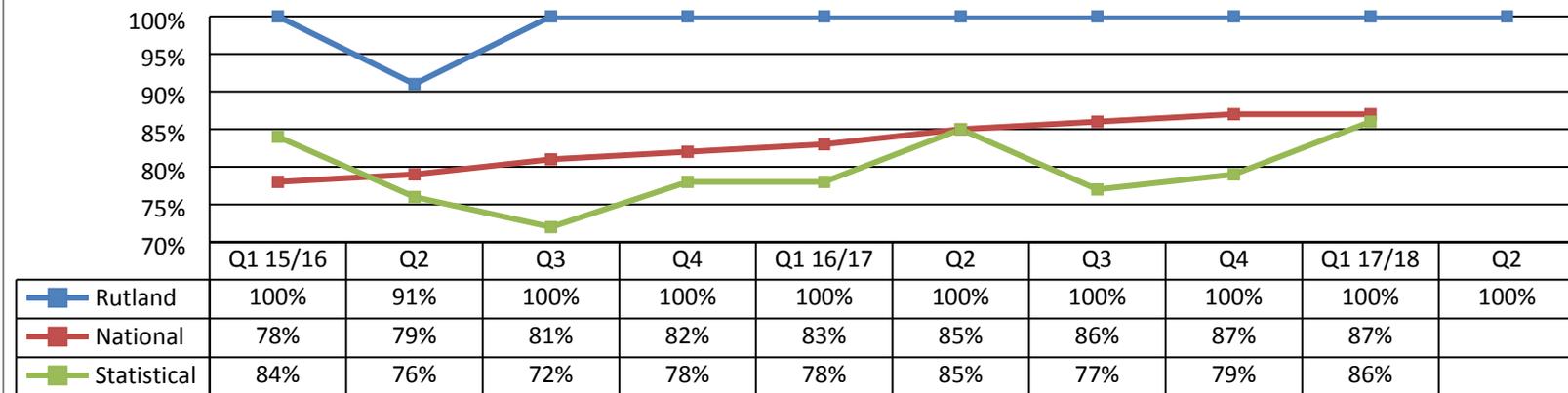
Highway Asset Management Plan

Places

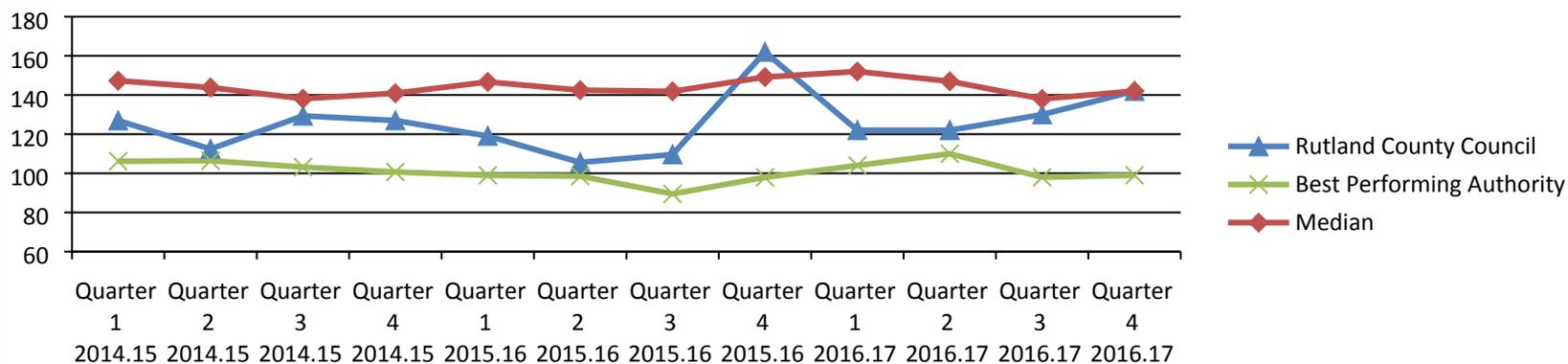
The Highway Asset Management Plan has been updated and signed off by Cabinet. RCC submitted the return as a Band 2 authority in January 2017 which has been accepted by the Department of Transport.

Sustainable Growth - Trends

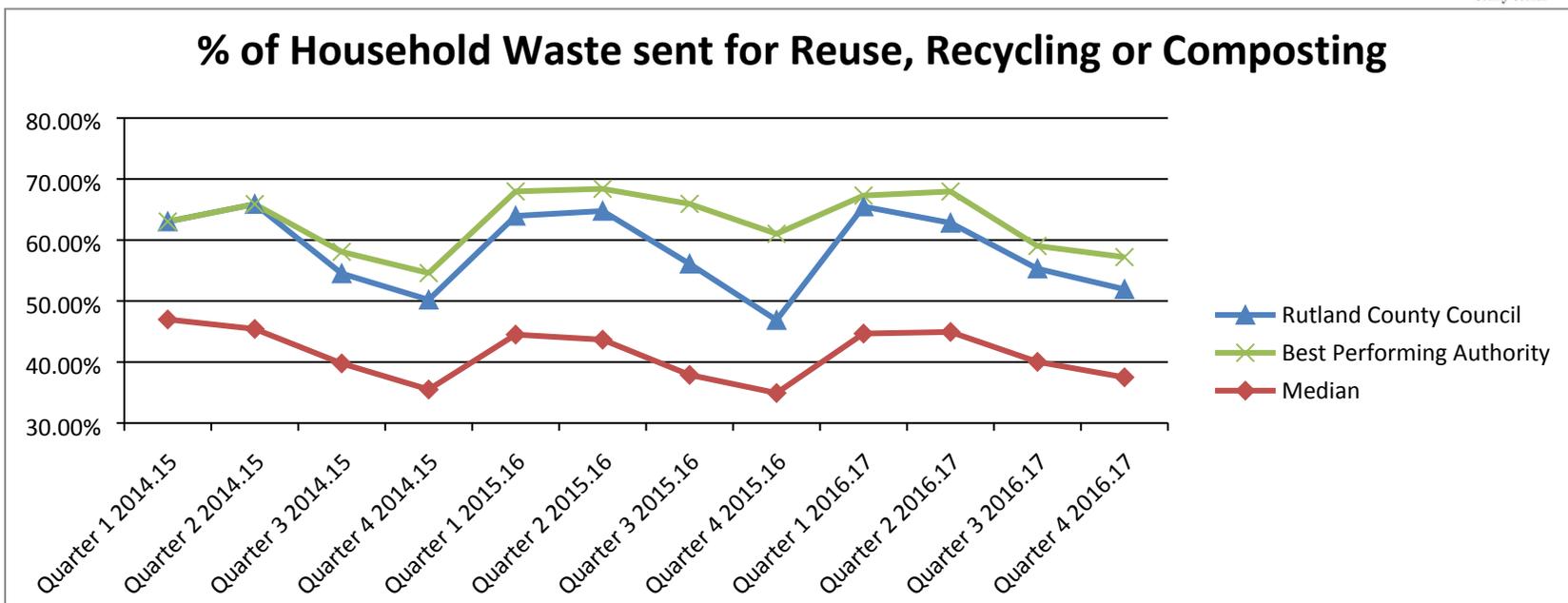
Major Planning Applications processed within timescales



Residual Household Waste per Household (kg/household)



% of Household Waste sent for Reuse, Recycling or Composting



Safeguarding – Performance

| Indicator | Target | Cumulative Year to Date | Current Performance to Target | Performance compared to 12 months earlier | |
|---|--------------|-------------------------|---|---|---|
| PI047 – People killed or seriously injured in road traffic accidents | Less than 23 | 9 |  | 11 |  |
| PI060 - % of single assessments that were completed within 45 days | 85% | 87% |  | 64% |  |
| PI062 – CLA stability: Number of placements (% of CLA children who have had 3 or placements in last 12 months) | 4% | 0% |  | 0% |  |
| PI063 – CLA stability: Length of placements (% of children in care for 2.5 years or more who have been in the same placement for 2 years) | 70% | 70% |  | 75% |  |
| PI064 – Child Protection Plans lasting 2 years or more | 5% | 0% |  | 0% |  |
| PI065 - % of children becoming subject to a Child Protection plan for a second time within previous 2 years | 5% | 0% |  | 0% |  |
| PI066 – CLA cases reviewed within timescales | 100% | 100% |  | 100% |  |
| PI067 – CP cases reviewed within timescales | 100% | 100% |  | 100% |  |
| PI068 - % of referrals going onto single assessment | 95% | 95% |  | 65% |  |
| LI209 – Number of contacts progressed within one working day | 100% | 89% |  | | |
| LI211 - % of permanent staff in post | 80% | 83% |  | | |
| LI111 - % of carers signposted | 80% | 100% |  | 83% |  |
| LI176 - % of adult social care reviews for LD completed annually | 80% | 96% |  | 88% |  |

| Indicator | Target | Cumulative Year to Date | Current Performance to Target | Performance compared to 12 months earlier | |
|--|-------------|-------------------------|---|---|---|
| LI181 - % of adult social care reviews completed on time | 80% | 92% |  | 90% |  |
| LI182 - % of service users who were still at home 91 days after discharge | 87% | 90% |  | 93% |  |
| LI191 – Total number of delayed days in transfer of care (DTC) per 100,000 population (aged 18+) | 3.9 per day | 6.6 per day |  | 10.25 per day |  |
| LI192 – Permanent admissions of older people (65+) to residential and nursing care homes | 28 | 9 |  | 8 |  |
| LI173 - % of eligible children registered with Childrens Centres | 80% | 94% |  | 92% |  |
| LI174 - % of target families registered with sustained engagement | 65% | 79% |  | 98% |  |

Safeguarding -

| | | |
|--|------------------------------------|-----|
| | Scrutiny Panel | RAG |
| Better Care Fund | Peoples (Adults and Health) | |
| <p>The new BCF programme document was submitted on schedule on 11th September, with continuity across a range of proven actions and a number of new transformational activities building on this foundation. As part of the programme development process, the Department of Health set an expectation to further reduce numbers of delayed transfers of care (DTOCs), requiring BCF programmes to commit to match or improve on February's performance. DToC rates were exceptionally low in February in Rutland, making these targets extremely challenging for this area. Nevertheless, we have had to adopt the national expectation targets for the programme to be approved and to progress with confidence.</p> <p>There is some risk that, if targets are not met in the key month of November, we could face financial penalties next year, but this has yet to be fully defined. In the interim, work continues to progress the programme as a whole and to reduce delayed transfers of care to an absolute minimum.</p> <p>The focus for 2017-19 remains on four priorities:</p> <ul style="list-style-type: none"> - Unified prevention, including supporting people to be more active and socially connected; - Holistic management of long term conditions (LTC) and complex health needs; - Avoiding hospital admissions and enabling effective discharge; and - Enablers to programme delivery, including analytics, IT improvements and user engagement. <p>Key innovations include the following:</p> <ul style="list-style-type: none"> - Piloting the holistic homecare model in which relationship-based, personalised homecare, also including delegated healthcare tasks, is provided by small teams to people with more complex care needs; - Progressing a personalisation and self-care toolkit in primary care as part of prevention and LTC management; - Increasing the resource for physiotherapy for people in interim care home beds, at the same time encouraging a pre-emptive increase in physical activity for permanent care home residents, aiming to maintain physical wellbeing and avoid hospital admissions. <p>Funding for this year is confirmed as:</p> | | |

- Core BCF £2.098m
- Disabled Facilities Grant £203k
- Improved BCF £203k (for use on social care, including to reduce DTOCs).

Liquidlogic Implementation

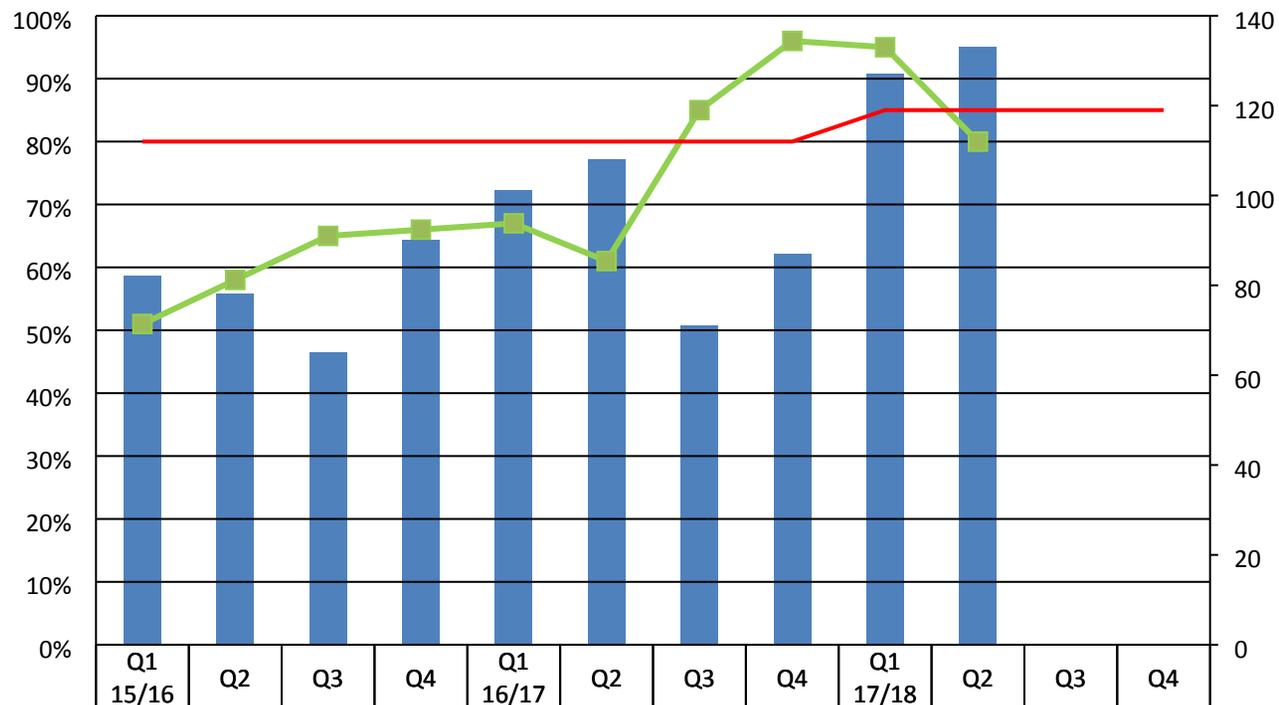
Peoples (Children and Adults)



The Liquidlogic project has been successfully delivered, as this last phase of rolling out Briefcase is nearly complete. Overall, this has been a successful project, with the new system being fully bedded in and improving the way the service is delivered.

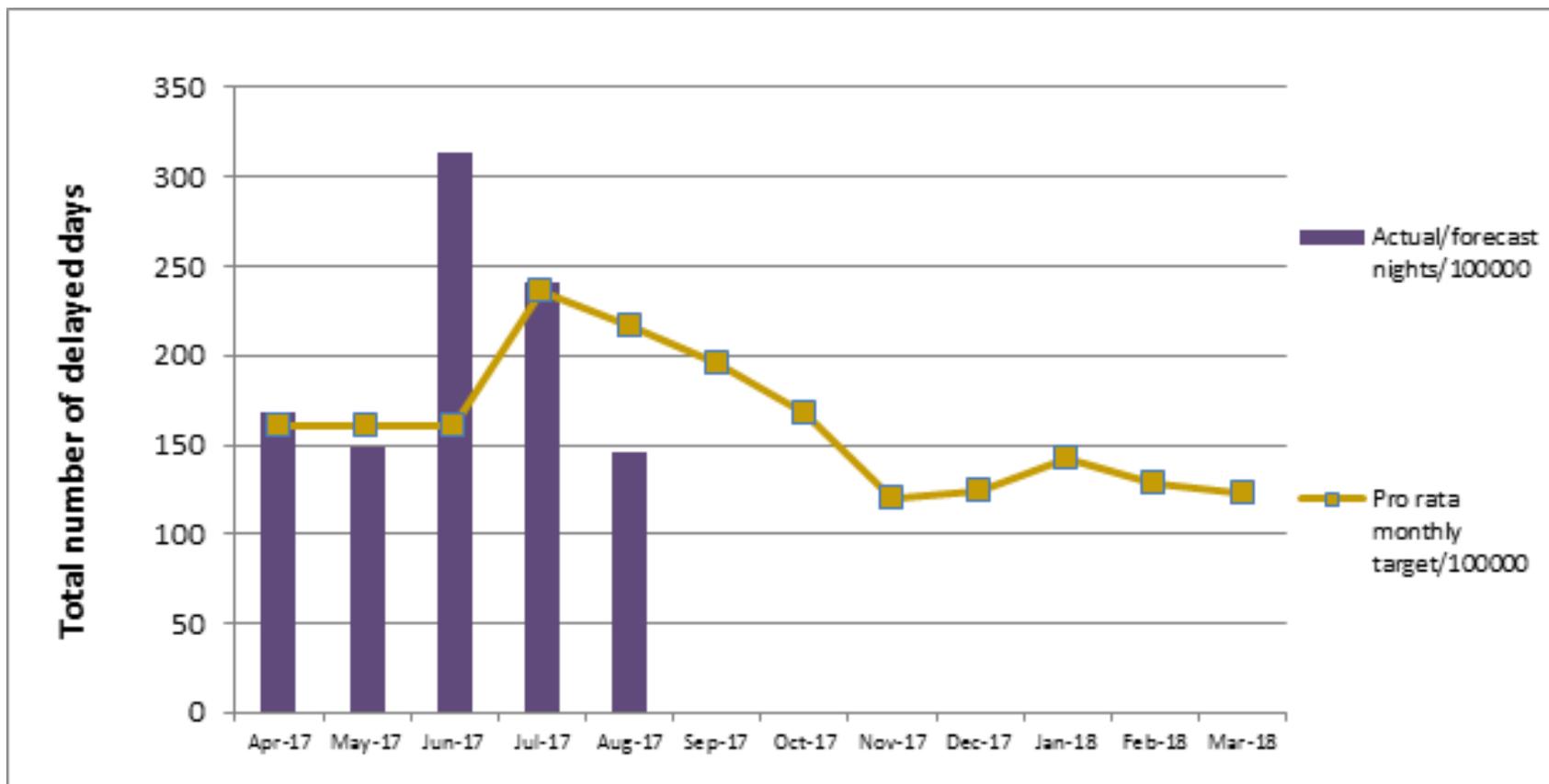
Safeguarding – Trends

PI060 Single Assessments completed within timescales



| | | | | | | | | | | | | |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|  No. of assessments completed | 82 | 78 | 65 | 90 | 101 | 108 | 71 | 87 | 127 | 133 | | |
|  % completed within timescales in Quarter | 51% | 58% | 65% | 66% | 67% | 61% | 85% | 96% | 95% | 80% | | |
|  Target | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 80% | 85% | 85% | 85% | 85% |

LI191 – Total number of delayed days in transfer of care (DToC)



Reaching our Full Potential – Performance

Performance reported as at 2016/17 – will be updated once current year results are published during Quarter 2.

| Indicator | Target | Cumulative Year to Date | Current Performance to Target | Performance compared to 12 months earlier | |
|---|--------|-------------------------|---|---|---|
| LI200 - % of children whose application was received within statutory timeframe, offered their first choice primary school place | 95% | 96% |  | 93% |  |
| LI201 - % of children whose application was received within statutory timeframe, offered a primary school of their choice (1 st to 3 rd choice) | 100% | 99.7% |  | 99.2% |  |
| LI202 - % of children whose application was received within statutory timeframe, offered their first choice secondary school place | 90% | 94% |  | 89% |  |
| LI203 - % of children whose application was received within statutory timeframe, offered a secondary school of their choice (1 st to 3 rd choice) | 98% | 98% |  | 97% |  |
| LI205 – Improve the proportion of pupils in Key Stage 1 achieving greater depth in Reading, Writing and Mathematics | >0 | -8% |  | | |
| LI206 – Improve progress across Key Stage 2 so a consistently positive score in Reading, Writing and Mathematics is achieved | >0 | 0 |  | | |
| LI212 – Progress 8 score remains above national at the end of Key Stage 4 in all measures | 0 | 0.32 |  | | |
| LI207 – Rutland’s gender gap reflects the national picture at Key Stage 2 (Reading, Writing and Mathematics) | 9% | 5% |  | | |
| LI208 – Rutland’s gender gap reflects the national picture at Key Stage 4 (Attainment 8 score) | 5.8% | 1.4% |  | | |

Reaching our Full Potential -

| | | |
|---|----------------------|-----|
| | Scrutiny Panel | RAG |
| School Place Planning | Peoples (Children's) | |
| We are working with Oakham C of E on an expansion. This has been delayed due to ample capacity at the school and there are currently sufficient places in Oakham. | | |
| Additional Secondary Places | Places | |
| Cabinet and Council have approved the allocation of funds. Catmose College have yet to provide details of their proposed expansion. | | |
| Barleythorpe Primary | Places | |
| Currently, there is adequate capacity at primary level; this build programme has been put on hold although the number of children on roll continues to increase within the schools' capacity. | | |
| Library and Children's Centre | Places | |
| Both the Library and Children's Centre were completed on time; with a c£7k overspend on the budget. The site opened to the public on the 2 nd October, with the Leader of the Council officially opening the new building. There will be a short period of fixing defects together with the final account being put together, but the project is now complete. | | |

Sound Financial and Workforce Planning – Performance

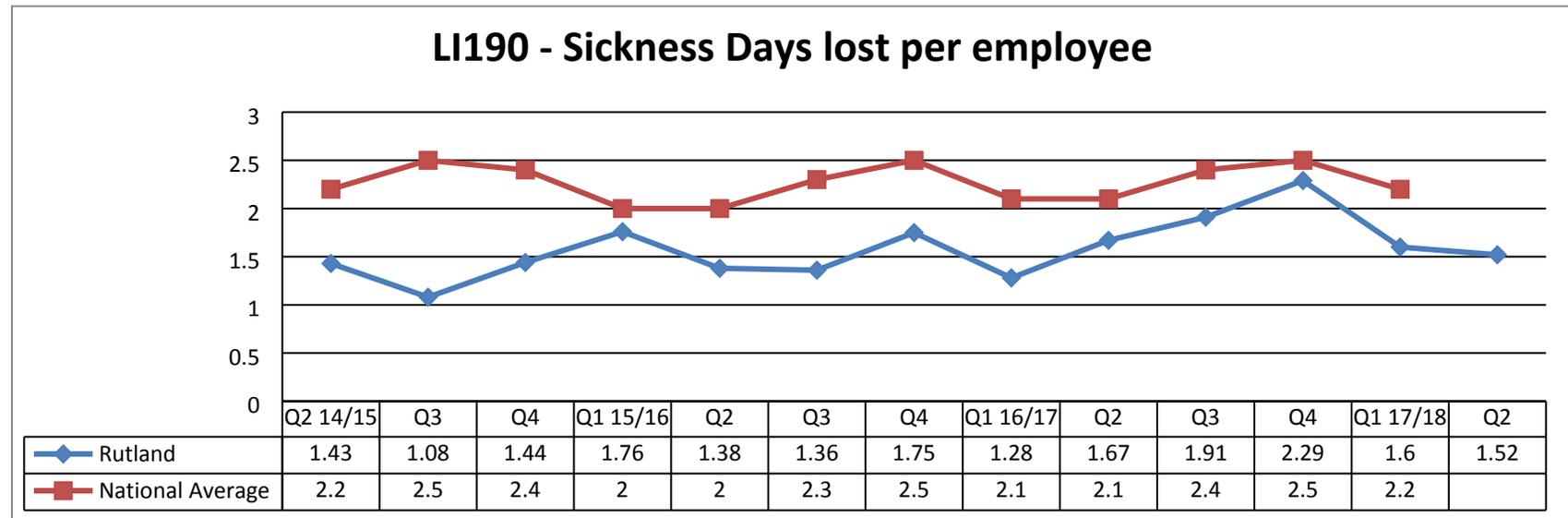
| Indicator | Target | Cumulative Year to Date | Current Performance to Target | Performance compared to 12 months earlier | |
|--|--------|---------------------------|---|---|---|
| LI221 – Reduction in the financial gap following an agreed savings target programme | | 1.24m |  | 2.59m |  |
| LI222 – Deliver an annual savings programme, to be reported end of each financial year | | delivered |  | | |
| LI223 – Maintain reserve balances across the life of the MTFP | >2m | All reserves above target |  | | |
| LI001 - % of invoices paid on time (30 calendar days of receipt) | 95% | 95% |  | 97% |  |
| LI029 - % of sundry debt recovered | 90% | 87.5% |  | 84% |  |
| LI020 - % of Council Tax received | 95% | 63.8% |  | 61% |  |
| LI021 - % of NNDR received | 95% | 60.5% |  | 64% |  |
| LI195 - Average sickness days lost per employee | | 1.52 |  | 1.67 |  |

Sound Financial and Workforce Planning -

27

| | Scrutiny Panel | RAG |
|---|------------------|-----|
| Deliver a new website that increases online transactional services year on year | Resources | |
| <p>Following the go live in March the website continues to be developed. A review has been carried out on the use of the home page and a new compact home page layout developed. A new facility for searches has been implemented so that searches are made across the main website, modern.gov and also the Rutland Information Service.</p> <p>Work is nearly complete on a solution called FixMyStreet to allow highways and environmental health issues to be reported and tracked online.</p> <p>The number of online transactions at the end of Quarter 2 remains 79.</p> | | |
| Improve Staff Satisfaction scores based on our staff survey compared to March 2015 baseline | Resources | |
| <p>The staff survey closed on the 6th October. The results are now being collated and analysed and will be used to compare staff satisfaction with the original survey conducted in March 2015.</p> | | |
| Deliver against the actions and targets identified within our Workforce Development Strategy | Resources | |
| <p>Actions and targets from the Workforce Development Strategy are currently being monitored and an initial report on progress is currently planned for Quarter 3 of this year.</p> | | |

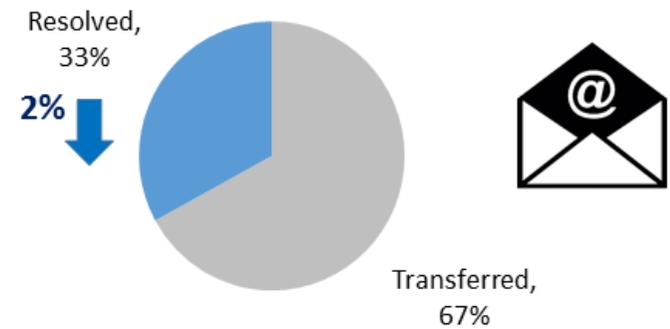
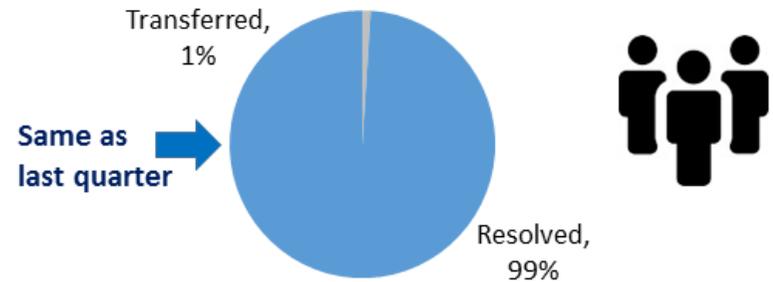
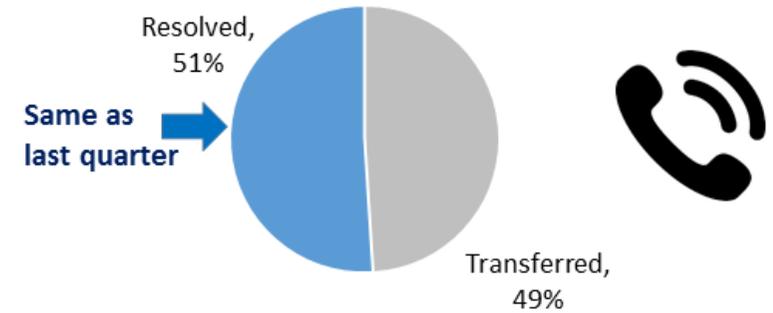
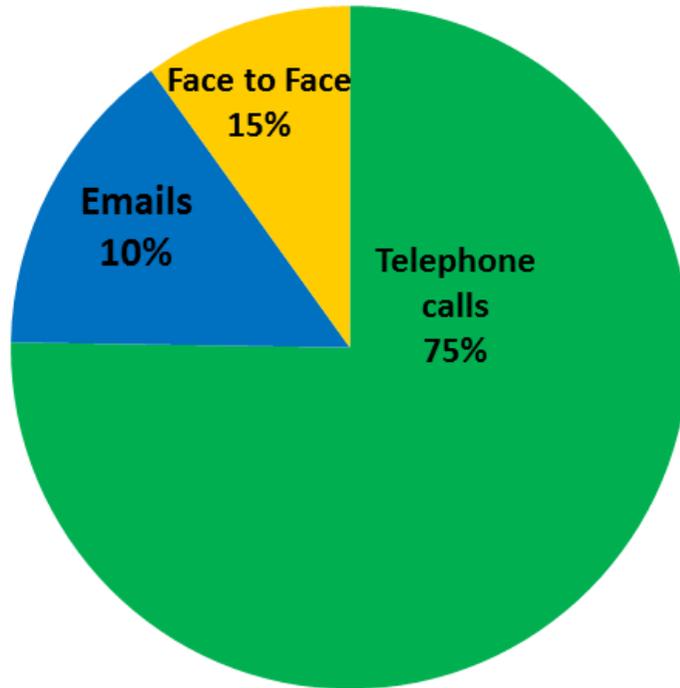
Sound Financial and Workforce Planning - Trends



*National average in the chart above is based on those Authorities who have submitted data to LGInform for Quarterly comparison.

CST Quarter 2 Performance

Q2 2017 Customer Service – Highlights



↑ = Direction of travel from previous quarter

Q2 2017 Customer Service – Highlights



**% Answered
within 4 mins**



Q3 2016 – 94%
Q4 2017 – 94%
Q1 2017 – 91%
Q2 2017 – 93%
2017/18 – 92%

**% Answered
within 5 mins**



Q3 2016 – 97%
Q4 2017 – 97%
Q1 2017 – 95%
Q2 2017 – 97%
2017/18 – 96%

**% Abandoned
calls after 5
minutes**



Q3 2016 – 1%
Q4 2017 – 1%
Q1 2017 – 1.5%
Q2 2017 – 1%
2017/18 – 1.25%

Q2 2017 Customer Service – Highlights

**Top 5 Services
=
50% of all calls**



**Council Tax
Waste
Planning
Adult Social Care
Children Social Care**

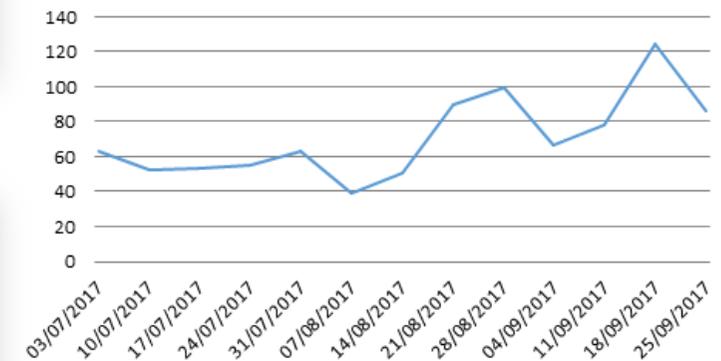
**% Answered
within 1 mins**



**Q3 2016 – 69%
Q4 2017 – 68%
Q1 2017 – 60%
Q2 2017 – 64%
2017/18 – 62%**



Average Wait Times (Sec)



CABINET

21 November 2017

QUARTER 2 FINANCIAL MANAGEMENT REPORT

Report of the Director for Resources

| | | |
|--------------------------------|--|---|
| Strategic Aim: | Delivering Council Services within the Medium Term Financial Plan | |
| Key Decision: Yes | Forward Plan Reference: FP/260517 | |
| Exempt Information | No | |
| Cabinet Member(s) Responsible: | Councillor Tony Mathias, Leader and Portfolio Holder for Corporate Finance | |
| Contact Officer(s): | Debbie Mogg, Director for Resources | Tel: 01572 758358 dmogg@rutland.gov.uk |
| | Saverio Della Rocca, Assistant Director - Finance | Tel: 01572 758159 sdrocca@rutland.gov.uk |
| Ward Councillors | N/A | |

DECISION RECOMMENDATIONS

That Cabinet:

- a) Note the 2017/18 revenue and capital outturn position as at Quarter 2 (Appendix A, section 1 and section 2).
- b) Approve the use of £80k from the Invest to Save reserve to fund Green Waste costs (as requested in Appendix A para 1.7.3) to be repaid over a 3 year period and £20k from the Legal reserve (as requested in Appendix A para 1.7.4)
- c) Note the proposed transfers from earmarked reserves as shown in the table in Appendix A, para 1.7 (to be finalised and agreed in the 2017/18 outturn).
- d) Approves the removal of the £594k funding for OEP capital investment from the capital programme pending further proposals.
- e) Note the changes to the Approved Capital Programme as outlined in Appendix A para 2.2.1

1 PURPOSE OF THE REPORT

- 1.1 To inform Cabinet and all members of the full year forecast position as at Quarter 2 for 2017/18 and to alert them to issues that may impact on the Medium Term Financial Plan to enable them to maintain sound financial management of the Council's operations.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Revenue and Capital forecast

- 2.1.1 The Council approved its 2017/18 budget in February 2017. Since the budget was approved, Cabinet and Council have approved some budget changes in the Outturn report (111/2017) and Quarter 1 report (147/2017) and further changes made since then are summarised in Appendix A 1.1 and itemised in Appendix B. Key points to note are:

- The Q2 revenue position is that the Council is forecasting a deficit of £769k compared to a budgeted deficit of £487k. The increasing deficit reflects continued pressure in a number of areas including an increase pupils requiring Special Educational Needs transport requirements and investments in Permanency and Protection service to reduce the likelihood of children being brought into care. More detailed information on the overall forecast can be found in Appendix A (paras 1.2 and 1.3).
- The Council has also settled an outstanding planning claim (details given in Appendix A, 1.3.13) after authority was given by Full Council. The legal costs of settling this claim had been budgeted at £68k. The actual costs incurred are £88k and the it is proposed to fund the additional costs from the Legal reserve.

- 2.1.2 Further to the approval by Council (Report 166/2017) of the introduction of a Green Waste charge, officers have begun putting in place arrangements and are forecasting set up costs of just under £80k. It is proposed that these costs are met from the Invest to Save reserve and then repaid over a three year period from Green Waste income.

- 2.1.3 There are two issues to note re the capital programme.

- The Library and Children Centre project has now completed at a final cost of £997k.
- Cabinet previously approved capital projects in respect of Oakham Enterprise Park (OEP) for solar panels (£100k) and new development (£500k). Only £6k has been spent to date and it is now requested that these projects are removed from the capital programme and that a further report is brought forward outlining plans for OEP.

- 2.1.4 A summary of the position is shown in Appendix I.

2.2 Medium Term Financial Plan (MTFP)

- 2.2.1 The MTFP was updated as part of the budget setting process, then further updated in the outturn report (Report 111/2017) and adjusted again In the Quarter 1 Finance Report (147/2017). Further changes have been made in Quarter 2

which are detailed in Appendix A, section 3.

- 2.2.2 The New Homes Bonus/Council tax income changes reflect the updated position on housing trajectory (number of properties to be built and when). The number of completions in the New Homes Bonus year (Oct – Sept 17) was less than expected.
- 2.2.3 The business rate changes reflect the likelihood of a business rates reset in 20/21. Since 2013/14, business rates have grown and this means that a number of authorities retain business rates way above their baseline – what the Government equates to need. In order to ensure fairness, the Government indicated it would “reset” the system from time to time which means those authorities keeping rates above the baseline will pay an extra tariff and therefore retain less. Rutland is likely to be a “loser” in this scenario.
- 2.2.4 The Government has issued a technical consultation document in respect of the Local Government Finance Settlement. Details are summarised in Appendix 1 (para 3.2). The consultation document does not highlight any likelihood of new funding and if anything further changes proposed to New Homes Bonus (in particular reducing payments for decisions overturned on appeal) could reduce funding further by up to £100k.

3 CONSULTATION

- 3.1 Formal consultation is not required for any decisions being sought in this report. Internal consultation has been undertaken with officers to assess the impact of the forecast on the budget in future years.

4 ALTERNATIVE OPTIONS

- 4.1 Cabinet are requested to approve the use of earmarked reserves. Cabinet can choose to approve the requests or request that budget managers assess whether such expenditure can be absorbed within existing budgets thereby deferring any decision until later in the year when more information is known. In the case of Green Waste, use of reserves will be repaid so over the medium term there is no impact.
- 4.2 Under existing arrangements Cabinet and Council are responsible for approving changes to the capital programme. Cabinet could choose not to approve deletion of the OEP capital projects but as further proposals are forthcoming this is not recommended.

5 FINANCIAL IMPLICATIONS

- 5.1 The report highlights the impact of the forecast on the MTFP. General Fund balances will decrease by c£0.769m compared to £0.487m budgeted for if all recommendations are approved.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 Where Directors wish to increase a functional budget by over £100k OR they anticipate that the overall Directorate budget is likely to be overspent (there is no de-minimis level) they must seek approval in advance from Cabinet or Council for a virement to cover any increase.

- 6.2 There is one function, Property Services, within the Places Directorate that falls into this category but no specific request has been made because the overall Directorate overspend is small can be contained within the Directorate budget.
- 6.3 There are six functions (see Appendix H) within the People Directorate that fall into this category and the Directorate has a whole is forecasting to overspend.
- 6.4 The over spend on these functions cannot be contained within the overall directorate budget, however for transparency purposes no request for additional budget is made at this stage. This will allow issues to be tracked for future budget setting purposes and give officers time to assess whether any action can be taken.
- 6.5 There are no other legal implications arising from this report.

7 EQUALITY IMPACT ASSESSMENT

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

8 COMMUNITY SAFETY IMPLICATIONS

- 8.1 There are no community safety implications.

9 HEALTH AND WELLBEING IMPLICATIONS

- 9.1 There are no health and wellbeing implications.

10 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 10.1 The Q2 position is broadly as expected.

11 BACKGROUND PAPERS

- 11.1 None

12 APPENDICES

Appendix A: Q2 Budget Report
Appendix B: Approved Budget Changes
Appendix C: Reconciliation of Directorate Budgets
Appendix D: Virements
Appendix E: People Directorate
Appendix F: Places Directorate
Appendix G: Resources Directorate
Appendix H: Adverse Variances over £25k
Appendix I: Detailed Capital Programme
Appendix J: Medium Term Financial Plan

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

Appendix A. Q2 Budget Report 2017/18

1 REVENUE MONITORING

1.1 The Budget – what is the current budget?

- 1.1.1 The current budget is that approved by Council/Cabinet as shown in the Quarter 1 Financial Management Report on 16th August 2017 (report No. 147/2017) and subsequently amended following changes made by Cabinet/Council as set out in Appendix B and summarised in the table below.

| Reconciliation of approved budget to current budget | £000 | £000 |
|---|-------------|---------------|
| Approved Net Cost of Services (147/2017) | | 35,930 |
| Changes already approved (as listed in Appendix B) (£35,930k to £36,475k) | | 545 |
| Changes in this quarter for approval by Cabinet/Council (Appendix B note viii and ix) | | 100 |
| Current Net Cost of Services | | 36,575 |
| | | |
| Approved (Surplus)/Deficit (147/2017) | 53 | |
| <i>Changes already approved (as listed in Appendix B)</i> | 490 | |
| Changes in this quarter – Additional grant income received (as listed in Appendix B). | (56) | |
| Current (Surplus)/Deficit | 487 | |

1.2 Overall Position – are we on track to achieve budget?

- 1.2.1 The table in para 1.2.2 sets out the Council's forecast revenue outturn for 31 March 2017 as at the end of September (Quarter 2). The Q2 revenue position is that the Council is forecasting a deficit of £769k compared to a budgeted deficit of £487k. The Council is in overall terms £282k over budget, a change of £259k since Q1.

1.2.2 The Revenue budget position at Q2 is as follows:

| | Budget (Report 111/2017) | Revised Budget | Q1 Forecast Outturn | Q2 Forecast Outturn | Latest Forecast Year End Variance |
|-----------------------------------|---|---------------------------|------------------------------------|------------------------------------|--|
| | £000 | £000 | £000 | £000 | £000 |
| People | 17,202 | 17,686 | 18,045 | 17,956 | 270 |
| Places | 12,605 | 12,326 | 11,956 | 12,166 | (160) |
| Resources | 6,049 | 6,069 | 5,833 | 5,859 | (210) |
| Directorate Totals | 35,856 | 36,081 | 35,834 | 35,981 | (100) |
| Pay Inflation | 45 | 45 | 0 | 0 | (45) |
| Planning One off Settlement | 0 | 500 | 0 | 500 | 0 |
| Social Care Contingency | 150 | 70 | 0 | 0 | (70) |
| Corporate Headcount Saving | (121) | (121) | 0 | 0 | 121 |
| Net Cost of Services | 35,930 | 36,575 | 35,834 | 36,481 | (94) |
| Appropriations | (1,897) | (1,897) | (1,897) | (1,897) | 0 |
| Capital Financing | 1,930 | 1,930 | 1,930 | 1,930 | 0 |
| Interest Receivable | (180) | (180) | (220) | (220) | (40) |
| Net Operating Expenditure | 35,783 | 36,428 | 35,647 | 36,294 | (134) |
| Financing | (34,251) | (34,344) | (34,264) | (34,364) | (20) |
| Transfers to/(from) reserves | (1,479) | (1,597) | (1,307) | (1,161) | 436 |
| (Surplus)/Deficit | 53 | 487 | 76 | 769 | 282 |
| General Fund 1 April 2017 | (9,634) | (9,634) | (9,634) | (9,634) | 0 |
| General Fund 31 March 2018 | (9,581) | (9,147) | (9,558) | (8,865) | 282 |

1.2.3 The key points to note are:

- The overspend has moved from £23k at Q1 to £282k at Q2, a movement of £259k;
- The movement of £259k is a result of an underspend of £70k on the social care contingency (forecast to be spent at Q1) offset by additional net expenditure of £179k (increase in SEN transport requirements and investment in Permanency and Protection service to reduce the

likelihood of children being brought into care) and additional requests to carry forward underspends (some of which are ring fenced) of £150k.

- At Q1, Members approved the use of up to £264k for the backdated social care costs of a supported living project previously funded by Lincolnshire County Council and this was reflected in the People Directorate budget and forecast at that time. The actual backdated costs agreed between the two councils is £80k (to be funded from the Adult Social Care Contingency) and therefore the budget forecast have been reduced accordingly;
- The budget includes a corporate saving on headcount of £121k. Whilst there are underspends as a result of staff vacancies recorded within the three Directorate overall forecasts, none are deemed to be recurring and therefore contribute towards the target. More detail is included at section 1.6;
- Income received on investments has remained better than predicted at the time of setting the budget and therefore is still expected to over achieve by £40k;
- The Directorate forecasts include requests for carry forward of underspends of £57k on ringfenced grants (Public Health and Better Care Fund), £70k of unspent grants received for Planning purposes and £309k of unspent General Fund budget (Libraries, Learning & Skills, Elections). The ringfenced grant underspend will be carried forward to be used in future years and the remaining underspends will be requested to be carried forward at Q4 when the final outturn is known; and
- Outside the General Fund, there is a forecast underspend on the Dedicated Schools Grant (DSG) arising from an overspend on High Needs funding and an underspend on Early Years placements. This forecast has been discussed at Schools Forum and the situation is being kept under review.

1.3 Directorate spend – what’s the latest position at directorate level?

- 1.3.1 A full analysis of Directorate performance in respect of each function is provided in the accompanying Budget Excel file which is available on the Council website at:

http://www.rutland.gov.uk/council_and_democracy/council_budgets_and_spending.aspx

People Directorate

- 1.3.2 In overall terms, the variance in forecast to budget for the People Directorate has not changed significantly from that reported at Q1. Whilst the forecast is an overspend of £270k, the carry forward of underspends to next financial year results in an 'actual' overspend of £404k.
- 1.3.3 Within the Directorate forecast there are some significant over and under spends as follows:
- (i) An increase in underspend on the Better Care Fund of £53k. The Better Care Fund is a ringfenced grant and any under spend will be transferred to reserves at year end for use in future years. The forecast under spend is due to delays in the start of some schemes as a result of delays in the release of the planning requirements for 2017-19;
 - (ii) On Adult Social Care budgets, there has been a favourable movement of £100k since the forecast at Q1 made up of underspends on Residential and Nursing care (£49k due to increase in income from Health), Housing (£23k due to staff vacancies) and Direct Payments (£72k due to Q1 forecast anticipating shift from Homecare with introduction of increased rates) and an overspend on Homecare £50k (due to the anticipated shift to Direct Payments not taking place);
 - (iii) The Learning and Skills budget includes one off budget of c£77k for school improvement support. The Q2 forecast underspend has increased by £48k from that reported at Q1. Discussions have taken place with schools on what services are required to support school improvement. These discussions have resulted in delays in implementing contracts for services. A request will be made at Q4 to carry forward the underspend to next year to support the services implemented; and
 - (iv) The Childrens services forecast overspend has increased since that reported at Q1 by £169k. The Permanency and Protection service is now forecasting an overspend of £77k (a movement of £96k from that reported at Q1) as a result of the requirement to use agency staff to cover vacant posts and increased costs in supporting families in order to reduce the likelihood of children being taken into care. Children with Disabilities forecast overspend has increased by £75k due to changes to care packages and additional placements since Q1.
- 1.3.4 In order to maintain visibility of pressures, the Directorate is not requesting additional budget from the General Fund and will report an updated position at Quarter 3. Work has been undertaken to assess the impact of these pressures on the 2018/19 budget.

Resources Directorate

- 1.3.5 The Resources Directorate forecast has changed little since Q1 with only a

£6k increase in forecast spend. The Council has been successful in a bid for £25k of grant funding to support the Rutland One Public Estate project and this grant has been reflected within the forecast.

- 1.3.6 The forecast includes underspends within the Elections service (£62k) and Financial Support service (£14k) where budget carry forwards will be requested at year end.
- 1.3.7 The Legal forecast is currently being reviewed by the Head of Governance. The mid-year position indicates that the budget could be overspent if the rate of spending continues. Various issues are being investigated including a) the basis of billing on individual projects, b) whether we need to use the service in all cases, and c) queries that the Head of Governance will deal with rather than use Legal services.
- 1.3.8 No formal request for budget changes are being made as small overspends can be contained within the overall Directorate budget.

Places Directorate

- 1.3.9 In overall terms, the Places Directorate is under budget by £160k, an increase in spend since that reported at Q1 of £194k. The key movements in forecast are as follows:
 - (i) There has been an increase in forecast spend on Highways Management of £52k due to a reduction in recharges to capital schemes and increased IT costs;
 - (ii) The forecast spend on Commissioned Transport has increased by £96k. The increase is due to additional SEN transport requirements since September and an increase in out of county foster care placements resulting in costs for parental visits;
 - (iii) Waste Management is forecasting an increase in spend of £82k at Q2. The new green waste collection service will require expenditure in 2017/18 for the initial set up costs of £60k (in line with Report 150/2017) and £20k for staffing to register households for the service. The staffing costs would ordinarily be incurred in 18/19 but timing of the start of the service necessitates early sign up. The total costs of £80k will be recouped from income in future years and therefore it is requested that £80k be used from Invest to Save reserve to fund the expenditure in 2017/18;
 - (iv) Any income for Green Waste received in 17/18 will be carried forward to when the service is running;
 - (v) Commercial and Industrial Properties is forecasting an overspend of £8k (a change in forecast of £44k from that reported at Q1) due to essential repair works at Oakham Enterprise Park and Pit Lane Business Park; and

(vi) The forecast on Libraries has reduced by £76k from that reported at Q1. The budget included £70k to support maintenance works at the libraries and this has been deferred to 2018/19.

1.3.10 No formal request for budget change is being made as overspends can be contained within the overall Directorate budget.

Dedicated Schools Grant (DSG)

1.3.11 The Dedicated Schools Grant for 2017/18 is currently forecasting a slight under spend of £7k. Within this forecast there is an over spend on High Needs of £77k and an under spend on Early Years (£39k). The Council has also received additional income for Early Years for last financial year of £40k resulting in the overall position of a more or less breakeven.

1.3.12 High Needs costs are driven by both number and complexity of cases and how the needs of children are met whether in or out of county. The increase in forecast spend since Q1 is as a result of increase in the number of children placed in the Parks and Catmose DSP units. This increase will be discussed at Schools Forum in January.

1.3.13 The underspend on Early Years results from the DfE revising the amount of funding available based on the January 2017 census data. The funding also covers the increase in entitlement to 30 hours for working parents and current indications are that there have been 181 approvals to parents (funding allocation currently assumes 178.4FTE), however it is too soon to know how many have taken up the full extra entitlement. This will be monitored throughout the remainder of the year. The funding settlement for Early Years will not be finalised until after the end of the financial year when the January 2018 census data is confirmed (usually around July). Therefore, the variance at year end will be carried forward to 2018/19.

Planning – one off Settlement

1.3.14 In September 2017, the Council paid a sum of £500k to settle a compensation claim made by a landowner in relation to an order made modifying the grant of planning permission for the construction of a golf course.

1.3.15 This case relates to a golf course and club house that received outline planning consent in 1996. When an application was made to deal with reserved matters (i.e. the outstanding details of the outline application proposal, including appearance, protection or surrounding area etc) the Council imposed a phasing condition (via a modification order made in January 2006) requiring the construction of the golf course before the club house for reasons of environmental protection.

1.3.16 The Council accepted that any financial loss or damage, or alternatively the costs of any abortive works, arising directly from the modification order would be met by the Council (as this is what the statutory scheme for compensation provides) but the Council and the landowner could not agree

on the amount involved. The case was due to be heard at the Upper Tribunal (Lands Chamber) in October 2017, but a settlement figure was agreed in advance of the hearing taking into account legal costs and interest incurred to date in order to protect the Council from the risks associated with litigation. The requirements of the modification order are unaffected by the agreement in respect of the compensation payable.

- 1.3.17 The Council had £68k in the budget to meet legal costs associated with this claim. The actual costs were £88k with the additional amount to be funded from the Legal reserve.

1.4 Approvals – in line with Financial Procedure Rules (FPRs), what requests for changes to budget are being made?

- 1.4.1 In line with the Financial Procedure Rules para 4.10, Appendix D includes a full list of budget virements between functional budgets undertaken by Directors. None of these change the net budget.
- 1.4.2 Where Directors wish to increase a functional budget by over £100k or a budget is expected to be £25k overspent or they anticipate that the overall Directorate budget is likely to be overspent they must seek approval in advance from Cabinet or Council for a virement to cover any increase or report retrospectively. This is particularly relevant for demand-led budgets or where the Council has a statutory responsibility to provide a service.
- 1.4.3 The table below summarises the overall position at the end of Q2:

| Directorate | Within budget? | Ceilings > £25k overspent? | Requests for budget changes? |
|--------------------|-----------------------|--------------------------------------|-------------------------------------|
| Places | Yes | Yes (1) | No |
| Resources | Yes | No | No |
| People | No | Yes (6) | No |

- 1.4.4 Where functional forecasts are projected to be more than £25k over budget (listed in the table below) a detailed explanation of the current position is included in Appendix H. There is no request for additional budget from the general fund from the People or Places Directorates to enable Council to keep clear visibility of where pressures exist.

| Function | Amount Overspent | Further Detail Appendix H |
|-----------------|-------------------------|----------------------------------|
| Peoples | | |

| | | |
|-----------------------------------|----------|----|
| Fostering and Adoption | £358,900 | H1 |
| Early Intervention - Targeted | £215,000 | H2 |
| Contract savings | £90,000 | H3 |
| Community Inclusion | £29,200 | H4 |
| Support & Review – Homecare | £45,800 | H5 |
| Permanency and Protection Service | £77,300 | H6 |
| Property Services | £65,900 | H7 |

1.5 Fees and charges income – are key income budgets on target?

1.5.1 The Council collects a significant amount of income in areas such as car parking etc. The latest position on key income budgets is shown below:

| Income Description | Current Budget £000 | Q1 Forecast £000 | Q2 Forecast £000 | Variance £000 |
|---|--------------------------------|-----------------------------|-----------------------------|--------------------------|
| Charging for Residential Accommodation | 930 | 930 | 891 | (39) |
| Parking Income | 606 | 606 | 606 | 0 |
| Rents from Business Units and Business Park | 539 | 553 | 528 | (11) |
| Planning Fees | 347 | 346 | 346 | (1) |
| Fairer Charging Income | 265 | 276 | 285 | 20 |
| Building Regulations | 192 | 192 | 201 | 9 |
| Registrars - Births, Marriages etc. | 131 | 160 | 165 | 34 |
| Other Rents including room hire | 108 | 96 | 80 | (28) |
| Licensing - Premises, Traders, Events etc. | 89 | 98 | 98 | 9 |
| Total | 3,207 | 3,257 | 3,201 | (6) |

1.6 Corporate Headcount Saving

1.6.1 The below table summarises the position within each Directorate as recorded in the Q2 forecast:

| Directorate | Budget FTE | Staff FTE | Agency FTE | Variance FTE | Net savings £'000 |
|--------------------|-------------------|------------------|-------------------|---------------------|------------------------------|
| | | | | | |

| | | | | | |
|--------------|--------------|--------------|-------------|---------------|------------|
| People | 186.7 | 167.4 | 12.9 | (6.4) | 80 |
| Places | 114.4 | 100.8 | 7.7 | (5.9) | 79 |
| Resources | 80.2 | 72.6 | 3.0 | (4.6) | 70 |
| Total | 381.3 | 340.8 | 23.6 | (16.9) | 229 |

1.6.2 Whilst £229k is forecast to be saved in 17/18, none of these savings have been identified as permanent savings and so have not been transferred to the Corporate Headcount saving.

1.7 Earmarked Reserves – how are we using reserves?

1.7.1 The transfers from Earmarked Reserves include transfers specifically to cover service expenditure that would otherwise be funded from the General Fund.

1.7.2 At Q1, it had been anticipated that there would be a requirement to utilise up to £114k of the Social Care reserve to fund backdated social care costs from Lincolnshire. The costs agreed between the two councils are lower than previously anticipated and therefore there is no longer a requirement to utilise this funding. The Chief Executive has approved the use of s106 monies to support the Discover Rutland Website of £18k.

1.7.3 At Q2, the Places Directorate is requesting the use of £80k from the Invest to Save earmarked reserve to fund the initial set up costs for the new Green Waste Collection service. These costs will be recouped from income in future years and will be repaid over the next 3 years.

1.7.4 The Legal services budget included £68k to fund the settlement costs of a one off planning compensation claim. The actual costs incurred are £88k and the Resources Directorate are requesting the use of £20k from the Legal Reserve to fund the increase.

1.7.5 At Q2, the Directorates have identified the need to carry forward underspends of £436k as follows:

- Planning Grants (£70k) – A number of grants have been received by the Council for Brownfield sites, Community Housing and Self Build schemes. These will be carried forward to be used to support the Local Development Framework
- Welfare Reserve (£14k) – The underspend on Financial Support services will be carried forward to fund future years
- Better Care Fund (£60k) – The BCF is funded from ringfenced grant and so any underspend at year end will be carried forward to support schemes in future years

- S38 Income (£34k) – S38 income is forecast to exceed budget by £34k and this will be carried forward to be used to maintain roads in future years
- Tourism (£12k) – Tourism is currently forecasting to be under budget by £12k. As this budget is 100% funded from earmarked reserves, this funding will be transferred back to the reserve at year end.
- Budget Carry Forwards (£249k) – Directorates are currently forecasting underspends of £249k that will requested to be carried forward at year end. These include Schools and Early Years (£77k for schools improvement work), Elections (£62k), Digital Rutland (£40k to be used on phase 3) and Libraries (£70k for maintenance work).

| Reserve | Ceiling £000 | Balance @ 1/4/17 £000 | Planned Use 2017/18 £000 | Forecast usage Q2 £000 | Transfers to Reserve £000 | Balance @ 31/3/18 £000 |
|-----------------------------|--------------------------|--|---|---|--|---|
| Invest to Save | 500 | 420 | (244) | (244) | 0 | 176 |
| Audit | Unlimited | 20 | 0 | 0 | 0 | 20 |
| Planning Grants | Limited* | 149 | (114) | (114) | 70 | 105 |
| Welfare Reserve | 150 | 118 | 0 | 0 | 14 | 132 |
| Public Health Grant | Unlimited | 414 | (67) | (67) | (3) | 344 |
| Better Care Fund | Unlimited | 135 | 83 | 83 | 60 | 278 |
| Training | 80 | 70 | 0 | 0 | 0 | 70 |
| Social Care | 1,000 | 1,000 | (75) | (75) | 0 | 925 |
| Travel 4 Rutland | 50 | 26 | (26) | (26) | 0 | 0 |
| Insurance/Legal | 250 | 170 | (20) | (20) | 0 | 150 |
| Highways | 300 | 353 | (60) | (60) | 34 | 327 |
| Extreme Weather | 100 | 100 | 0 | 0 | 0 | 100 |
| Pressure | 1,000 | 500 | (25) | (25) | 0 | 475 |
| SEND Grant | Limited* | 126 | (50) | (50) | 0 | 76 |
| Digital Rutland | Limited to Funding | 48 | (47) | (47) | 0 | 1 |
| Tourism | Limited to Funding | 35 | (14) | (14) | 12 | 33 |
| Budget Carry Forwards | | 840 | (834) | (834) | 249 | 255 |
| Commuted Sums | | 250 | (36) | (36) | 0 | 214 |
| Total Reserves | | 4,774 | (1,529) | (1,529) | 436 | 3,781 |
| S106 Revenue | | | | | (68) | |
| Actual net use | | | | | (1,161) | |
| *Limited to grant received* | | | | | | |

- 1.7.6 As in prior years, the amounts to be transferred to reserves will be confirmed at outturn when the final position is known.

2 CAPITAL PROGRAMME

2.1 Overall Programme – are we on track to achieve our approved capital budget?

2.1.1 The following table sets out the position against the Capital Programme as at the end of September 2017, including the total approved project budget, estimated outturn to the end of the projects and variances against budget.

| Portfolio | Prior Year's Budget | Remaining Budget | Total Project Budget | Estimated Outturn | Total Project Variance Over/(Under) |
|---|---------------------|------------------|----------------------|-------------------|-------------------------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Approved Projects | | | | | |
| People | 573 | 278 | 850 | 856 | 6 |
| Places | 5,189 | 10,063 | 15,252 | 15,260 | 8 |
| Resources | 0 | 150 | 150 | 150 | 0 |
| Total Approved | 5,762 | 10,490 | 16,252 | 16,266 | 14 |
| Financed by: | | | | | |
| Grant | (3,970) | (8,589) | (12,559) | (12,558) | 0 |
| Prudential Borrowing | (582) | (602) | (1,184) | (1,184) | 0 |
| Capital Receipts | (274) | (438) | (712) | (718) | (6) |
| Revenue Contribution to Capital Outlay (RCCO) | (274) | 0 | (274) | (274) | 0 |
| Oakham North Agreement | (130) | (256) | (386) | (395) | (8) |
| S106 | (532) | (605) | (1,137) | (1,137) | 0 |
| Total Financing | (5,762) | (10,490) | (16,252) | (16,266) | (14) |

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

- 2.2.1 The approved capital programme was £15.733m as per the 2016/17 Outturn Report (Report No: 111/2017). The net change to the capital programme total £519k, therefore giving a revised capital programme of £16,252
- 2.2.2 A full list of additional and withdrawals are shown in Appendix I.

2.3 Project progress – What is the current progress on major capital projects?

- 2.3.1 Highways (Report 06/2017) - Currently no delays are expected on any of the highways capital projects.
- 2.3.2 Oakham Town Centre (Report No 142/2017) – On the 10th October Cabinet approved the preferred design (Option A, one-way) to be taken forward for detailed design.
- 2.3.3 Oakham Castle –The capital works for Oakham Castle is complete. All future works are set out in the Heritage Lottery funding agreement to assist with the promotion and advertising of the castle over the coming years.
- 2.3.4 Digital Rutland Phase 3 – Phase 2 of the capital programme is in the final stages, BDUK is currently undertaking assurance before BT issues their final invoice. Phase 3 of the project is expected to be delivered within 12 months once sign off has been approved. We estimate that phase 3 will be completed by October 2018
- 2.3.5 King Centre – We are currently working with suppliers to obtain quotes on the building and compliance work on the King Centre. The project is planned to be completed by January 2018.
- 2.3.6 Oakham Library and Children Centre (Report 181/2016 and 72/2017) – The official opening of the new library and children centre was held on the 2nd October. The last invoices and payments for the project are currently being finalised. We estimate that the outturn of the project will be £997k, £8k over budget.
- 2.3.7 Other updates on capital projects are as follows;
- IT Projects (Report 111/2017) – Cabinet authorised the Director of Resources to allocate the IT capital allocation of £150k for individual projects. Delegated approval was given on the following IT projects.
 - a) Disaster Recovery £25k – the project is to support the IT service for Rutland County Council to ensure that in the event of a disaster the IT systems and data can be recovered.

- b) Smart boards £9k – The project is to purchase smart boards for the Council offices. A smart board is an interactive whiteboard that allows you to project an image and interact with it by writing or moving around the image either by touch screen or using a mouse and keyboard.

2.3.8 Appendix I includes a detailed breakdown of the capital projects and current forecast

2.4 Unallocated funding – what are we holding?

2.4.1 Currently the Council is holding capital funds that have not yet been committed to a project. A breakdown of the funds held is shown in the table below.

| Uncommitted Funding Held | Opening Balance 2017/18 | Grant Awarded 2017/18 | Capital Financing 2017/18 | Uncommitted Funding |
|--|-------------------------|-----------------------|---------------------------|---------------------|
| | £000 | £000 | £000 | £000 |
| Adult Social Care | (255) | 0 | 0 | (255) |
| Basic Needs | (2,590) | (846) | 3,436 | 0 |
| Capital Maintenance | (1,018) | (196) | 525 | (689) |
| Highways | (1,292) | (2,756) | 2,992 | (1,055) |
| Schools Targeted Capital | (149) | 0 | 149 | 0 |
| Miscellaneous | (78) | (832) | 868 | (42) |
| Total | | | | (2,012) |
| Developer Contributions | (2,582) | (1,100) | 605 | (3,077) |
| Oakham North Agreement | (1,991) | (551) | 256 | (2,286) |
| Capital Receipts | (1,571) | (214) | 438 | (1,347) |
| Total Uncommitted Funding Available | | | | (8,722) |

3 MEDIUM TERM FINANCIAL PLAN (MTFP)

3.1 Overview - have there been changes since the budget was approved?

3.1.1 The MTFP was updated as part of the budget setting process, then further updated in the outturn report (Report 111/2017) and adjusted again in the Quarter 1 Finance Report (147/2017). In the annual budget report it was explained that the MTFP is based on a number of assumptions in respect of inflation, pay inflation, funding, pension contributions, interest rates and business rates growth which, should they change, could have an adverse or positive impact on the MTFP.

3.1.2 In the past few months, there have been various updates to the MTFP. The changes are summarised in the table and explained below:

| | Ref | 18/19 | 19/20 | 20/21 | 21/22 |
|---------------------------------|-------|---------------------|---------------------|---------------------|---------------------|
| Total available funds Q1 | | (33,597,914) | (34,118,118) | (35,176,055) | (36,592,885) |
| RSG | 3.2 | 0 | 0 | £150,944 | £271,248 |
| Business Rates | 3.2 | (£40,298) | (£17,165) | £330,563 | £437,396 |
| NHB | 3.4 | £30,287 | £22,164 | £29,605 | £36,069 |
| Grants | App J | (£93,100) | (£93,100) | (£93,100) | (£93,100) |
| Council tax | 3.4 | £19,856 | (£28,144) | (£42,722) | (£69,778) |
| Total available funds Q2 | | (33,681,170) | (34,234,364) | (34,800,767) | (36,011,051) |

3.1.3 The following sections provide an update on and the potential consequences on the MTFP.

3.2 RSG and Business Rates Reset

3.2.1 Most commentators believe that a business rates reset will take place in 20/21. Each local authority keeps an amount of business rates (known as its “baseline” – what the Government equates to our “needs”) plus any excess minus a tariff (in effect a tax on the excess). The excess is the amount left over after deducting amounts paid to Government, the Fire Authority and a tariff (also paid to Government but then redistributed to other authorities who have greater needs).

3.2.2 Since 2013/14, business rates have grown and this means that a number of

authorities retain business rates way above the baseline originally set. In order to ensure fairness, the Government indicated it would “reset” the system from time to time. For example, a local authority continuously retaining £1m above its baseline (because of significant growth) would see its tariff increase with the excess rates being redistributed to other authorities that have not seen growth or that need it more.

3.2.3 It is anticipated that the system will reset in 2020/21 and that the impact on Rutland would be:

- Rutland tariff increases by £700k to return funds into the Government pot for redistribution. This is because the retained rates figure has been higher than the authority baseline (c£4m)
- The Council receives c£300k in additional funding based on “need”. Our modelling assumes will be pro rata to Baseline Funding Level. Current estimate is that the local share of the surplus will be about £700m in 2020-21.
- There will continue to a reduction in Revenue Support Grant i.e. the Council will have a negative RSG at an increasing rate c£120-130k per annum. The Council assumed that negative reductions in RSG would stop. However, it is more likely that the negative RSG will increase further. This is because the Government looks at business rates and RSG together and then applies reductions to RSG. By reducing RSG our core funding flat lines after 20/21.

3.2.4 The modelling above represents the most likely position. On this basis the MTFP has been updated.

3.3 Local Government Finance Settlement Consultation

3.3.1 The Government issued 2018/19 Local Government Finance Settlement consultation paper in mid-September. The headlines from this paper and the likely impact are considered below:

3.3.2 **The four year offer**

3.3.3 The 2016/17 settlement offered local authorities a four year deal, giving greater certainty over their funding. This was accepted by 97% of local authorities including the Council. The proposed 2018/19 settlement funding is therefore allocated in accordance with the agreed methodology announced by the Secretary of State at that time. The offer covered:

- Revenue Support Grant
- business rates tariff and top-up payments, which will not change for reasons relating to the relative needs of local authorities
- Rural Services Delivery Grant and
- Transition Grant.

3.3.4 Barring exceptional circumstances and in accordance with the 2017/18

settlement, we are not expecting our settlement to change. This is disappointing as the Council had hoped that authorities losing Government funding would be given Transition grant (worth c£300k) for a further year at least.

3.3.5 **Better Care Fund**

3.3.6 Individual local authority allocations for the improved Better Care Fund until 2019/20 were published in 2017/18 and there is no indication that there will be changes.

3.3.7 The BCF partnership, like all others, has been set targets for reducing Delayed Transfers of Care (DTC). The target was set using February 2017 as a baseline. Rutland had exceptionally low DTCs in February 2017 (just 34 nights in total against an adult population of 30,314). For example, our mean monthly performance in Q4 was 51.3 v the February performance of 34.

3.3.8 The Partnership has proposed a target of 5.6 DTCs per 100,000 adults per day rather than 4. This remains an extremely challenging target (Rutland performance in Q1 has been a mean of 63.7 actual DTCs per month). The target is also substantially lower than both the national average target of 9.4.

3.3.9 There is potential for funding to be held back in 18/19 but at this stage the Council assumes full funding will be available.

3.3.10 **New Homes Bonus**

3.3.11 We have received confirmation that there will be a baseline again for New Homes Bonus in 2018/19. The baseline was set at 0.4% in 2017-18; only tax base growth above this baseline earned NHB payments. The actual baseline for 2018/19 will not be announced until the provisional settlement, and there is no indication of the level at which it will be set. As expected, some further conditions are proposed which would give a lower payment (or even no NHB payment) on those new properties that were given planning permission on appeal. The Government is consulting now on those additional conditions. Based on the current MTFP, an increase of just 0.1% to say 0.5% would have an impact of £78k over the period 2018/19 to 2022/23.

3.3.12 The Government decided not to take forward proposals linking the New Homes Bonus to planning reforms in 2017/18 but confirmed that it would consider withholding the part of the Bonus from authorities not planning effectively for new homes from 2018/19. Government has considered the position and has decided to consult on revised proposals. It also intends to go further in 2019/20. This could include linking payment of the bonus to the housing delivery test or the standard approach to local housing need. It will consult on any further changes to the Bonus before implementation in 2019/20.

3.3.13 One of the options under consideration is to link Bonus allocations to the ratio of successful appeals to residential planning decisions (major and

minor) over an annual period using data collected by the Planning Inspectorate (PINS). The number of successful appeals/appeals allowed by PINS divided by the number of decisions made, in the last financial year, would result in a percentage reduction to be applied to the New Homes Bonus allocation for the following financial year, so:

- A local planning authority (LPA) makes decisions on 100 residential planning applications (i) during the course of the relevant year. 10 (ii) of these decisions were to refuse permission for new homes.
- 5 developers (iii) involved decide to appeal the decisions, and those appeals are then considered by PINS.
- 3 of the appeals (v) are subsequently successful and 2 unsuccessful (iv).
- The impact of the new mechanism would be to reduce the authority's New Homes Bonus payment for that year by 3% (v divided by i).

3.3.14 **Council tax**

3.3.15 The referendum principles will continue on the same basis as per 2017/18. Councils will be able to levy an Adult Social Care precept of an additional 2% with additional flexibility to increase the precept by 1% to 3% in 2018/19, provided that increases do not exceed 6% between 2017/18 and 2019/20. The MTFP assumes a 2% social care precept for 2017/18 to 2019/20 but the Council does have the option of moving to 3% in 2018/19 and then 1% in 2019/20. The existing profile of adult social care spending does not anticipate the need for a 3% rise in 2018/19.

3.3.16 **Business Rates**

3.3.17 The most recent business rates revaluation took effect from 1 April 2017. Revaluation is a revenue neutral exercise so the total rates bill stays the same at the England level in real terms, after allowing for appeals.

3.3.18 When the Government introduced the 50% business rate retention scheme it signalled that it would adjust each authority's tariff or top-up following a revaluation to ensure, as far as is practicable, that their retained income is the same after revaluation as immediately before. This will ensure that the growth incentive created by the rates retention scheme and the delivery of public services will not be weakened by losses of income outside the control of authorities.

3.3.19 The Government has confirmed a methodology for adjusting the tariffs and top-ups following consultation at the 2017/18 provisional settlement. The Councils view is that there is no impact.

3.4 **School Funding – what changes are emerging?**

3.4.1 The Government has announced that it is to proceed with the implementation of National Funding Formulae for the Schools, High Needs and Central Schools Services blocks starting in 2018/19.

- 3.4.2 The Central Schools Services block (CSSB) will be introduced in 2018/19 to fund local authorities for the statutory duties that they hold for both maintained schools and academies. The CSSB brings together funding previously allocated through the retained duties element of the Education Services Grant, funding for ongoing central functions such as admissions and nationally agreed licenses and funding for historic commitments. For 2017/18, the Council received £75k for the retained duties element of the Education Services Grant.
- 3.4.3 Baselines have been adjusted to take into account the spending pattern of local authorities for 2017/18. All local authorities were asked to re-submit baseline data based on their current spend plans to allow the Department for Education (DfE) to ensure that national spend on each block reflected existing spend patterns.
- 3.4.4 Within the Schools block, the Government will provide for at least a 0.5% per pupil increase for each school in 2018/19 through the national funding formula. Local authorities' schools block allocations will be calculated by aggregating schools' notional allocations under the national funding formula. These notional allocations will reflect the 0.5% increase.
- 3.4.5 The formula will provide local authorities with per pupil funding of at least £4,800 for all secondary schools that have pupils in years 10 and 11 by 2019/20. A new factor will be allowed in local authority formulae so they can set a transitional amount of per pupil funding in 2018/19 as a step towards £4,800 in 2019/20.
- 3.4.6 Local authorities have the option of using their own local funding formula to allocate funding to individual schools rather than implementing the national formula in full. The impact on individual schools of implementing the national formula versus the use of a local formula are currently being analysed.
- 3.4.7 Within the high needs block, the Government will provide for at least a 0.5% overall increase in 2018/19 through the high needs national funding formula.
- 3.4.8 The minimum funding guarantee (MFG) for schools will continue, but local authorities will have flexibility to set a local MFG between 0% and minus 1.5% per pupil.
- 3.4.9 The schools block will be ring-fenced for 2018/19, but local authorities will be able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum. There will be an exceptions process, which will require Secretary of State approval for considering transfers above 0.5% limit and/or where the Schools Forum is opposed to the transfer. In 2017/18, the schools block for the Council was £22m, therefore, the maximum amount that could be transferred to the high needs block would be in the region of £110k.
- 3.4.10 The Department for Education have issued indicative allocations for the four blocks based on the October 2016 census data and this data is currently being analysed to assess the impact for individual schools. This analysis will

be used to consult schools on the preferred option for the allocation of funding to individual schools.

- 3.4.11 The final allocations will be published in December based on the October 2017 census data and local authorities will need to submit by the middle of January. Therefore, any proposed changes to the funding formula including the size of any contingency fund to be retained will need to be agreed by 30th November as this is the cut-off date for any requests to be submitted to the Secretary of State.

3.5 Business Rates Pooling – the potential to bid?

- 3.5.1 The Government has requested expressions of interest in becoming a business rate pilot. The deadline is Friday 27 October 2017.

- 3.5.2 The selection criteria are;

- proposed pooling arrangements operate across a functional economic;
- the Government is particularly interested in piloting in two-tier areas;
- proposals would promote the financial sustainability of the authorities involved (i.e. that surpluses in one area would be used to support losses in another); and,
- there is evidence of how pooled income from growth will be used across the pilot area.

- 3.5.3 As the Council is not part of an existing pool, combined authority or functional economic area (one that covers more than single authority), the likelihood of being successful is very low and no bid has been submitted.

3.6 Business Rates Retention – what is the latest position?

- 3.6.1 The Council's budgeted position on Business Rates is £4.786m. The amount of rates budgeted comprises actual rates retained net of the levy (£156k, payable because the Council has achieved an actual outturn above its baseline) and tariff (£1.010m). The rates retained figure also includes compensation from DCLG (in the form of section 31 grants) for rates foregone due (c£375k) for implementation of Government policy e.g. small business rate relief.

- 3.6.2 The current position is showing that we would be in a deficit position which would mean that the Council would have to repay c£152k in 2018/19. The main reasons for the deficit is that the Council has awarded more mandatory reliefs than budgeted for and the Council has settled appeals against business rates totalling £375k. Both of these factors are outside the control of the Council.

- 3.6.3 The MTFP has not been adjusted for this position because it is too early to assess the impact on 18/19 as overall rates retained will depend on perspective for growth, potential for appeals next year and eligible discounts.

3.7 New Homes Bonus – latest position?

- 3.7.1 The NHB is a scheme aimed at encouraging local authorities to grant planning permission for the building of new houses, in return for additional revenue. It is based on the net increase in the number of dwellings (additions less demolitions), with extra bonus for affordable homes, empty homes brought back into use and local authority owned and managed gypsy site pitches. Each additional property attracts a grant equivalent to the national average council tax for that Band (approx. £1,530 for a Band D property). An additional £350 is received for each affordable home.
- 3.7.2 In terms of latest performance, the NHB allocation for 2018/19 is based on performance achieved between October 2016 and September 2017.

| New Homes Bonus (Council Tax Band) | Start position CTB1 Oct 2016 | Actual CTB1 Oct 2017 | Movement from base |
|---|-------------------------------------|-----------------------------|---------------------------|
| A | 1,606 | 1,596 | (10) |
| B | 4,538 | 4,574 | 36 |
| C | 3,047 | 3,115 | 68 |
| D | 2,435 | 2,489 | 54 |
| E | 2,282 | 2,286 | 4 |
| F | 1,592 | 1,616 | 24 |
| G | 1,257 | 1,261 | 4 |
| H | 146 | 149 | 3 |
| Properties | 16,903 | 17,086 | 183 |
| Empty Homes | 183 | 127 | 56 |
| Movement | | | 239 |

- 3.7.3 The target in the MTFP was a movement in base of 274 properties which would have contributed £317,800. The 239 properties the base has moved will contribute £287,600.
- 3.7.4 The underperformance can be attributed to a general slowdown in house building over the last 6 months and the demolition of some properties by Spire Homes. Homes taken out the rating system adversely impact on performance.
- 3.7.5 The current MTFP has been updated to reflect this change and the latest housing trajectory figures which result in small changes to NHB and Council tax.

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---------------------------|----------------|----------------|----------------|----------------|
| Growth (Outturn MTFP) | 252 | 179 | 158 | 194 |
| Growth (Current Position) | 259 | 196 | 146 | 144 |

3.8 Other updates

- 3.8.1 Council Tax represents 60% of the total income the Council receives, and even slight fluctuations can have a significant impact on the General Fund balance. For that reason the position on Council Tax is monitored closely. There are a variety of movements that can affect the Council Tax Collection Fund Balance, including additional Council Tax Support claims; fluctuations in the council tax base (e.g. number of properties the Council bills); and write offs. The current deficit is c£98k which would be paid in 2018/19 but this is not included in the current MTFP as we expect this position to improve during the remainder of the year due to expected housing growth and further clarity on the expected debt / write off position for Council Tax payers.
- 3.8.2 The Council put £50k into a Discretionary Hardship Fund to support those who need additional support paying their council tax. The latest position is shown below. Awards have been made for the full year in order to reduce administration of repeat claims where claimants circumstances are unlikely to change.

| Hardship Fund | 2016/17 Outturn | Q1 Actual | Q2 Actual |
|-------------------------|----------------------------|----------------------|----------------------|
| Number of applications | 126 | 38 | 60 |
| Number awarded | 102 | 19 | 32 |
| Number of appeals (won) | 2 | 0 | 0 |
| Value of awards (£000) | 25 | 4 | 7 |
| Budget remaining (£000) | 25 | 46 | 43 |

4 FINANCIAL PERFORMANCE

4.1 Debtors – are we recovering our debts?

- 4.1.1 The Council's aged debt position shows an increase in debts outstanding from the previous quarter. The main rise is in short term debt, with the long term debt staying consistent with the previous quarter. The increase in the debt rated as red is down to debt in relation to property leases and steps have begun to remove tenants from the properties in question.

| Aged debt | Q1 £000 | Q2 £000 |
|---------------------------|--------------------|--------------------|
| 0-30 days | 616 | 758 |
| 31-60 days | 50 | 143 |
| 61-90 days | 176 | 125 |
| > 91 days | 502 | 525 |
| Deferred Payments | 242 | 261 |
| Total | 1,586 | 1,812 |
| By Directorate | | |
| People | 1,063 | 1,217 |
| Places | 456 | 374 |
| Resources | 67 | 221 |
| Total | 1,586 | 1,812 |
| By Recovery Rating | | |
| Red | 4 | 92 |
| Amber | 728 | 232 |
| Green | 854 | 1,488 |
| Total | 1,586 | 1,812 |

4.2 Investment Income – is our return on investments as expected?

- 4.2.1 In the second quarter, the Council's average interest rate received on investments has been 0.66% on an average investment balance of £32,143k, which is a decrease from the 0.82% in 2016/17. The decrease is due to interest rates reducing following the reduction of the Bank Rate on 4 August 2016 from 0.50% to 0.25%.
- 4.2.2 Although the achieved is below what we achieved last year, the rate is above the above the 6 month LIBOR interest rate - the average interest rate at which a selection of banks in London are prepared to lend to one another in British pounds with a maturity of 6 months – of 0.48%.
- 4.2.3 The table below shows the current investments as at 30 September 2017 by RCC.

| Investment Number | Amount Invested | Interest Rate | Date Invested | Maturity Date | Number of Days |
|---------------------------|-------------------|---------------|----------------|---------------|----------------|
| Banks - UK | | | | | |
| 1 | 2,000,000 | 0.70% | 28-Apr-17 | 27-Oct-17 | 182 |
| 2 | 1,000,000 | 0.70% | 04-May-17 | 06-Nov-17 | 186 |
| 3 | 1,000,000 | 0.80% | 29-Mar-17 | 28-Mar-18 | 364 |
| 4 | 1,000,000 | 0.80% | 29-Mar-17 | 28-Mar-18 | 364 |
| 5 | 2,000,000 | 0.95% | 30-Mar-17 | 29-Mar-18 | 364 |
| 6 | 3,000,000 | 0.80% | 31-Mar-17 | 29-Mar-18 | 363 |
| 7 | 2,000,000 | 0.80% | 11-Apr-17 | 10-Apr-18 | 364 |
| 8 | 1,000,000 | 0.80% | 12-Apr-17 | 11-Apr-18 | 364 |
| 9 | 2,000,000 | 0.85% | 28-Apr-17 | 27-Apr-18 | 364 |
| 10 | 3,000,000 | 0.81% | 06-Jun-17 | 05-Jun-18 | 364 |
| Building Societies | | | | | |
| 11 | 1,000,000 | 0.48% | 04-Apr-17 | 03-Oct-17 | 182 |
| 12 | 1,000,000 | 0.51% | 12-Apr-17 | 12-Oct-17 | 183 |
| 13 | 1,000,000 | 0.55% | 12-Apr-17 | 12-Oct-17 | 183 |
| 14 | 2,000,000 | 0.51% | 15-May-17 | 14-Nov-17 | 183 |
| 15 | 1,000,000 | 0.55% | 15-Jun-17 | 19-Dec-17 | 187 |
| 16 | 1,000,000 | 0.58% | 04-Jul-17 | 04-Jan-18 | 184 |
| 17 | 1,000,000 | 0.36% | 13-Jul-17 | 13-Oct-17 | 92 |
| 18 | 1,000,000 | 0.52% | 26-Jul-17 | 30-Jan-18 | 188 |
| 19 | 1,000,000 | 0.34% | 01-Aug-17 | 01-Nov-17 | 92 |
| 20 | 1,000,000 | 0.51% | 01-Aug-17 | 01-Feb-18 | 184 |
| 21 | 1,000,000 | 0.35% | 04-Sep-18 | 06-Mar-18 | 183 |
| Money Market Funds | | | | | |
| 22 | 1,014,099 | | Instant Access | | |
| Total | 31,014,099 | | | | |

Appendix B. Approved Budget Changes

This Appendix shows changes to functional budgets and other budget changes. In accordance with FPR's, Cabinet can approve virements in any functional budget of up to £250k in any one year to a cumulative value of £500k across all functions. Changes above £500k must be approved by Council on a recommendation from Cabinet. In approving requests, Cabinet or Council may agree the use of earmarked reserves (ER), use the General Fund (GF) or make virements between directorates.

For the purposes of the rules, Cabinet is allowed to use earmarked reserves (approved by Council) in an unlimited way as long as they are used for their intended purpose and is allowed to carry forward unused budget from one period to the next so use of these reserves are not counted against the delegated limit for functional budget changes and are therefore shown separately (Cabinet Other).

| Description | Source of Funding | Net Cost of Services £000 | Capital Financing £000 | Funding £000 | Transfer to/(from) Reserves £000 | Spend on Capital £'000 | (Surplus)/ Deficit £000 | Cabinet* £500k Limit £000 | Cabinet Other £000 | Council £000 | Ch Exec. s151 Officer £000 |
|--|-------------------|------------------------------|---------------------------|-----------------|-------------------------------------|---------------------------|----------------------------|------------------------------------|--------------------------|-----------------|-------------------------------------|
| Changes already made | | | | | | | | | | | |
| Approved Budget (44/2017) | | 34,192 | (172) | (33,731) | (270) | 0 | 19 | | | | |
| Approved Budget at Q1 (111/2017) | | 35,930 | (147) | (34,251) | (1,479) | 0 | 53 | 67 | 1,198 | 126 | 545 |
| Backdated Social Care costs (147/2017) (i) | Contingency | 0 | | | | | 0 | | 80 | | |
| BCF – Inflationary increase on grant funding (ii) | Grant | 37 | | (37) | | | 0 | | | | 37 |
| One Public Estate – successful grant application (iii) | Grant | 0 | | | | | 0 | | | | 25 |
| Planning – One off settlement (iv) | GF | 500 | | | | | 500 | | | 500 | |
| Discover Rutland Website (v) | ER | 8 | | | (18) | | (10) | | | | 18 |
| Approved Budget at Q2 | | 36,475 | (147) | (34,288) | (1,497) | 0 | 543 | 67 | 1,278 | 626 | 625 |
| Changes awaiting approval | | | | | | | | | | | |
| War Pensions Scheme Disregard (vi) | Grant | | | (15) | | | (15) | | | | (15) |

| Description | Source of Funding | Net Cost of Services £000 | Capital Financing £000 | Funding £000 | Transfer to/(from) Reserves £000 | Spend on Capital £'000 | (Surplus)/ Deficit £000 | Cabinet* £500k Limit £000 | Cabinet Other £000 | Council £000 | Ch Exec. s151 Officer £000 |
|--------------------------------------|-------------------|---------------------------|------------------------|-----------------|----------------------------------|------------------------|-------------------------|---------------------------|--------------------|--------------|----------------------------|
| Local Reform & Community Voices (vi) | Grant | | | (21) | | | (21) | | | | (21) |
| Care Act – Prison Assessment (vii) | Grant | | | (20) | | | (20) | | | | (20) |
| Green Waste Project (viii) | ER | 80 | | | (80) | | 0 | | 80 | | |
| Legal Costs (ix) | ER | 20 | | | (20) | | 0 | | 20 | | |
| Approved Budget at Q2 | | 36,575 | (147) | (34,344) | (1,597) | 0 | 487 | 67 | 1,378 | 626 | 569 |

- (i) At Q1, Members approved the use of up to £264k for the backdated social care costs of a supported living project previously funded by Lincolnshire County Council. The actual backdated costs agreed by both parties of £80k will be funded from the Adult Social Care Contingency.
- (ii) The Council has been notified of an inflationary increase to the Better Care Fund Grant of £37k. The grant is ringfenced and therefore the expenditure budgets have been increased to match the increase in income.
- (iii) The Council has been successful in its bid for additional funding to support the One Public Estate project and will receive £25k. This grant is ringfenced and therefore the income and expenditure budgets have been adjusted within the Net Cost of Services.
- (iv) At the Council Meeting on 11th September, Members approved the payment of £500k to settle a compensation claim made by the landowner in relation to an order made modifying the grant of planning permission for the construction of a golf course.
- (v) The Chief Executive has approved the use of S106 funding to support the Discover Rutland website. The set up costs of £10k were funded from the General Fund in 2016/17.
- (vi) Additional grant income has been received of £15k War Pensions Scheme Disregard and £21k Local Reform and Community Voices.
- (vii) The Council has received notification that the Care Act – Prison Assessment grant will be £20k more than previously anticipated.
- (viii) The new Green Waste Collection service (report 150/2017) to commence in 2018/19 is expected to incur initial set up costs to be recouped in subsequent years. Therefore Members will be asked to approve the use of £80k from the Invest to Save reserve in 2017/18 which will be refunded over the next 3 years.
- (ix) The Council had £68k in the budget to meet legal costs associated with the planning compensation claim (see note (iv)). The actual costs were £88k with the additional amount to be funded from the Legal reserve.

Appendix C. Reconciliation of Directorate budgets

This Appendix shows the changes to individual Directorate budgets and in accordance with Financial Procedure Rules identifies movement of budgets between directorates.

| | Approved Budget 2017/18 £'000 | Budget at Q1 2017/18 £000 | Backdated Social Care Costs £000 (i) | BCF Inflation £000 (iv) | Transfer of Housing & Crime Prevention £000 (iii) | One Public Estate £000 (iv) | Planning One off Settlement £000 (ii) | Discover Rutland Website £'000 (iv) | Green Waste Collection £'000 (v) | Legal Costs of Planning £'000 (vi) | Budget At Q2 2017/18 £000 |
|-----------------------------|----------------------------------|------------------------------|---|----------------------------|--|--------------------------------|--|--|-------------------------------------|---------------------------------------|------------------------------|
| People | 16,379 | 17,202 | 80 | 37 | 367 | | | | | | 17,686 |
| Places | 12,240 | 12,605 | | | (367) | | | 8 | 80 | | 12,326 |
| Resources | 5,399 | 6,049 | | | | 0 | | | | 20 | 6,069 |
| Pay Inflation | 45 | 45 | | | | | | | | | 45 |
| Planning One off Settlement | 0 | 0 | | | | | 500 | | | | 500 |
| Social Care Contingency | 250 | 150 | (80) | | | | | | | | 70 |
| Headcount Savings | (121) | (121) | | | | | | | | | (121) |
| Net Cost of Services | 34,192 | 35,930 | 0 | 37 | 0 | 0 | 500 | 8 | 80 | 20 | 36,575 |

- (i) At Q1, Members approved the use of up to £264k for the backdated social care costs of a supported living project previously funded by Lincolnshire County Council. The actual backdated costs agreed by both parties is £80k.
- (ii) At the Council Meeting on 11th September, Members approved the payment of £500k to settle a compensation claim made by the landowner in relation to an order made modifying the grant of planning permission for the construction of a golf course.
- (iii) The Housing and Crime Prevention functions have been transferred from the Places Directorate to the People Directorate.
- (iv) A number of minor adjustments have occurred since Q1, See Appendix B note (ii) (iii) and (v)
- (v) Members are being asked to approve the use of £80k from Invest to Save reserve to fund the initial set up costs of the new Green Waste Collection service. This will be returned to the earmarked reserve over 3 years (Appendix B note (viii)).
- (vi) Members are being asked to approve the use of £20k from Legal reserve to fund the increased costs associated with the settlement of a one off planning compensation claim (Appendix B note (ix)).

Appendix D. Virements

This Appendix shows virements made within Directorate budgets in accordance with para 4.10 of the Financial Procedure Rules by Directors and the Chief Executive/Section 151 Officer.

| Function | Current Ceiling | Revised | Movement | Reason |
|---------------------------|-----------------|------------|-----------|---|
| Environmental Maintenance | £1,153,700 | £1,073,200 | (£80,500) | Community Safety team staffing transferred budget into Crime Prevention as part of service transfer to People Directorate |
| Crime Prevention | £157,000 | £237,500 | £80,500 | |
| Highways Management | £190,300 | £180,300 | (£10,000) | Virement to Asset Surveys in Road Maintenance to facilitate the completion of statutory condition surveys |
| Road Maintenance | £889,300 | £899,300 | £10,000 | |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |
| | | | | |
| | | | | |

Appendix E. People Budget Monitoring Summary

| Function | Outturn 2016/17 | Approved Budget | Revised Budget | Q1 Forecast | Q2 Forecast | Q2 Variance to budget |
|--|--------------------|--------------------|-------------------|------------------|------------------|-----------------------------|
| Directorate Management Costs | 1,782,567 | 1,573,500 | 1,437,200 | 1,438,200 | 1,439,400 | 2,200 |
| Business Intelligence | 105,511 | 126,700 | 126,700 | 134,500 | 126,700 | 0 |
| Crime Prevention | 138,534 | 157,000 | 237,500 | 238,100 | 242,700 | 5,200 |
| Contract Savings | (157,000) | 0 | (150,000) | 0 | (60,000) | 90,000 |
| Total Directorate Costs | 1,869,612 | 1,857,200 | 1,651,400 | 1,810,800 | 1,748,800 | 97,400 |
| Public Health | 1,257 | 67,400 | 67,400 | 75,300 | 70,600 | 3,200 |
| BCF Programme Support | 79,050 | 72,800 | 158,000 | 138,000 | 151,200 | (6,800) |
| BCF Unified Prevention | 234,181 | 310,200 | 395,000 | 412,200 | 380,900 | (14,100) |
| BCF Holistic Management of Health & Wellbeing | 734,158 | 743,000 | 1,080,000 | 1,059,000 | 1,052,600 | (27,400) |
| BCF Hospital Flows | 935,235 | 936,000 | 999,400 | 973,000 | 988,000 | (11,400) |
| Adults and Health (Ringfenced) | 1,983,881 | 2,129,400 | 2,699,800 | 2,657,500 | 2,643,300 | (56,500) |
| Non BCF Contract and Procurement | 593,848 | 422,200 | 572,200 | 514,700 | 538,300 | (33,900) |
| ASC Community Inclusion | 713,654 | 758,500 | 757,500 | 753,800 | 786,700 | 29,200 |
| ASC Prevention and Safeguarding | 114,926 | 141,000 | 141,000 | 104,800 | 131,300 | (9,700) |
| ASC Prevention and Safeguarding - Staffing | 462,752 | 461,400 | 412,400 | 421,000 | 413,200 | 800 |
| ASC Housing | 214,486 | 128,700 | 128,700 | 56,900 | 105,900 | (22,800) |
| ASC Support and Review - Daycare | 165,506 | 169,800 | 204,800 | 195,800 | 207,200 | 2,400 |
| ASC Support and Review - Direct Payments | 573,212 | 666,000 | 666,000 | 671,500 | 599,500 | (66,500) |
| ASC Support and Review - Homecare | 1,092,451 | 1,122,000 | 1,332,000 | 1,511,800 | 1,377,800 | 45,800 |
| ASC Support and Review - Other | 300,346 | 284,500 | 284,500 | 284,600 | 290,100 | 5,600 |
| ASC Support and Review - Residential & Nursing | 2,763,792 | 2,871,700 | 2,871,700 | 2,849,900 | 2,801,100 | (70,600) |
| ASC Support and Review - Staffing | 597,326 | 543,700 | 550,100 | 566,400 | 558,100 | 8,000 |
| ASC Hospital and Reablement | 336,365 | 496,900 | 540,500 | 528,300 | 516,000 | (24,500) |

| Function | Outturn 2016/17 | Approved Budget | Revised Budget | Q1 Forecast | Q2 Forecast | Q2 Variance to budget |
|---|--------------------|--------------------|-------------------|-------------------|-------------------|-----------------------------|
| Adults and Health (Non Ringfenced) | 7,928,664 | 8,066,400 | 8,461,400 | 8,459,500 | 8,325,200 | (136,200) |
| Safeguarding | 140,965 | 190,700 | 190,700 | 138,500 | 166,500 | (24,200) |
| Referral, Assessment and Intervention Service | 268,141 | 255,000 | 291,100 | 245,900 | 219,900 | (71,200) |
| Permanency and Protection Service | 637,198 | 509,300 | 457,200 | 437,700 | 534,500 | 77,300 |
| Fostering, Adoption and Care Leaver Service | 1,680,277 | 1,431,100 | 1,531,100 | 1,881,600 | 1,890,000 | 358,900 |
| Early Intervention - Targeted Intervention | 1,137,706 | 1,124,900 | 1,149,900 | 1,289,700 | 1,364,900 | 215,000 |
| Early Intervention - SEND & Inclusion | 256,826 | 203,500 | 284,500 | 295,900 | 283,900 | (600) |
| Early Intervention - Universal and Partnership | 369,149 | 409,500 | 409,500 | 358,600 | 357,200 | (52,300) |
| Childrens | 4,490,261 | 4,124,000 | 4,314,000 | 4,647,900 | 4,816,900 | 502,900 |
| Schools and Early Years | 377,685 | 487,900 | 558,900 | 482,100 | 439,000 | (119,900) |
| Rutland Adult Learning and Skills Service (RALSS) | 10,494 | 0 | 0 | (12,800) | (17,400) | (17,400) |
| Learning and Skills | 388,179 | 487,900 | 558,900 | 469,300 | 421,600 | (137,300) |
| Total People - GF (Ringfenced) | 1,983,881 | 2,129,400 | 2,699,800 | 2,657,500 | 2,643,300 | (56,500) |
| Total People – GF (Non Ringfenced) | 14,676,716 | 14,535,500 | 14,985,700 | 15,387,500 | 15,312,500 | 326,800 |
| Total People (Excluding DSG) | 16,660,597 | 16,664,900 | 17,685,500 | 18,045,000 | 17,955,800 | 270,300 |
| Schools Dedicated Schools Grant (DSG) | 187,512 | 0 | 0 | 19,600 | (7,400) | (7,400) |
| Total People (Including DSG) | 16,848,109 | 16,664,900 | 17,685,500 | 18,064,600 | 17,948,400 | 262,900 |

Appendix F. Places Budget Monitoring Summary

| Function | Outturn 2016/17 | Approved Budget 2017/18 | Revised Budget 2017/18 | Q1 Forecast | Q2 Forecast | Q2 Variance to budget |
|--|--------------------|-------------------------------|------------------------------|------------------|------------------|-----------------------------|
| Directorate Management Costs | 193,272 | 198,200 | 198,200 | 200,200 | 200,200 | 2,000 |
| Directorate Management Costs | 193,272 | 198,200 | 198,200 | 200,200 | 200,200 | 2,000 |
| Development Control | 136,013 | 184,700 | 184,700 | 211,700 | 206,100 | 21,400 |
| Drainage & Structures | 198,594 | 191,100 | 191,100 | 191,100 | 192,900 | 1,800 |
| Emergency Planning | 28,131 | 29,700 | 29,700 | 30,100 | 30,100 | 400 |
| Environmental Maintenance | 1,159,341 | 1,149,700 | 1,073,200 | 1,062,400 | 1,074,700 | 1,500 |
| Forestry Maintenance | 129,277 | 117,000 | 117,000 | 117,000 | 117,000 | 0 |
| Highways Capital Charges | 1,332,300 | 1,332,300 | 1,332,300 | 1,332,300 | 1,332,300 | 0 |
| Highways Management | 53,635 | 190,300 | 180,300 | 129,100 | 180,800 | 500 |
| Commissioned Transport | 1,445,589 | 1,356,000 | 1,464,200 | 1,379,300 | 1,475,100 | 10,900 |
| Lights Barriers Traffic Signals | 260,552 | 134,400 | 134,400 | 134,400 | 134,400 | 0 |
| Parking | (289,071) | (350,000) | (350,000) | (345,200) | (346,000) | 4,000 |
| Pool Cars & Car Hire | 86,619 | 97,200 | 97,200 | 88,900 | 90,900 | (6,300) |
| Public Protection | 369,084 | 388,300 | 410,300 | 398,500 | 400,300 | (10,000) |
| Public Rights of Way | 73,024 | 90,400 | 90,400 | 89,200 | 89,200 | (1,200) |
| Public Transport | 818,218 | 897,000 | 788,800 | 773,100 | 748,200 | (40,600) |
| Road Maintenance | 1,018,551 | 889,300 | 899,300 | 898,000 | 899,300 | 0 |
| Transport Management | 345,983 | 385,600 | 493,600 | 488,800 | 465,900 | (27,700) |
| Waste Management | 2,385,852 | 2,369,600 | 2,449,600 | 2,369,000 | 2,450,500 | 900 |
| Winter Maintenance | 208,466 | 267,500 | 267,500 | 267,500 | 267,500 | 0 |
| Environment, Planning and Transport | 9,760,158 | 9,720,100 | 9,853,600 | 9,615,200 | 9,809,200 | (44,400) |

| Function | Outturn 2016/17 | Approved Budget 2017/18 | Revised Budget 2017/18 | Q1 Forecast | Q2 Forecast | Q2 Variance to budget |
|---------------------------------------|--------------------|-------------------------------|------------------------------|-------------------|-------------------|-----------------------------|
| Planning Policy | 307,446 | 257,000 | 380,000 | 308,900 | 324,900 | (55,100) |
| Tourism | 21,726 | 14,600 | 22,200 | 12,500 | 9,900 | (12,300) |
| Health & Safety | 29,433 | 38,100 | 38,100 | 38,100 | 38,100 | 0 |
| Property Services | 930,894 | 939,100 | 939,100 | 982,900 | 1,005,000 | 65,900 |
| Building Control | 3,236 | (48,100) | (48,100) | (48,100) | (48,500) | (400) |
| Commercial & Industrial Properties | (187,131) | (260,400) | (260,400) | (297,100) | (252,800) | 7,600 |
| Economic Development | 151,159 | 199,400 | 237,400 | 190,000 | 191,100 | (46,300) |
| Culture & Registration Services | 58,024 | 83,700 | 83,700 | 82,300 | 82,700 | (1,000) |
| Libraries | 399,673 | 459,200 | 529,200 | 514,900 | 438,500 | (90,700) |
| Museum Services | 356,650 | 352,600 | 352,600 | 347,500 | 354,000 | 1,400 |
| Sports & Leisure Services | 35,108 | 600 | 600 | 8,800 | 14,100 | 13,500 |
| Development and Economy | 2,106,218 | 2,035,800 | 2,274,400 | 2,140,700 | 2,157,000 | (117,400) |
| Total Places | 12,059,648 | 11,954,100 | 12,326,200 | 11,956,100 | 12,166,400 | (159,800) |

Appendix G. Resources Budget Monitoring Summary

| Function | Outturn 2016/17 | Approved Budget | Revised Budget | Q1 Forecast | Q2 Forecast | Q2 Variance to Budget |
|------------------------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------------------|
| Chief Executives Office | 205,056 | 222,000 | 372,000 | 371,300 | 372,000 | 0 |
| Direct Management Cost | 270,561 | 216,800 | 286,800 | 286,800 | 286,800 | 0 |
| Corporate Costs | 168,387 | 206,000 | 206,000 | 209,600 | 217,000 | 11,000 |
| Pensions | 237,484 | 220,000 | 220,000 | 220,000 | 214,500 | (5,500) |
| Audit Services | 145,449 | 165,500 | 165,500 | 162,400 | 174,200 | 8,700 |
| Insurance | 209,538 | 215,200 | 240,200 | 243,500 | 243,900 | 3,700 |
| Accountancy & Finance | 591,356 | 617,200 | 685,200 | 685,200 | 682,000 | (3,200) |
| Information Technology | 1,428,964 | 1,280,700 | 1,467,500 | 1,455,900 | 1,423,500 | (44,000) |
| Corporate Support Services | 542,790 | 573,400 | 495,100 | 488,500 | 486,900 | (8,200) |
| Members Services | 191,537 | 206,800 | 206,800 | 201,300 | 201,300 | (5,500) |
| Customer Services Team | 205,738 | 235,600 | 235,600 | 230,200 | 228,800 | (6,800) |
| Elections | (32,458) | 17,100 | 128,600 | 54,300 | 72,400 | (56,200) |
| Legal & Governance | 353,108 | 360,300 | 426,300 | 367,800 | 388,100 | (38,200) |
| Human Resources | 419,192 | 450,200 | 484,200 | 488,100 | 488,200 | 4,000 |
| Revenues & Benefits | 342,007 | 386,800 | 398,800 | 332,200 | 343,300 | (55,500) |
| Financial Support | 37,549 | 25,000 | 50,000 | 36,000 | 36,000 | (14,000) |
| Total Resources Directorate | 5,316,258 | 5,398,600 | 6,068,600 | 5,833,100 | 5,858,900 | (209,700) |

Appendix H. Adverse variances over £25k

This Annex shows requests for increases in budget ceilings where existing forecasts predict that budgets will be overspent or an explanation of the current position.

| Ref | Function | Reason for Overspend |
|-----|--|--|
| H1 | Fostering & Adoption | <p>The key reasons for this overspend are:</p> <ul style="list-style-type: none"> Foster Placement pressure arising from changes in needs as well as an increase in the numbers since Q1 of 8. This is partially offset by the movement of 3 existing placements to Special Guardianship Orders. Total overspend equating to £120k. Increase costs in residential placements due to one placement not ceasing as anticipated when setting the budget - £125k. Increased use of Independent Fostering Agencies – Currently have 41 children in care meaning that further use of IFA, in particular for sibling groups, has been required. This means additional IFA costs of £123k for the year. <p>The Directorate is currently looking at ways to encourage in house carers to take a 2nd/3rd child to reduce costs longer term. If agreed, this is likely to show dividends in 2018/19.</p> |
| | Budget £1,531k | |
| | Forecast £1,890k | |
| | | |
| H2 | Early Intervention - Children with Disabilities | <p>The over spend is a result of additional care packages for children with disabilities which were not known at the time of setting the budget. Subsequent care package changes and additional placements have increased this overspend further in Q2. Agency staff costs to cover long term sickness for statutory function has further contributed to the over spend.</p> |
| | Budget £1,150k | |
| | Forecast £1,365k | |
| H3 | Contract savings | <p>The budget included a savings estimate of £150k on external placements for 2017/18. External consultants were appointed to review the placements in both children and adult services to find savings. The review has generated savings of c£60k but beyond that has indicated that there is very little scope for immediately reducing the cost of external placements further</p> |
| | Budget (£150k) | |
| | Forecast (£60k) | |

| Ref | Function | Reason for Overspend |
|-----|--|--|
| | | through contract renegotiation as the Council is already achieving value for money. However, the review identified a number of potential placement changes which could save costs on the medium term but are dependent on the availability of specialised provision in Rutland. |
| H4 | Community Inclusion | Forecast overspend is due to increased levels of support for individuals with Mental Health and Learning Disabilities to live independently in the community. Budget will be realigned in 18/19 to reflect increase in costs as service provision increases in line with supporting people at home in their communities. |
| | Budget £758k | |
| | Forecast £787k | |
| H5 | Support & Review - Homecare | Since budget setting when an average of 1,000 hours per week in Older People Homecare were being provided, actual activity has increased to an average of 1,300 hours per week reflecting the strategy of keeping people at home longer with more complex needs. If the proposed direct payment rate increase takes place in the New Year we may see a move from traditional commissioned homecare packages to more direct payments. |
| | Budget £1,332k | |
| | Forecast £1,378k | |
| H6 | Permanency and Protection | The function is forecast to be overspent due to a number of reasons as follows: <ul style="list-style-type: none"> • The family support service is overspending due to a number of families requiring additional support in order to reduce the likelihood of the children being taken into care thereby reducing potential costs in the future. • The Children Looked After area is overspending due to an increase in costs associated with parental contact visits for children placed out of county. • Children's Social Care Staffing is forecasting an overspend due to the need to use agency staff to cover vacant posts. |
| | Budget £457k | |
| | Forecast £534k | |
| H7 | Property Services | The reasons for the over spend results from the delay in implementing the Facilities Management Contract to provide the cleaning and premises services for the Council. A £45k saving was built into the budget and this is unlikely to be achieved in 2017/18. |
| | Budget £939k | |
| | Forecast £983k | |

Appendix I. Detailed Capital Programme

| Project Description | Index | Budget at Outturn (11/2017) | Approval since Outturn | Withdrawn Projects | Total Project Budget | Prior Year Outturn | Estimated Project Outturn 2017/18 | Estimated Project Outturn Future Year(s) | Estimated Project Outturn | Project Over(Under) Spend |
|---------------------------------------|-------|-----------------------------|------------------------|--------------------|----------------------|--------------------|-----------------------------------|--|---------------------------|---------------------------|
| Devolved Formula | | 32 | 0 | 0 | 32 | 0 | 32 | 0 | 32 | 0 |
| Disabled Facilities Grants | | 210 | 0 | 0 | 210 | 0 | 210 | 0 | 210 | 0 |
| Autism Innovation | | 19 | 0 | 0 | 19 | 15 | 3 | 0 | 18 | 0 |
| ASC System Replace | | 590 | 0 | 0 | 590 | 558 | 38 | 0 | 596 | 6 |
| Total People Capital Programme | | 850 | 0 | 0 | 850 | 573 | 284 | 0 | 856 | 6 |
| Digital Rutland | (i) | 2,670 | 0 | (292) | 2,378 | 2,068 | 310 | 0 | 2,378 | 0 |
| Digital Rutland Phase 3 | (i) | 0 | 613 | 292 | 905 | 0 | 905 | 0 | 905 | 0 |
| Oakham Enterprise Park | (v) | 600 | 0 | (594) | 6 | 0 | 6 | 0 | 6 | 0 |
| King Centre | | 200 | 0 | 0 | 200 | 0 | 200 | 0 | 200 | 0 |
| Uppingham College | | 74 | 0 | 0 | 74 | 34 | 40 | 0 | 74 | 0 |
| Schools Maintenance | (iv) | 45 | 410 | 0 | 455 | 0 | 114 | 341 | 455 | 0 |
| Oakham C of E | | 651 | 0 | 0 | 651 | 8 | 25 | 618 | 651 | 0 |
| Catmose College – Phase 2 | | 130 | 0 | 0 | 130 | 0 | 0 | 130 | 130 | 0 |
| Catmose College – Phase 3 | | 1,950 | 0 | 0 | 1,950 | 0 | 0 | 1,950 | 1,950 | 0 |
| Uppingham C of E | | 200 | 0 | 0 | 200 | 0 | 0 | 200 | 200 | 0 |
| Barleythorpe Primary | | 200 | 0 | 0 | 200 | 0 | 0 | 200 | 200 | 0 |
| SEN – Increase cap | | 200 | 0 | 0 | 200 | 0 | 0 | 200 | 200 | 0 |
| English Martyrs Primary | | 133 | 0 | 0 | 133 | 126 | 6 | 0 | 132 | 0 |
| Highways Capital Project | (ii) | 2,135 | 12 | 0 | 2,147 | 0 | 2,147 | 0 | 2,147 | 0 |
| Integrated Transport Block | | 360 | 0 | 0 | 360 | 0 | 360 | 0 | 360 | 0 |
| Oakham Town Centre | | 528 | 0 | 0 | 528 | 0 | 132 | 396 | 528 | 0 |
| Active Rutland Hub | | 769 | 0 | 0 | 769 | 766 | 3 | 0 | 768 | (1) |

| Project Description | | Budget at Outturn (11/1/2017) | Approval since Outturn | Withdrawn Projects | Total Project Budget | Prior Year Outturn | Estimated Project Outturn 2017/18 | Estimated Project Outturn Future Year | Estimated Project Outturn | Project Over/(Under) Spend |
|---|-------|-------------------------------|------------------------|--------------------|----------------------|--------------------|-----------------------------------|---------------------------------------|---------------------------|----------------------------|
| Greetham Play Area | (ii) | 0 | 28 | 0 | 28 | 0 | 28 | 0 | 28 | 0 |
| Sports Grants | | 500 | 0 | 0 | 500 | 318 | 30 | 152 | 500 | 0 |
| Oakham Castle Restoration | | 2,400 | 0 | 0 | 2,400 | 1,797 | 364 | 240 | 2,400 | 0 |
| Oakham Library | | 989 | 0 | 0 | 989 | 71 | 926 | 0 | 997 | 8 |
| Planning Software (IDOX) | (iii) | 0 | 50 | 0 | 50 | 0 | 50 | 0 | 50 | 0 |
| Total Places Capital Programme | | 14,733 | 1,113 | (594) | 15,252 | 5,189 | 5,643 | 4,428 | 15,260 | 8 |
| IT Project | | 150 | 0 | 0 | 150 | 0 | 150 | 0 | 150 | 0 |
| Total Resource Capital Programme | | 150 | 0 | 0 | 150 | 0 | 150 | 0 | 150 | 0 |
| Total Capital Programme | | 15,733 | 1,113 | (594) | 16,252 | 5,761 | 6,077 | 4,428 | 16,266 | 14 |

73 Approvals since the Outturn Report – these are projects which have been approved by Members since the outturn budget was reported. Further details of the approval can be found using the report numbers associated with the projects

ii) Digital Rutland Phase 3 (Report No 140/2017)

iii) Delegated approval – Greetham Play Area £27k & North Luffenham Speed Indicator Devices (SIDS) £12k. Both projects will be funded by Section 106

iv) Planning Software (IDOX) (Report No 179/2017)

v) Schools Maintenance (184/2017)

Withdrawn Projects – these are projects which either has been withdrawn or partly withdrawn from the capital programme.

vi) Oakham Enterprise Park £594k – The future development of Oakham Enterprise Park will be updated in the November cabinet paper. The two existing projects will be superseded by the new paper and will therefore be cancelled from the capital programme.

Appendix J. Medium Term Financial Plan

The MTFP shows spending plans and funding position for the current and next 4 years. The references (Ref) refer to assumptions in the table that follows.

| | 2016/17 Q4 Outturn £ | 2017/18 Proposed £ | 2017/18 Q2 Forecast £ | 2018/19 Proposed £ | 2019/20 Proposed £ | 2020/21 Proposed £ | 2021/22 Proposed £ |
|--|----------------------------|--------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| People | 16,308,000 | 17,685,600 | 17,956,000 | 17,261,200 | 17,340,400 | 17,576,500 | 17,998,500 |
| Places | 12,378,000 | 12,326,600 | 12,166,000 | 12,014,800 | 12,257,700 | 12,501,900 | 12,784,900 |
| Resources | 5,316,000 | 6,068,600 | 5,859,000 | 5,611,700 | 5,695,400 | 5,796,500 | 5,900,700 |
| Pay Inflation Contingency | 0 | 45,000 | 0 | 486,400 | 786,800 | 1,051,000 | 1,327,800 |
| Planning - One Off Payment | 0 | 500,000 | 500,000 | 0 | 0 | 0 | 0 |
| Adult Social Care Contingency | 0 | 70,000 | 0 | 100,000 | 100,000 | 100,000 | 100,000 |
| Corporate Headcount Saving | | (121,000) | 0 | (121,000) | (121,000) | (121,000) | (121,000) |
| Net Cost of Services | 34,002,000 | 36,574,800 | 36,481,000 | 35,353,100 | 36,059,300 | 36,904,900 | 37,990,900 |
| Capital met from Direct Revenue | 186,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Appropriations | (1,897,000) | (1,897,000) | (1,897,000) | (1,897,000) | (1,897,000) | (1,897,000) | (1,897,000) |
| Capital Financing | 1,930,000 | 1,930,365 | 1,930,365 | 1,644,144 | 1,643,227 | 1,641,577 | 1,661,869 |
| Interest Receivable | (254,000) | (180,000) | (220,000) | (210,000) | (170,000) | (155,000) | (155,000) |
| Net spending | 33,967,000 | 36,428,165 | 36,294,365 | 34,890,244 | 35,635,527 | 36,494,477 | 37,600,769 |
| Resources | | | | | | | |
| Other Income | (443,243) | (236,700) | (256,900) | (129,600) | (112,600) | (36,000) | (36,000) |
| New Homes Bonus | (1,230,023) | (1,214,332) | (1,214,332) | (1,235,983) | (1,243,591) | (996,987) | (894,704) |
| Better Care Fund | (2,061,292) | (2,578,400) | (2,578,400) | (2,266,200) | (2,175,000) | (2,098,300) | (2,098,300) |
| Social Care In Prisons | (54,128) | (74,128) | (74,128) | (74,128) | (74,128) | (74,128) | (74,128) |
| Rural Delivery Grant | (843,258) | (680,891) | (680,891) | (523,763) | (680,891) | (680,891) | (680,891) |
| Transition Grant | (339,932) | (336,573) | (336,573) | 0 | 0 | 0 | 0 |
| Adult Social Care Support Grant | 0 | (136,300) | (136,300) | 0 | 0 | 0 | 0 |
| Revenue Support Grant | (2,353,919) | (888,716) | (888,716) | 0 | 958,318 | 1,109,262 | 1,229,566 |
| Retained Business Rates Funding | (4,778,000) | (4,785,764) | (4,785,764) | (4,958,252) | (5,133,128) | (4,975,801) | (5,062,016) |
| Council Tax/Social care precept | (21,925,000) | (23,242,155) | (23,242,155) | (24,493,244) | (25,773,344) | (27,047,922) | (28,394,578) |
| Collection fund surplus | (248,000) | (170,000) | (170,000) | 0 | 0 | 0 | 0 |
| Total available Resources | (34,276,795) | (34,343,959) | (34,364,159) | (33,681,170) | (34,234,364) | (34,800,767) | (36,011,051) |
| Use of Earmarked Reserves | (17,000) | (1,597,200) | (1,161,000) | (356,200) | (206,800) | (107,600) | (134,600) |
| Use of General Fund Balances | (326,795) | 487,006 | 769,206 | 852,874 | 1,194,363 | 1,586,110 | 1,455,118 |
| Balance brought forward | (10,143,751) | (9,634,546) | (9,634,546) | (8,865,340) | (8,012,466) | (6,818,103) | (5,231,993) |
| Transfer of Fund to Earmarked Reserves | 836,000 | | | | | | |
| Balance carried forward | (9,634,546) | (9,147,540) | (8,865,340) | (8,012,466) | (6,818,103) | (5,231,993) | (3,776,875) |

The MTFP assumptions

| Ref | Expenditure /Funding | Assumptions/Commentary |
|-----|-----------------------------|--|
| 1 | Directorate Costs | Directorate costs assume prior year as a starting point and build in inflation and any changes to National Insurance contributions. Inflation is built into the MTFP to cover potential cost increases. The level of inflation ranges from 5% for fuel (gas, electric etc.) to 2% for general inflation (supplies and services). |
| 2 | Pension contributions | The Triannual review of the Local Government Pension Scheme (LGPS) has been completed and the contribution rate will increase by 1% per annum for the next three years. The following rates are built in to the MTFP 21.7% 2017/18, 22.7% 18/19, 23.7% 19/20 24.7% 20/21 and 25.7% 21/22 |
| 3 | Apprenticeship Levy | As part of the Comprehensive Spending Review (CSR) the government announce the introduction of the apprenticeship levy at % of the total pay budget. An appropriate amount, £54k, has been built into the MTFP from 17/18 and beyond. |
| 4 | Pay Inflation Contingency | Council assumes pay inflation will be 1.5% pa from 18/19. The contingency has been reduced but includes amounts set aside to meet the cost of additional pension contributions, pay upgrades and those outside the pension fund re-joining the scheme. |
| 5 | Contract inflation | This is an amount set aside to cover above inflation rises should they materialise on key contract, pay, supplies etc. |
| 6 | Adult Social Care pressures | This is set aside to cover demographic and demand pressures on Adult and Social Care. Rather than increase individual budgets the Council will hold a contingency and allocate it when it knows where the demand pressure is e.g. home care, residential care etc |
| 7 | Capital financing | The capital financing charges are made up of 2 amounts; <ul style="list-style-type: none"> • Interest Payable – this is fixed over the life of the MTFP at c£1m per annum. This is all payable to the Public Works Loan Board (PWLB) • Minimum Revenue Provision (MRP) - An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets. It is assumed that MRP will be charged on an equal instalment basis from 18/19. |
| 8 | Interest | This represents the amount the Council expects to earn from investing cash balances held. |
| 9 | RSG | The MTFP assumes that RSG reduces to £0 by 2019/20, is - £958k in 19/20 and then increase further by c£120k pa |

| Ref | Expenditure /Funding | Assumptions/Commentary |
|-----|-------------------------|--|
| 10 | Business rates | <p>The amount to be retained under "Business Rates Retention" (BRR) scheme has been updated in line with the current year forecast and the likely business rates reset in 20/21 which will result in the Council paying a bigger tariff from its share of rates.</p> <p>The potential loss of income through appeals remains a risk and could have a significant impact on business rates revenue.</p> |
| 11 | Social care precept | The MTFP contains an additional social care precept on council tax built in at 2% to deal with the rising costs of social care costs. |
| 12 | Council tax | Tax rises built in at 1.99%. The tax base continues to increase with housing growth and over the next 4 years it is assumed that the number of Band D equivalents will increase by c80-90. An increase in local council tax support claims could dampen this growth but in 15/16 the number of claimants has reduced. |
| 13 | New Homes Bonus | <p>The MTFP uses projections from Planning on new homes.</p> <p>The MTFP assumes NHB payments will be received for 4 years starting from 2017/18.</p> |
| 14 | Social Care in prisons | The only Care Act funding not part of RSG is the funding for social care in prisons which is funded by a Department of Health grant. |
| 15 | Other Income | The other income includes miscellaneous grants. |
| 16 | Rural Delivery Grant | The MTFP builds in grant as per the Government 4-year offer. |
| 17 | Better Care Fund | The Better Care Fund (BCF) allocations are built in based on allocations announced in 2017/18. |
| 19 | Ring fenced grants | These grants are included within cost centres and not shown with other funding streams. The biggest ring fenced grant is for Public Health. |
| 20 | Earmarked Reserves | The Council earmarked reserves set aside for specific purposes. Where these are planned to be used the spending has been included within the relevant Directorate costs and the total funding used is shown as a Transfer from earmarked reserves in the MTFP. |
| 21 | Collection Fund Surplus | <p>The Collection Fund is the collective name for the financial management of the collection of Business Rates and Council Tax.</p> <p>If a surplus or deficit remains in the Collection Fund at the year-</p> |

| Ref | Expenditure /Funding | Assumptions/Commentary |
|-----|---------------------------------|---|
| | | end it is subsequently distributed to, or borne by the billing authority (in this situation the Council) and the preceptors (Police and Fire Authorities). Billing authorities are required to estimate the expected Collection Fund balance for the year to 31 March in order that the sum can be taken into account by billing authorities and preceptors in calculating the amounts of Council Tax for the coming year. The difference between the estimate at 15 January, and actual position at 31 March will be taken into account in the following financial year. |
| 22 | Capital met from Direct Revenue | This represents the amount of revenue expenditure that is funding capital projects. |
| 23 | Transition Grant | Additional funding in the form of transitional grant has been given in both 2016/17 and 2017/18 for the councils adversely affected by the change in distribution of central funding. |

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