



Rutland County Council

Statement of Accounts

2019/20

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Statement of Accounts 2019/20

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Narrative Report

Introduction to the Accounts by the Strategic Director for Resources, Mr Saverio Della Rocca

I have prepared this Narrative Report to provide an easily understandable guide to the most significant matters reported in Rutland County Council's Statement of Accounts for the year ended 31st March 2020. My intention in producing this report is to give electors, local residents, Council Members, partners, stakeholders and other interested parties the assurance that the public money received and spent has been properly accounted for and that the financial position of the Council is secure, to give a brief summary of the overall financial position of the Council, to give details of how the Council's budget is spent and financed, and to explain the purpose of the financial statements contained within the Council's accounts.

The Narrative Report is structured as follows:

1. An Introduction to Rutland County Council
2. Council Performance
3. Financial Performance
 - a. Key Issues that have influenced the Financial Position for 2019/20
 - b. Key Events affecting the Council in 2019/20 and a look ahead to future years
 - c. Review of financial performance in 2019/20
4. Principal Risks and Uncertainty; and
5. Further Information

1. Introduction to Rutland County Council

Rutland County Council is a Unitary Authority located in the East Midlands, with Lincolnshire, Leicestershire and Northamptonshire being the bordering counties.

It covers an area of 151.5 square miles (392.5 square kilometres). In the centre of the county is Rutland Water, Anglian Water's drinking water reservoir, covering an area of 4.19 square miles (10.86 square kilometres), which attracts a great number of visitors to the county each year. The county town is Oakham, which is the administrative centre of the county. The main council offices are located in Oakham and serve the towns and villages of the county from Thistleton in the north to Caldecott in the south and across from Ryhall, Belmsthorpe and Essendine in the east to Whissendine in the west.

The population of the county is 39,474 (source: ONS, 2018 mid year estimates) which has increased by 8% since 2001. The demographics for the county show 25% of the County is 65 or over. The area is relatively affluent when compared with other areas of England, with only small pockets of deprivation. This is shown in the overall employment rate of the working age population in Rutland of 81.2% compared to the East Midlands average of 74.1%. The make-up of the county's population shapes the delivery of services by the Council, with the aims and objectives of the Council being set to meet to the needs of its residents.

The Council, as a Unitary Authority, provides all county council and district council services (see the pie chart 'What services have been provided with the money' in Section 4 below for a summary). By March 2020, the political make-up of the Council was as follows: 17 Conservative, 6 Independent, 3 Liberal Democrats and 1 non-aligned.

The Council has adopted the Leader and Cabinet model. The Leader, Cllr Oliver Hemsley, was elected in January 2018 and appointed a new Deputy Leader Cllr Gordon Brown in July 2018. These positions remain unchanged following the local elections in May 2019. By the end of 2019/20 Cabinet comprised 5 Conservative members with responsibility for the following Portfolio areas:

1. Rutland One Public Estate & Growth, Tourism & Economic Development, Communications, Resources (other than Finance)
2. Deputy Leader and Portfolio Holder for Environment, Planning, Property, and Finance
3. Culture and Leisure, Highways, Transportation & Road Safety

4. Safeguarding – Adults, Public Health, Health Commissioning & Community Safety
5. Children’s Services and Education

There is a management structure in place to support the work of elected members and is headed by the Strategic Management Team (SMT). At the end of the year, members of this team included:

1. Helen Briggs – Chief Executive
2. Mark Andrews – Strategic Director for People (Director for Adult and Children’s Services)
3. Saverio Della Rocca – Strategic Director for Resources (s151 Officer)
4. Phil Horsfield – Deputy Director for Resources (Monitoring Officer)
5. Jon Morley – Deputy Director People (Adults)
6. Dawn Godfrey – Deputy Director People (Children)
7. Penny Sharp – Deputy Director Places (Acting Director at year end)
8. Vacant – Strategic Director Places

During the year, there were some changes in SMT. Dawn Godfrey joined in May 2019 as Deputy Director People (Children). Rob Harbour, the Deputy Director of Places left in December 2019. Christine Trill, Strategic Director for Places, started in April 2019 but left to pursue other opportunities in January 2020. Penny Sharp joined as Interim Deputy Director in the autumn and was permanently appointed in January 2020. Further changes in SMT including the retirement of the Chief Executive are expanded on in the Annual Governance Statement.

The Council has a new Corporate Plan covering the period 2019 – 2024. The Corporate Plan serves as a roadmap for what the Council wants to achieve during its current four-year term. The Plan was developed following the local elections in May 2019. The table below identifies the priority themes and targets:

Delivering sustainable development

- Develop a 50-year vision for Rutland by 31st March 2020
- Support the delivery of high-quality employment opportunities
- Commit to the development of a strategic plan for Oakham Enterprise Park
- Provide homes that young families can afford
- Improve broadband and mobile services
- Make sure that development is supported by services, facilities and transport infrastructure
- Adopt a sound Local Plan to deliver a minimum of 160 homes each year
- Develop an Environmental Policy to meet Rutland’s needs and the challenge of climate change

Vibrant Communities

- Protect, maintain, enhance and conserve what makes Rutland great
- Improve access for children and young people to be engaged out of school
- Explore new and improved cultural and leisure opportunities for Rutland
- Make our roads safer
- Work with partners to protect and enhance healthcare within our community
- Provide an inclusive and high quality learning offer, and to support the expansion of our schools and learning to meet need

Protecting the Vulnerable

- Improve services that care for our children and protect them from risk and harm
- Protect and improve the lives of vulnerable adults

Customer-focussed services

- Develop and implement a new Customer Services Strategy

- Develop customer responsive systems
- Develop a sustainable Medium Term Financial Plan to support service delivery
- Enhance digital access to services - Launch 'MyAccount'

2. Council Performance

The Council regularly produces reports to Cabinet on performance against the Council's strategic aims and the Corporate Plan.

The latest in year report can be found on the link below:

<https://rutlandcounty.moderngov.co.uk/documents/s17426/Report%20No%2030-2020%20Quarter%203%20Performance%20Update%202019-20.pdf>

3. Financial Performance

a) Key Issues that have influenced the Financial Position for 2019/20

The final Settlement for 19/20 was better than anticipated.

- The expected loss of RSG of £958k was reversed;
- Additional grant funding was received: £368k for social care and return of the business rates levy of £67k;
- There were no changes to the New Homes Bonus scheme;
- The Rural Services Delivery grant was expected to reduce by £168k but has remained at the same level.

However, the Council's Government funding was in cash terms still only marginally more (£379k) than it was in 18/19. This amount did not cover inflation, pay increases or additional demand for services but after making savings of £1.5m, the Council was able to set a budget of £36.4m.

As part of the budget, the Medium Term Financial Plan (MTFP) for 2019/20 to 2023/24 was approved by Full Council in February 2019. Over the period it assumed a continuation of the existing services with allowances for service pressures, inflation and planned savings for 2019/20 and beyond all built in. As the final year of the 4-year funding settlement was 19/20, the Council was uncertain as to what funding it would receive from 20/21. However, the Council had assumed further funding reductions would be made.

The Council has a rolling capital programme with new schemes added in 2019/20 based on known and forecast levels of external funding for capital schemes and an assessment of the resources likely to be available from asset disposals.

The impact of the capital programme and its financing was included within the MTFP e.g. cost of external borrowing. Taking into account all the known factors the projected financial position at the end of the period of the MTFP remained sound but showed an increasingly challenging position with the Council forecasting to spend more than the resources available in the later years of the plan. At that time the financial gap was projected to be £2.1m in 2021/22.

The Treasury Management Strategy (TMS) 2019/20 and a new Capital Investment Strategy (CIS) were approved by Full Council in February 2019. The Strategies were developed to comply with the new version of the Prudential Code for Capital Finance in Local Authorities, the Treasury Management: Code of Practice and Cross-Sectoral Guidance Notes (Treasury Management Code) and Minimum Revenue Provision - Guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

The Capital Investment Strategy sets out the Council's policy in respect of treasury and non-treasury investments including its appetite and approach to commercial investments. The Council was prepared to invest up to £10m in assets that generated a revenue return.

Material transactions to be noted for the year relate to pensions for employees of the Council, who may be members of one of two separate pension schemes: The Local Government Pension Scheme, administered by Leicestershire County Council; or The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees whilst working for the Council. However, the arrangements for the Teachers' scheme mean that liabilities for these benefits cannot be identified to the Council.

The Council's net pension liability for the Local Government Pension Scheme has increased from £37.1 million to £44.8m in the year to 31 March 2020. There are two main elements that create this liability, the value of assets held by the pension fund, and the estimated future demands for pension payments. While the value of assets has increased by £5.8 million during the year, at the same time liabilities have increased by £13.6 million.

Statutory provisions limit the Council to raising council tax to cover the amounts payable by the Council to the pension fund in the year. The pension liability shown in the Balance Sheet therefore has no direct impact on the Council's revenue reserves.

b) Key Events affecting the Council in 2019/20 and a look ahead to future years

In late March, Cabinet approved a programme of maintenance works to be delivered in 2019/20 as a result £845,000 highway funding awarded to Rutland by central government in November 2018 – part of the total £2.4million to be spent in this financial year.

In early April, the Council secured an offer of more than £1.7million of funding from the government's Department for Digital, Culture Media and Sport (DCMS) to help roll out the next generation of faster, full fibre broadband connections to public buildings like schools and libraries. The plan was to begin the rollout of full fibre to the public sector buildings in Rutland by October 2019.

Later that month, Rutland's adoption services were praised for the support they provide to children and young people, following a review of local authorities throughout England. The latest DfE review looked at the performance of 152 local authority areas in England between 2015 and 2018 and found that Rutland had met important national targets for time taken to match and place children with an adoptive family. This had helped to reduce unnecessary delays and improve the experience of children and families who go through the adoption process.

With Rutland receiving £848k Capital from the Government between 2018 and 2021, plans were submitted for the development of a new facility to enable children with special educational needs and disabilities (SEND) to be educated locally at Uppingham Community College. The new facility was designed to provide places for up to ten young people who have communication and interaction needs, including those on the Autistic Spectrum, which will enable them to live, to be educated and grow with independence within their community.

In May, the Council held its Local Elections with an overall turnout of 37.36%. Rutland County Council has 27 seats and, following the election, it compromised: 15 Conservative councillors, eight Independent councillors, three Liberal Democrat councillors and one Green councillor.

Later that month, at Rutland's Annual Council meeting, Councillor Kenneth Bool (Conservative) was re-elected to serve as the Council's Chairman. Councillor Oliver Hemsley (Conservative) was re-elected as Council Leader for the next four years, with Councillor Gordon Brown (Conservative) re-appointed as Deputy Leader.

The Council received the outcome of an Ofsted pre-arranged visit to review the Council's Children's Services in May. In a letter summarising their findings from the visit, inspectors confirmed that: "Child protection investigations are timely, children at risk of significant harm are seen promptly, and actions are taken to ensure and promote their safety." As part of the focused visit, inspectors also confirmed a

number of areas of weakness where changes could help to improve the way that Children's Services are provided in Rutland. Further details are given in the Annual Governance Statement.

In June, a scheduled inspection by the Care Quality Commission (CQC) described the Council's Community Support Services as providing an 'Outstanding' level of care for vulnerable people. The CQC's report ranked Rutland's Community Support Services as good overall and praised Council staff for being "exceptionally caring" – treating service users with compassion, kindness, dignity and respect.

Cabinet approved the Digital Rutland Strategy in June. Digital Rutland is a partnership between Rutland County Council, Building Digital UK (BDUK) and British Telecommunications Plc (BT), and has been connecting local homes and businesses to fibre broadband since 2013. As a direct result of the Digital Rutland and together with commercial services, superfast broadband is now available to around 96% of premises in Rutland – a figure that is expected to rise to more than 97%.

Full fibre coverage in Rutland is currently at 19.67%, well above the UK figure of 7.57%. Under the new Digital Rutland Strategy, the Council aims achieve up to 50% full fibre coverage.

In June, Rutland was successful in a bid to join the Government's Garden Communities programme, to help shape proposals for the possible future redevelopment of St. George's Barracks in North Luffenham.

MHCLG announced that St. George's was one of 19 successful bids to the Garden Communities programme and will receive a proportion of £3million grant funding to help develop design and layout proposals that include the creation of innovative new dementia-friendly neighbourhoods. St. George's Barracks is due to close in 2021/22, which has led to proposals for a new Garden Community that would include up to 2,215 new homes, space for new businesses, a new primary school, healthcare facilities and a country park.

In July, the Council became one of 12 rural local authorities aiming to create a decentralised economy in Britain. Called Britain's Leading Edge, the collaboration of local county councils, including Cornwall, Lincolnshire and Rutland, and urged the Government to reallocate public funding and investment decisions to better reflect the contribution rural areas make to the national economy.

Having been reviewed and approved by Cabinet in July 'Moving Rutland Forward' (MRF) set out a long-term vision that will support the development of new Council-led, resident-focused transport policies around bus travel, driving, cycling and walking. The Plan was approved by Council in August runs to 2036 and is intended to be a 'living document', meaning it remains flexible and can continue to be adapted. Other individual policies will be developed around specific transport issues, requiring input from local residents and service users.

In August, the Council announced that it will not be continuing plans to bring forward the Officers Mess site in advance of the redevelopment of St. George's Barracks. The Council undertook feasibility assessments to understand the potential risks and opportunities of redeveloping the site using public money. The outcome of the assessments and the delayed vacation of the site by the Ministry of Defence until 2022 informed the decision which has resulted in the Council to not pursue the redevelopment at this time.

In relation to St. George's Barracks, members of the St. George's Parish Council Advisory group, which is made up of Parish Council representatives from wards affected by the potential redevelopment of the site, were offered the opportunity to join the groups. The three groups were aimed at:

- The design of the site, including developing a design code for the St. George's project to support a County-wide Design Code
- The creation of employment within the St. George's site;
- Off-site Highways and Transportation infrastructure and design

The feedback and findings of these groups will then be provided to the Ministry of Defence to inform the development of a more detailed 'Evolving Masterplan' for St. George's Barracks.

The Council started a consultation on extending council tax premiums applied to Empty Homes. The Government has given local authorities the ability to set a premium for long-term empty homes. These premiums increase the amount of Council Tax that property owners are required to pay if their home has been left vacant for more than two years.

In September, the Council produced its annual report. The Council narrowly missed out on just seven of its 48 targets for the year and, in all cases, steps were to close any gaps. Headlines included:

- 98% of Rutland residents admitted to hospital were still at home 91 days after being discharged back into the community
- A total of 63 affordable homes were delivered within the county, surpassing the target of 45
- 84% of all Adult Social Care reviews were completed on time
- 18.9% of young people achieved three or more A Grades at A-level (6% higher than the national average)
- 93% of child safeguarding assessments were completed within the required 45-day timeframe
- 56% of Rutland's waste was sent for recycling

In October, the Council agreed a raft of new targets, initiatives and actions to help in the global fight against climate change. Among the measures put forward as part of Rutland County Council's Climate Change Action Motion are commitments to:

- Make sure the Council's activities achieve a net-zero carbon footprint before 2050
- Achieve 100% clean energy across all council functions by 2050 or earlier
- Provide a climate change impact assessment on all relevant council decisions
- Request that scrutiny panels consider the impact of climate change and the environment when reviewing council policies and strategies
- Review council activities to take account of production and consumption emissions

In addition Full Council approved the creation of a new Task and Finish group to develop a Biodiversity Strategy for Rutland.

In November, the Council received news that it would be offered a £29.4m investment from the Housing Infrastructure Fund into infrastructure to support the proposed redevelopment of St. George's Barracks at North Luffenham. The successful bid meant that essential infrastructure works could be brought about in advance of the site's redevelopment – ensuring appropriate and timely investment in infrastructure and local public services, including upgraded roads and junctions, new healthcare facilities and public transport.

Acceptance of the terms and conditions was deferred pending the General Election and following various Council meetings. By the end of March 2020, no formal decision had been made to accept or reject the investment.

In December, the General Election was held and with a turnout of 70.74% Alicia Kearns (Conservatives) was elected as the MP for Melton & Rutland.

In December, the Council's Growth, Infrastructure and Resources met to review proposals being made to Rutland's Local Plan. The Committee reviewed recommendations relating to the scale of development for the county, in terms of both housing and employment land. Cabinet then approved a number of proposals to inform the ongoing development of Rutland's next Local Plan, which was approved by Full Council in February 2020.

Full Council began the process of considering the Pre-Submission Local Plan at a special meeting on Monday 27 January but this meeting was adjourned after almost three hours because Councillors

needed more time to consider possible amendments and continue their deliberations. The Special Full Council meeting was reconvened on Monday 10 February, where Councillors voted 15 to 10 in favour of approving the Pre-Submission Local Plan, with one abstention. The Pre-Submission Local Plan was made available for statutory consultation but this was halted due to CoronaVirus pandemic.

In January, the Chief Executive, Helen Briggs, announced her intention to retire from the Council. Mrs Briggs has served as Chief Executive for more than 13 years and was intending to leave in August although this was later deferred until the Autumn as the Council responded to the CoronaVirus.

The Council's Medium Term Financial Plan (MTFP) and budget 2020/21 were approved in February 2019 by Full Council following consultation. The key message in relation to the MTFP was that the national economic position remains extremely challenging. The Council did receive some positive news in that the Settlement for 20/21 was better than originally anticipated when the budget was set in 19/20 but consistent with our expectations following the Spending Review 2019. Delays in implementing Fair Funding and other reforms alongside a recognition that critical local government services are under pressure meant that funding was not reduced. However, the Council's core Government funding was in cash terms still only marginally more (£384k) than it was in 19/20 and still £135 per head less than other Unitary Councils. On the one hand the position was positive as the Council had predicted losses of over c£2.5m.

The future outlook remained challenging but uncertain, with a funding gap of over £1m by 21/22. The Council began working on an "emergency budget" to enable it to respond to further reductions in funding. This is still ongoing.

The Council held its Spring Business Summit in March, where businesses and stakeholders came to discuss the future of Rutland's local economy. The Summit looked at how the UK's departure from the European Union stands to affect local businesses, as well as providing delegates with information and practical advice about business continuity, the importing and exporting of goods to and from the EU and international markets, as well as the EU Settlement Scheme, for those individuals and employers concerned about how this will impact them. Business representatives were also be asked to contribute to discussions about what Rutland's local economy should look like in future and help shape the Council's five-year economic plan.

In March, the Council also published its feedback from a Local Government Association "Peer Challenge" review of the Council's operations, which took place in November 2019.

Peers from the Local Government Association have found the Council to be "delivering good quality services with high performance levels", "a welcoming organisation with strong and maturing organisational leadership" and "financial stability."

The report also identifies that the Council is "well respected by local and sub-regional partners and has influence beyond its administrative and physical footprint. The Peer Team also felt that "the time is right to build this confidence and exploit opportunities... for more collaborative working" and have recommended the Council seeks to establish ways to work with the local community to co-design and co-produce solutions to future challenges.

At March Council, Councillors agreed to increase Members' Allowances, following recommendations made by an independent Members Allowances Panel. The review undertaken by the Welland Partnership Members' Remuneration Panel identified that Rutland County Councillors' allowances are "comparatively low" when compared to other unitary authorities, nationally, and neighbouring district councillors. Allowances for Rutland County Council's elected members have not changed since 2009.

Coronavirus pandemic

From mid-February, the Council joined the Leicestershire, Leicester and Rutland (LLR) Local Resilience Forum (LRF) in preparing its response to the Coronavirus pandemic. The Council also invoked the emergency delegation in the Constitution (11.10.5) which allows the Chief Executive "to

take any urgent action necessary in the event of a civil emergency and deal with matters relating to civil protection/emergency planning arising from the Council's powers and duties under the appropriate legislation." and the provisions in the Financial Procedure Rules (4.6) which allows the Chief Finance Officer to put in place alternative financial systems in the case of a major incident. As part its response, the Council quickly established a Local Strategic Coordinating Group (LSCG) comprising of senior management and a Local Tactical Coordinating Group (LTCG) involving key officers from across the Council. Up to the end of March and into 20/21 these Groups coordinated the Council's response which focused on:

- Participating in all of the LRG Groups and Cells covering a range of issues from Personal Protective Equipment to Business issues
- Establishing a revised operational structure so that resources could be focused on delivering 'business as usual' activity as far as possible and responding to the needs of vulnerable people through Operation Shield (announced 22nd March)
- Reviewing all key services, in accordance with Government guidance, and determining which services could continue as 'business as usual' and which services would be stopped
- Developing an approach to the "shielding of vulnerable people" – i.e. supporting those people who are vulnerable, and who have no other means of support through the following types of support (support with obtaining required medication; support with obtaining food; support with social isolation and other welfare support).
- Deploying new technology to enable staff to work at home under 'lockdown'
- Redeploying staff to areas of greatest need as services were discontinued
- Delivering key Government initiatives such as payment of business rate grants and reliefs, ensuring ongoing payments to key suppliers/contractors and enforcing social distancing measures.

The longer term impacts and consequences on the Council are still uncertain but can be categorised as follow:

- Financial impacts – the Council is monitoring the position. It has received Government funding to deal specifically with the response but the bigger concern is the impact on the Medium Term Financial plan of lost income (with key income generating services stopped), a drop in collection rates for council tax and business rates, any additional costs incurred as key services are restored and backlog issues are dealt with and the fallout on the local economy. As at June 2020, the Council reported that the future gap may be increased by over £1m because of the Pandemic. This position is still clouded in uncertainty and it is very unlikely that the full extent of the financial impact will be unknown until the end of the 20/21 financial year.
- Operational impacts – with key services stopped and resources diverted, officers will have to reinstate key services and catch up on a backlog of issues. Whilst work is being done to mitigate some of this work, the extent of recovery is likely to be significant. The Council has a Recovery Plan to guide this work.
- Wider impacts – the impact on society, the economy, health and wellbeing and the environment are all being considered and will have a direct bearing on the work of the Council, the services it provides and how it provides them.

The Council has identified financial sustainability as a key part of its Recovery Plan. It has sufficient General Fund reserves to allow it to plan sensibly to close the financial gap and work has already started in this regard. This work will be a priority for the remainder of 2020/21.

c) Review of Financial Performance in 2019/20

In February 2019 the Council set out its MTFP that took into account assumptions on levels of council tax and government support, inflationary and demand led spending pressures and the impact of its capital programme over a 5 year period.

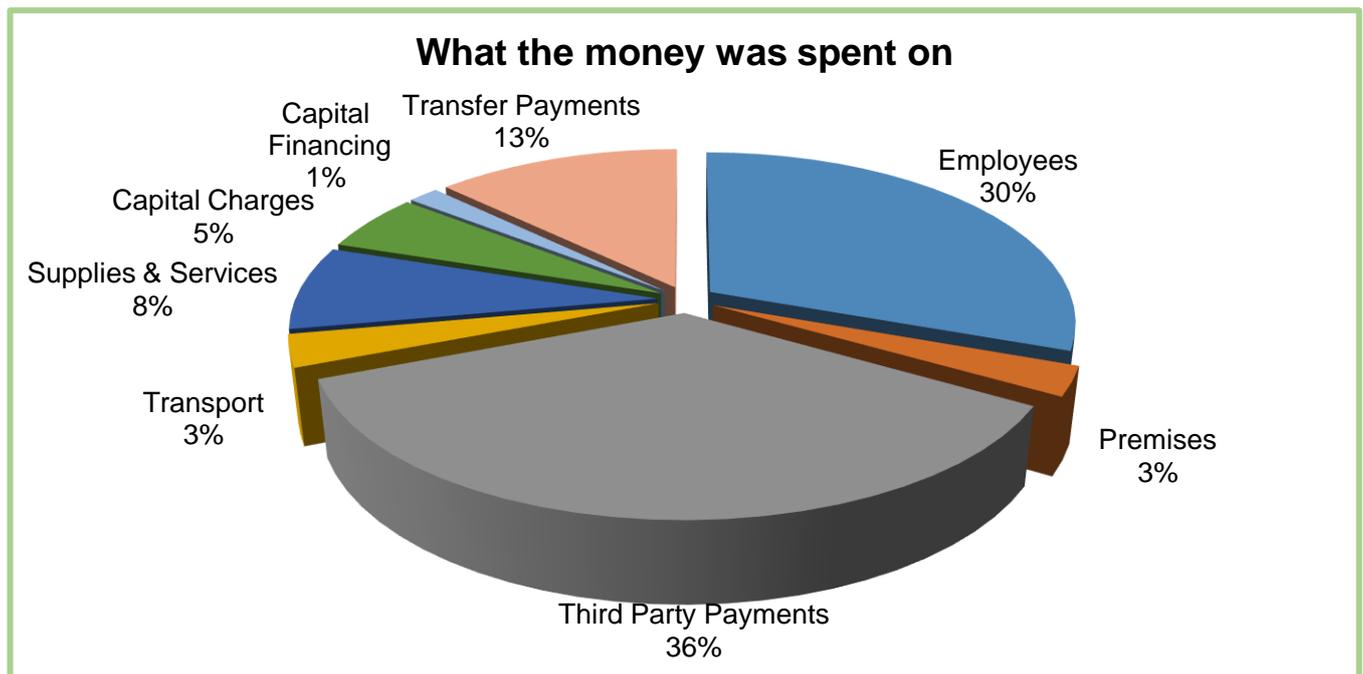
A brief summary of activity for the year is given below and full details are in the main body of the Statement of Accounts.

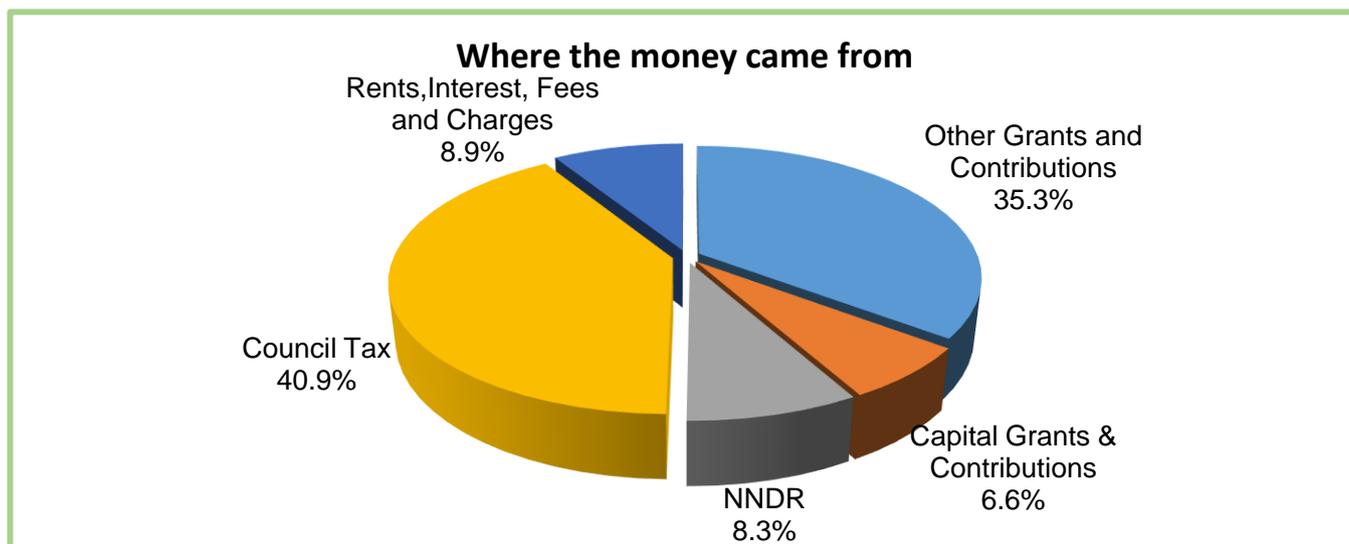
The end of year provisional revenue position is that the Council has under spent its revenue budget by £313k which equates to an under spend of 1.1% when compared to the Net Operating Expenditure.

The overall position can be summarised as follows:

- The Council is reporting an under spend of £313k after setting aside Directorate under spends in relation to: a) ring fenced budgets; b) demand led budgets; or c) commitments made but not yet fulfilled. In each of these cases under spent budgets are placed into earmarked reserves and are carried forward for future use.
- Notwithstanding the above comment, the Directorate budgets do include genuine underspends arising from a) savings from vacant posts and delays in recruiting staff pending reviews or further work; b) additional grant income received e.g. in respect of Homelessness; c) other cost control measures.
- Despite the overall under spend, there are some areas where there are overspends – there have been significant pressures in waste management, commercial properties and Social Care.

The following charts outline where the Council's revenue money came from and how it was spent.





General Fund Revenue Account

The following table summarises the position for the General Fund for 2019/20. The Council is reporting a year end surplus of £313k. This represents an underspend of £207k compared to the budgeted deficit of £106k. In the context of an MTFP which shows reducing funding levels (Report 44/2019), the overall outcome is reasonably positive because in reporting an overall overspend, the Council is setting aside some service underspends into earmarked reserves to meet future pressures. Without these transfers, the Council would be underspent against its budget. The revenue position at 31 March 2020 is shown below:

General Fund	Revised Budget £000	Outturn £000	Variance £000
Net cost of Services	38,414	37,349	(1,065)
Other Operating costs	(746)	(1,060)	(314)
Net Operating Expenditure	37,668	36,289	(1,379)
Financing	(37,562)	(36,496)	1,066
(Surplus)/Deficit for year	106	(207)	(313)

Capital

Capital Expenditure relates primarily to spending on Council assets (i.e. an item with an expected life of more than one year). Overall the expenditure during the year was £4.076m, compared to the approved capital project budget of £26.805m (i.e. 15% of the approved programme was actually spent) with £13.654m declared as an underspend due to a number of project being on hold at the year-end (£13.409m).

Expenditure was funded from external grants and contributions (£3.355m), Capital Receipts (£0.140m), Developer Contributions (£0.166m) and the remainder from RCCO (£0.415m).

Capital Programme – Approved Projects	Total Project Budget £000	Prior Year Actuals £000	Outturn 2019/20 £000	Future Year Outturn £000	Estimated Outturn £000	Total Project Variance £000
Commercialisation	10,310	0	69	44	113	(10,197)
Asset Management Requirements	8,216	794	3,025	1,100	4,918	(3,298)

Strategic Aims and Priorities	8,279	4,712	982	2,426	8,120	(159)
Total	26,805	5,506	4,076	3,570	13,151	(13,654)

4. Principal Risks and Uncertainty

A risk management strategy is in place to identify and evaluate risks. There are clearly defined steps to support better decision making through the understanding of risks, whether a positive opportunity or a threat and the likely impact. The risk management process was re-presented to the audit and risk committee in January 2020, and satisfied all assurance requirements. Below are our top risks from the Council's comprehensive risk register.

Risk	Impact	Controls
There is a risk that the Council is not financially stable in the medium term (as evidenced by the gap in MTFP and the impact of the Coronavirus Pandemic).	<p>Breach of statutory requirement</p> <p>Drastic action needed to rectify the position (e.g. cuts)</p> <p>Erosion of reserves below recommended levels</p>	<p>Medium Term Financial Plan in place</p> <p>Members adhering to minimum General Fund balances in budget setting</p> <p>Members understand the need to raise Council Tax</p> <p>All increases in budget scrutinised to ensure they are legitimate</p> <p>Lobbying for additional funding ongoing.</p>
Failure to Safeguard (Children) and a child is significantly abused, hurt, or dies.	<p>Intensive scrutiny by public and press</p> <p>Potential external intervention</p> <p>Potential loss of frontline staff</p> <p>Potentially high legal costs</p> <p>Reputation damage</p>	<p>Processes and procedures in place to protect the most vulnerable</p> <p>Ensuring we have sufficient competent, trained staff to safeguard children and there is no unallocated work</p> <p>Clear practice standards in place so staff know what is expected of them</p> <p>Children's services development plan finalised and subject to monthly progress reviews</p> <p>High quality management oversight of all Children's Social Care practice</p> <p>Comprehensive Performance Management and Quality Assurance framework in place</p>

Risk	Impact	Controls
<p>Failure to deliver key services should a significant business interruption occur (arising from Covid 19)</p>	<p>Reputational damage</p> <p>Long term costs</p> <p>Risk to life</p>	<p>Council is partner of LRF</p> <p>The LRF has established a Strategic Commissioning Group (SCG) and Tactical Commissioning Group and Media and Comms Cell to support the response and the Council has representatives on each of those.</p> <p>Council has its own local SCG and TCG</p> <p>The Council structure has been revised with two key cells created (a BAU and Operations cell and a Health, Social Care and isolation cell led by SMT members)</p> <p>Decision making at both the RSCG and RTCG levels informs the agenda and direction of travel for the Cells</p> <p>The Cells meet at least twice weekly, with all meetings minuted with actions</p> <p>Below the two main cells various sub-cells have been created to focus on specific issues such as advice and hardship</p> <p>A Status and Data is used to capture key information to inform decision making</p> <p>An Executive Decision log is maintained to record all key decisions</p> <p>Separate finance cost centres are maintained to record all funding received and costs and changes to finance systems enacted to facilitate decision making</p> <p>Verbal briefings are undertaken to Cabinet (daily), all Members (weekly) and Parish Council</p>

Risk	Impact	Controls
		(weekly) alongside daily written communications
Failure to Safeguard (Adults) and an adult is significantly abused, badly hurt or dies.	<p>Intensive scrutiny by public and press</p> <p>Potential external intervention</p> <p>Potential loss of frontline staff</p> <p>Potentially high legal costs</p> <p>Reputation damage</p> <p>Requirement to undertake and publish a serious case review</p>	<p>Processes and procedures in place to protect the most vulnerable.</p> <p>Scrutiny and overview from the Safeguarding Boards.</p> <p>Monthly performance and financial monitoring by senior offices and updates to Cabinet.</p> <p>High quality, timely information contained within case files.</p> <p>High quality, timely management oversight by DASM.</p> <p>Clear practice standards in place so staff know what is expected of them.</p> <p>Management oversight recorded on file alongside regular supervision.</p> <p>Effective training of staff.</p> <p>Comprehensive Performance Management and Quality Assurance framework in place.</p>

5. Further Information

Further information about these accounts is available from:

<p>Mr Saverio Della Rocca Strategic Director for Resources (Chief Financial Officer) Rutland County Council Oakham Rutland LE15 6HP sdellarocca@rutland.gov.uk</p>	<p>Mr Andrew Merry Finance Manager Rutland County Council Oakham Rutland LE15 6HP amerry@rutland.gov.uk</p>
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Information on the Councils services and activities can also be located on our website: www.rutland.gov.uk

Statement of Responsibilities

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Strategic Director for Resources;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

Chairman's Approval of the Statement of Accounts

The Chief Financial Officers Responsibilities

The Chief Financial Officer is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that were reasonable and prudent; and
- complied with the Code of Practice

The Chief Financial Officer has also:

- kept proper accounting records, which were up-to-date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Chief Financial Officer's Certificate

I certify that the Statement of Accounts on pages 16 to 80 presents a true and fair view of the financial position of the Council at 31st March 2020 and its income and expenditure for the year ended 31 March 2020

Mr S Della Rocca
Strategic Director for Resources (Chief Financial Officer)

Comprehensive Income and Expenditure Statement (CIES)CIES

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Gross Expenditure (Restated)	2018/19 Gross Income (Restated)	Net Expenditure	Comprehensive Income & Expenditure Statement (CIES)	Notes	Gross Expenditure	2019/20 Gross Income	Net Expenditure
£000	£000	£000			£000	£000	£000
33,719	(15,009)	18,710	People		33,560	(14,141)	19,419
15,919	(3,853)	12,066	Places		17,469	(4,102)	13,367
11,684	(5,444)	6,240	Resources		11,682	(4,888)	6,795
61,313	(24,291)	37,016	Cost of Services		62,711	(23,131)	39,580
5,961	(119)	5,842	Other Operating Expenditure	9	1,243	(147)	1,096
2,790	(312)	2,478	Financing & Investment Income & Expenditure	10	2,222	(397)	1,825
169	(41,633)	(41,464)	Taxation & Non-Specific Grant Income	11	239	(42,883)	(42,644)
70,233	(66,361)	3,872	(Surplus) / Deficit on Provision of Services		66,415	(66,558)	(143)
		(2,347)	Surplus on Revaluation of property, plant and equipment				(1,475)
		6,935	Re-measurements of the net defined benefit liability (asset)				(10,229)
		4,588	Other Comprehensive Income & Expenditure				(11,704)
		8,460	Total Comprehensive Income & Expenditure				(11,847)

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (ie. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or Deficit on the Provision of Services line shows the true cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement, page 16. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase or Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council, for more detailed movements, see Note 13.

	General Fund Balance £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Useable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Balance 1 April 2018	8,979	11,264	1,347	6,286	27,876	12,631	40,507
<i>Surplus / (Deficit) on Provision of Services</i>	(3,872)	-	-	-	(3,872)	-	(3,872)
<i>Other Comprehensive Income & Expenditure</i>	-	-	-	-	-	(4,588)	(4,588)
Total Comprehensive Income & Expenditure	(3,872)	-	-	-	(3,872)	(4,588)	(8,460)
<i>Adjustments between accounting basis and funding basis under regulations (Note 13)</i>	3,918	1,250	95	321	5,584	(5,584)	-
Net Increase/(Decrease) before transfers to or from Earmarked Reserves	46	1,250	95	321	1,712	(10,172)	(8,460)
<i>Transfers to / (from) Reserves</i>	(61)	61	-	-	-	-	-
Increase/(Decrease) in 2018/19	(15)	1,311	95	321	1,712	(10,172)	(8,460)
Balance 31 March 2019	8,964	12,575	1,442	6,607	29,588	2,459	32,047
Balance 1 April 2019	8,964	12,575	1,442	6,607	29,588	2,459	32,047
<i>Surplus / (Deficit) on Provision of Services</i>	143	-	-	-	143	-	143
<i>Other Comprehensive Income & Expenditure</i>	-	-	-	-	-	11,704	11,704
Total Comprehensive Income & Expenditure	143	-	-	-	143	11,704	11,847
<i>Adjustments between accounting basis and funding basis under regulations (Note 13)</i>	854	1,230	75	(165)	1,994	(1,995)	-
Net Increase/(Decrease) before transfers to or from Earmarked Reserves	997	1,230	75	(165)	2,137	9,709	11,847
<i>Transfers to / (from) Reserves</i>	(680)	680	-	-	-	-	-
Increase/(Decrease) in 2019/20	317	1,910	75	(165)	2,137	9,709	11,847
Balance 31 March 2020	9,281	14,485	1,517	6,442	31,725	12,168	43,891

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserve are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes the reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement, page 17, line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2019 £000	Balance Sheet	Notes	31 March 2020 £000
69,694	Property, Plant & Equipment	17	71,814
496	Intangible Assets	23	384
189	Long Term Debtors	22	149
70,379	Long Term Assets		72,347
108	Inventories (<i>Salt Stocks</i>)		107
30,124	Short Term Investments	15	33,180
4,812	Short Term Debtors	22	2,956
3,649	Cash & Cash Equivalents	29	5,313
38,693	Current Assets		41,556
(6,882)	Short Term Creditors	24	(6,757)
(798)	Provisions	25	(1,112)
(7,680)	Current Liabilities		(7,869)
(22,250)	Long Term Borrowing	15	(22,183)
(47,095)	Other Long Term Liabilities	31	(39,960)
(69,345)	Long Term Liabilities		(62,143)
32,047	Net Assets		43,891
(29,587)	Usable Reserves	13	(31,723)
(2,460)	Unusable Reserves	13	(12,168)
(32,047)	Total Reserves		(43,891)

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

31 March 2019 £000	Cash Flow Statement	Notes	31 March 2020 £000
3,872	Net (Surplus)/Deficit on the Provision of Services		(143)
(10,340)	Adjustments to Net (Surplus)/Deficit on the Provision of Services for Non-Cash Movements	26	(7,942)
5,263	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	26	3,972
(1,205)	Net Cash Flow from Operating Activities		
6,408	Investing Activities	27	2,283
(348)	Financing Activities	28	166
4,855	Net (increase) or decrease in cash and cash equivalents		(1,664)
(8,504)	Cash and cash equivalents at the beginning of the reporting period	29	(3,649)
(3,649)	Cash and cash equivalents at the end of the reporting period	29	(5,313)

Notes to the Accounts

1. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax, and business rates) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the councils directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Status

<i>Net Expenditure Chargeable to the General Fund</i> £000	<i>2018/19 Adjustments between Funding Basis and Accounting Basis</i> £000	<i>Net Expenditure in the CIES</i> £000	Expenditure and Funding Analysis	<i>Net Expenditure Chargeable to the General Fund</i> £000	<i>2019/20 Adjustments between Funding basis and Accounting Basis</i> £000	<i>Net Expenditure in the CIES</i> £000
17,667	1,043	18,710	People	18,259	1,160	19,419
12,166	(100)	12,066	Places	12,660	720	13,380
6,011	229	6,240	Resources	6,430	365	6,795
35,844	1,172	37,016	Cost of Services	37,349	2,245	39,594
-	5,842	5,842	Other Operating Expenditure	-	1,082	1,082
1,332	1,146	2,478	Financing & Investment Income & Expenditure	1,250	575	1,825
(37,161)	(4,303)	(41,464)	Taxation & Non-Specific Grant Income	(38,807)	(3,837)	(42,644)
15	3,857	3,872	(Surplus) / Deficit on Provision of Services	(208)	65	(143)
(8,979)			Opening General Fund Balance	(8,964)		
15			(Surplus) / Deficit on Provision of Services	(208)		
(8,964)			Closing General Fund Balance	(9,187)		

2018/19				2019/20				
<i>Adjustments for Capital Purposes</i> £000	<i>Net Change for Pension Adjustments</i> £000	<i>Other Differences</i> £000	<i>Total Adjustments</i> £000	<i>Adjustments from General to arrive at the CIES Amounts</i>	<i>Adjustments for Capital Purposes</i> £000	<i>Net Change for Pension Adjustments</i> £000	<i>Other Differences</i> £000	<i>Total Adjustments</i> £000
359	686	(2)	1,043	People	(88)	1,006	242	1,160
(413)	321	(8)	(100)	Places	224	485	11	720
(11)	302	(62)	229	Resources	20	431	(86)	365
(65)	1,309	(72)	1,172	Cost of Services	156	1,922	167	2,245
5,037	-	805	5,842	Other Operating Expenditure	244	-	838	1,082
(613)	1,742	17	1,146	Financing & Investment Income & Expenditure	(614)	1,173	16	575
(5,416)	-	1,113	(4,303)	Taxation & Non-Specific Grant Income	(4,473)	-	636	(3,837)
(1,057)	3,051	1,863	3,857	(Surplus) / Deficit on Provision of Services	(4,687)	3,095	1,657	65

- i. Adjustments for Capital Purposes Depreciation, impairment charges and revaluation gains and losses are included within the net cost of services.
- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets;
 - Finance and investment income and expenditure – the statutory charges for capital financing, i.e. Minimum Revenue Provision (MRP) and other revenue contributions, are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices (GAAP); and
 - Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under GAAP. Revenue grants are adjusted from those receivable during the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied within the year.
- ii. Net Change for Pension Adjustments The removal of pension contributions and the addition of the IAS 19 Employee Benefits pension related expenditure and income are reflected as follows.
- For the net cost of services – the removal of the employer pension contributions made by the Council as determined by statute and their replacement with current service costs and past service costs; and
 - For financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement (CIES)

iii. Other differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute are set out below:

- For financing and investment income and expenditure - the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- For taxation and non-specific grant income - the charge represents the difference between what is chargeable under statute for Council Tax and Business Rates that was forecast to be received at the start of the year, and the income recognised under the Code of Practice. This is a timing difference as any difference is brought forward in the surpluses or deficits on the Collection Fund.

2018/19 (Restated) £000	Expenditure / Income Analysed by Type	2019/20 £000
	Expenditure	
16,128	Employee Benefits	19,714
42,475	Other Service Expenditure	40,205
8,108	Capital Charges	3,543
2,068	Interest Payments	2,205
732	Precepts and Levies	746
(32)	Gain on the Disposal of Assets	(136)
69,479	Total Expenditure	66,277
	Income	
(5,509)	Fee, Charges and other Service Income	(6,007)
(312)	Interest & Investment Income	(397)
(36,629)	Income from Council Tax and Business Rates	(38,840)
(23,879)	Government Grants & Contributions	(21,176)
(66,329)	Total Income	(66,420)
3,150	Total	(143)

2. Members Allowances

The following amounts were paid to members of the Council.

2018/19 £000	Members Allowances	2019/20 £000
95	Basic allowances	100
72	Special responsibility allowances	64
14	Expenses	10
181	Members allowances	174

3. Related Parties

The authority is required to disclose material transactions with related parties, i.e. bodies or individuals that have the potential to control or influence the authority or to be controlled or influenced by it. Disclosure of these transactions allows readers to assess the extent to which the authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the authority.

Central Government

Central Government has effective influence over the general operations of the authority; it is responsible for providing the statutory framework within which the authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the authority has with other parties, e.g. council tax bills and housing benefits. Grants received from Government departments are set out in the subjective analysis in Note 1 on reporting for resources allocation decisions. Grant receipts outstanding at 31 March 2020 are shown in Note 12.

Members of the Council

Members of the Council have direct control over the authority's financial and operating policies. The total of Members allowances paid in 2019/20 is shown in Note 2. During 2019/20, no significant works and services were commissioned from parties where Members had an interest.

Grants and other exchanges were made between the authority and a number of voluntary organisations upon which the authority's Members served as trustees or similar. In most cases Members had been appointed by the authority to the organisation concerned to represent the authority's interests and oversee the use of the authority's funds.

Members make an annual declaration of any and declare interests in any items under discussion at meetings of the Council or any of its committees or panels or Cabinet. Details of all these transactions are recorded in the Register of Members Interest, which is open to public inspection at the council offices during office hours and can be viewed on the Councils Website.

Officers of the Council

Officers who have any influence over the authority's financial operations are required to make an annual declaration of any material transactions they or their immediate family have with the authority. There are no transactions in 2019/20 that are considered material and would require their disclosure.

4. Officers Remuneration

The following table shows the remuneration paid to the Council's senior employees, either those who report to the head of paid service (Chief Executive) or officers who hold statutory positions.

Officers Remuneration	Year	Salary	Agency/ Recharge	Expense Allowance	Pension Contribution	Total
Chief Executive	2019/20	132,664		316	31,441	164,421
	2018/19	128,502		350	29,170	158,022
Strategic Director of Peoples and Deputy Chief Executive (1)	2019/20					-
	2018/19	79,716		34	18,095	97,845
Strategic Director of Peoples (2)	2019/20	102,280		959	24,240	127,479
	2018/19	86,734			19,689	106,422
Director of Places (3) (Development & Economy)	2019/20					-
	2018/19		66,484			66,484
Director of Places (4) (Environment, Planning & Transport)	2019/20					-
	2018/19	61,688			1,867	63,555
Strategic Director of Places (5)	2019/20	106,432		403	16,482	123,317
	2018/19					-
Strategic Director of Places (6)	2019/20	7,518			1,782	9,299
	2018/19					-
Strategic Director of Resources (7)	2019/20	87,050			20,631	107,681
	2018/19	87,728		310	19,914	107,952
Assistant Director (7) (Finance)	2019/20					-
	2018/19	23,100		689	5,244	29,033
Deputy Director of Resources (8)	2019/20	78,007			18,488	96,495
	2018/19	50,487		12	11,461	61,960
Director of Public Health (9)	2019/20		36,456			36,456
	2018/19		35,485			35,485
Head of Communications	2019/20	66,815			15,835	82,650
	2018/19					-
TOTAL	2019/20	580,766	36,456	1,678	128,899	747,799
	2018/19	517,955	101,969	1,395	105,440	726,758

(1) Strategic Director of Peoples and Deputy Chief Executive resigned during 2018/19

(2) Deputy Director of Peoples took on the DASS statutory role during 2018/19 and was appointed as Strategic Director of Peoples from January 2019

(3) The Director of Places was shared with South Kesteven District Council in 2018/19. Removed from Structure

(4) Post vacant for part of 2018/19. Removed from structure

(5) The Strategic Director of Places left during 2019/20.

(6) Position of Strategic Director of Places appointed March 2020

(7) The S151 Officer role was migrated to the Strategic Director of Resources role when the Assistant Director was appointed as the Strategic Director of Resources

(8) Appointed partway through 2018/19

(9) The Director of Public Health is shared with Leicestershire County Council. Rutland County Council is recharged a proportion of the salary costs.

The number of employees whose remuneration, including lump sum retirement payments but not any associated pension strain, was £50,000 or more in bands of £5,000 is shown below.

2018/19 Number of Employees	Remuneration Bands	2019/20 Number of Employees
6	£50,000 - £54,999	6
4	£55,000 - £59,999	3
3	£60,000 - £64,999	6
2	£65,000 - £69,999	2
2	£70,000 - £74,999	2
-	£75,000 - £79,999	1

5. Termination Benefits

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

(a) Exit package cost band (including special payments) £	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band (b)+(c)		(e) Total cost of exit packages in each band	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
0 – 20,000	5	3	1	1	6	4	33,767	36,519
20,001 – 40,000	-	1	1	0	1	1	29,345	23,172
40,001 – 60,000	-	0	-	1	-	1	-	53,803
Total cost included in the bandings and in the CIES							63,112	113,494

The total cost of £113,494 in the table above has been charged to the authority's Comprehensive Income and Expenditure Statement in the current year.

6. External Audit Costs

The Council has incurred the following cost in relation to the audit of the Statement of Accounts, certification of grant claims and to non-audit services provided by the Council's external auditors, KPMG LLP.

2018/19 £000	External Audit Costs	2019/20 £000
52	Fees payable with regard to external audit services carried out by the appointed auditor for the year	56
7	Fees payable for the certification of grant claims and returns for the year	7
4	Fees payable in respect of other services provided by the appointed auditor during the year	1
63	Total	64

7. Dedicated Schools Grant (DSG)

Details of the deployment of DSG receivable for 2019/20 and for the previous financial year, 2018/19 follows:

Schools Budget Funded by Dedicated Schools Grant	Central Expenditure £000	Individual School Budget (ISB) £000	Total £000
Final DSG for 2019/20 before Academy Recoupment			(29,355)
Academy Figure Recouped for 2019/20			21,845
Total DSG after Academy recoupment for 2019/20			(7,510)
Brought Forward from 2019/20			111
Agreed initial budgeted distribution in 2019/20	(3,966)	(3,432)	(7,398)
In Year Adjustment		(117)	(117)
Final budgeted distribution 2019/20	(3,966)	(3,549)	(7,515)
Less actual central expenditure	3,193	-	3,193
Less actual ISB deployed to schools	-	4,590	4,590
Carry forward to 2020/21	(773)	1,041	268

The authority's expenditure on schools is funded primarily by grant i.e. the Dedicated Schools Grant (DSG) which is provided by the Department for Education. An element of DSG is recouped by the Department to fund academy schools within the council's area.

DSG is ring-fenced and can only be applied to meet expenditure properly included in the schools budget, as defined in the School Finance (England) Regulations. The schools budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school. The deficit carry forward for 2019/20 is £268k which is largely attributable to the statutory requirements on Special Educational Needs. This deficit is shown within the schools reserve on the balance sheet

Schools Budget Funded by Dedicated Schools Grant	Central Expenditure £000	Individual School Budget (ISB) £000	Total £000
<i>Final DSG for 2018/19 before Academy Recoupment</i>			<i>(28,949)</i>
<i>Academy Figure Recouped for 2018/19</i>			<i>20,121</i>
<i>Total DSG after Academy recoupment for 2018/19</i>			<i>(8,828)</i>
<i>Brought Forward from 2018/19</i>			<i>175</i>
<i>Agreed initial budgeted distribution in 2018/19</i>	<i>(3,517)</i>	<i>(5,136)</i>	<i>(8,653)</i>
<i>In year Adjustments</i>		<i>(1)</i>	<i>(1)</i>
Final budgeted distribution 2018/19	(3,517)	(5,137)	(8,654)
<i>Less actual central expenditure</i>	<i>3,002</i>	<i>-</i>	3,002
<i>Less actual ISB deployed to schools</i>	<i>-</i>	<i>5,763</i>	5,763
<i>Plus Local Authority contribution for 2017/18</i>	<i>-</i>	<i>-</i>	<i>-</i>
Carry forward to 2019/20	(515)	626	111

8. Pooled Funds

Under the terms of a Section 75 Agreement (Health Act 2006), the authority's social services department has entered into a pooled budget arrangement for the supply of aids for daily living with Leicester City Council, Leicestershire County Council and the three Clinical Commissioning Groups covering the area. Leicester City Council acts as the host authority. The total income to the pool for 2019/20 was £5.482 million (£5.062 million 2018/19) of which Rutland County Council contributed £0.07 million (£0.08 million 2018/19). Total expenditure from the pool was £5.482 million (£5.062 million 2018/19).

Better Care Fund (BCF) – Pooled Budget

From 1 April 2019 the Council entered into a £2.939m pooled budget arrangement (section 75 agreement) for the Better Care Fund. Officers and Members of the Council are working across Leicester, Leicestershire and Rutland (LLR) to integrate reform and transform services. This is a budget to improve the ways health services and social care services work together, starting with services for older people and people with long term conditions. The Council and East Leicestershire and Rutland Clinical Commissioning Group (ELRCCG) have agreed a Better Care Fund plan; this has been fully approved by NHS England.

The contributions from the Council are shown in the Peoples Directorate line in the comprehensive Income and Expenditure statement.

The Council is holding £427k (£557k 2018/19) in a BCF earmarked reserve which will be spend on BCF projects in future years

2018/19 £000	Better Care Fund	2019/20 £000
	Funding Provided to the Pool	
2,138	East Leicestershire and Rutland Clinical Commissioning Group (ELRCCG)	2,252
415	Rutland County Council	451
428	Use of Reserves	236
2,981	Total Funding	2,939
	Expenditure For BCF Purposes	
291	Unified Prevention Offer	260
1,249	Holistic Management of Health and Wellbeing in the Community	1,224
1,047	Hospital Flows	1,056
90	Enablers	82
2,677	Total Expenditure for BCF Purposes	2,622
	Expenditure Repayment of Funds (In-line with Section 75 Agreement)	
-	ELRCCG	93
-	Total Expenditure Repayment of Funds (In-line with Section 75 Agreement)	93
304	Surplus/ (Deficit) on Fund	224
	Share of Surplus / (Deficit)	
36	ELRCCG	(28)
268	RCC	252
268	Surplus/ (Deficit) on Fund	224

I certify that the above pooled budget memorandum account accurately discloses the expenditure incurred

Mr S Della Rocca
Strategic Director - Resources (CFO)

9. Comprehensive Income and Expenditure Statement - Other Operating Expenditure

2018/19 £000	Other Operating Expenditure	2019/20 £000
732	Parish Council Precepts	746
73	External Levies	93
5,037	Net (Gains)/Losses on Disposal of Non-Current Assets	243
5,842	Total	1,082

10. Comprehensive Income and Expenditure Statement – Financing & Investment Income & Expenditure

2018/19 £000	Financing & Investment Income & Expenditure	2019/20 £000
1,049	Interest payable & similar charges	1,049
1,029	Net interest on the net defined benefit liability (asset)	1,156
712	Past Service Cost (Including Curtailments)	17
(312)	Interest receivable and similar income	(397)
2,478	Total	1,825

11. Comprehensive Income and Expenditure Statement – Taxation & Non-Specific Grant Incomes

2018/19 £000	Taxation & Non-Specific Grant Income	2019/20 £000
25,705	Council Tax income	27,235
4,408	Retained business rates income	4,322
30,113	Total Taxation Income	31,557
	Non-specific grants	
802	Small Business Rate Relief (Section 31)	1,052
1,231	New Homes Bonus	1,148
2,365	Better Care Fund	2,220
850	Rural Delivery Grant	848
0	Covid-19 Grant	848
1,001	Other	913
6,249	Total Non-Specific Grants	7,029
983	Section 106 Contributions	906
546	Hawkesmead Infrastructure Agreement	552
3,574	Capital Receipts, Grants & Contributions	2,600
5,103	Total Other Income	4,058
41,465	Total	42,644

12. Grant Income

In addition to the grants shown above the authority credited the following grants, contributions and donations within the Comprehensive Income and Expenditure Statement in 2019/20 :

2018/19 £000	Credited to Services	2019/20 £000
29	School Sport Partnership	51
4,464	Housing Benefit Subsidy	3,996
82	Benefits Administration Subsidy	53
493	Adult Learning (Various)	494
8,829	Dedicated Schools Grant (note 7)	7,628
67	Unaccompanied Asylum Seeking Children	132
1,292	Public Health	1,258
-	Teachers Pension Grant	93
4	School Improvement and Brokering	50
-	Homelessness Grant	85
-	Garden Village Funding	91
58	Revenues	61
-	SEND Grant	92
133	One Public Estate Funding	-
34	Armed Forces Covenant	41
69	Bus Service Operator	69
83	Children Looked After	-
51	Elections	98
244	Pupil Premium	168
17	Troubled Families Programme	103
95	Universal Infant Free School Meals	66
236	Other Grants	255
16,280	Total	14,884

The authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned. The balances at the year-end are as follows:

2018/19 £000	Revenue Grants & Contributions - Receipts in Advance	2019/20 £000
22	MOD Covenant Grant	9
35	Resolving Parental Conflict	21
92	SEN Reform	-
213	Dedicated Schools Grant	-
78	Homelessness	-
93	Adult Learning	-
-	Improving Access to Psychological Therapies	30
-	Previous Looked after Children	30
69	Troubled Families	71
52	Other Grants	22
654	Total	183

The authority credited the following capital grants, contributions and donations within the Comprehensive Income and Expenditure Statement in 2019/20:

2018/19 £000	Capital Grants & Contributions	2019/20 £000
192	Schools Capital Maintenance	154
-	Basic Need Grant	0
2,763	Highways Capital Maintenance	1,855
458	Highways Integrated Transport	458
63	Devolved Formula Capital	11
247	Better Care Fund (BCF)	238
240	Heritage Lottery Funding	139
167	Special funding Provision (SEND)	516
213	Other Grants & Contributions	0
4,343	Total	3,371

13. Movement in Reserves Statement - Adjustments Between Accounting Basis & Funding Basis Under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

- **General Fund Balance** - is the statutory fund into which all the receipts of an authority are required to be paid in and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.
- **Capital Receipts Reserve** – holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure.
- **Capital Grants Unapplied Account** – holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is not restricted by grant terms as to the capital expenditure against which it can be applied and / or the financial year in which this can take place.

Usable Reserves are those reserves that can be applied to fund expenditure or reduce local taxation, however the Council is restricted in the use of these as the schools balances are held by schools and can only be spent by schools. The Capital Grants Unapplied Account can only be used to finance the Capital Programme and the General Fund is used by the Council to maintain a prudent level of reserves.

Unusable Reserves are those reserves that absorb the timing differences arising from different accounting arrangements.

Summary of Usable and Unusable Reserves

31 March 2019 £000	Summary of Usable & Unusable Reserves	1 April 2019 £000	Movement £000	31 March 2020 £000
	Usable Reserves			
8,963	General Fund Balance	8,960	317	9,277
642	School Balances*	643	(235)	408
11,933	Specific Reserves (Note 14)	11,933	2,145	14,078
1,442	Capital Receipts Reserve	1,443	75	1,518
6,607	Capital Grants	6,607	(165)	6,442
29,587	Total Usable Reserves	29,586	2,137	31,723
13,842	Revaluation Reserve	13,842	1,326	15,168
35,765	Capital Adjustment Account	35,765	1,354	37,119
34	Deferred Capital Receipts	33	(10)	23
60	Financial Instruments	60	(16)	44
(47,095)	Adjustment Account	(47,095)	6,961	(40,134)
20	Pension Fund Reserve	20	(44)	(24)
	Collection Fund Adjustment			
	Account			
(166)	Accumulating Compensated	(166)	(36)	(202)
	Absences Adjustment Account			
2,460	Total Unusable Reserves	2,459	9,535	11,994
32,047	Total Reserves	32,045	11,672	43,717

*Includes the deficit carry forward of £268k in relation to the Dedicated Schools Grant

Adjustments between Accounting Basis & Funding Basis Under Regulations 2019/20	Usable Reserves				Movement in Unusable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	S106/ Oakham North Reserve £000	Capital Grants Unapplied £000	
Adjustments primarily involving the capital adjustment account:					
<u>Reversal of items debited or credited to the CIES:</u>					
Charges for depreciation and impairment of non-current assets	2,379	-	-	-	(2,379)
Revaluation losses on Property Plant and Equipment	(2)	-	-	-	2
Capital grants & contributions applied	(2,769)	-	(177)	(587)	3,533
Capital Receipts Applied	(128)	-	-	-	128
Revenue expenditure funded from capital under statute	767	-	-	-	(767)
Amounts of non-current asset written off on derecognition	390	-	-	-	(390)
Statutory provision for the financing of capital investment	(719)	-	-	-	719
Capital expenditure charged against the general fund	(406)	-	-	-	406
Adjustment primarily involving the Capital Grants Unapplied Accounts					
Capital grants & contributions unapplied	(422)	-	-	422	-
Adjustments primarily involving the Capital Receipts Reserve					

Adjustments between Accounting Basis & Funding Basis Under Regulations 2019/20	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	S106/Oakham North Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	
Transfer of cash sale proceeds credited as part of the gain or loss on disposal	(18)	18	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	10	-	-	(10)
Repayment of Capital Loan	-	48	-	-	(48)
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	-	-	-
Adjustment primarily involving the Section 106 Reserve					
Section 106 contributions unapplied transferred to reserves	(895)	-	895	-	-
Use of the Section 106 reserves to finance revenue expenditure	49	-	(49)	-	-
Adjustment primarily involving the Deferred Capital Receipt Reserve					
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Account	-	-	-	-	-
Adjustments primarily involving the Oakham North Reserve					
Oakham North contributions unapplied	(551)	-	551	-	-
Adjustments primarily involving the Financial Instruments Account					
Amount by which finance costs charged to the CIES are different from finance costs in accordance with statutory requirements	16	-	-	-	(16)
Adjustment primarily involving the Pension Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	(2,817)	-	-	-	2,817
Employer's pension contributions and direct payments to pensioners payable in the year	5,911	-	-	-	(5,911)
Adjustments primarily involving the Collection Fund Adjustment Account					
Amount by which council tax income is different from income calculated in accordance with statutory requirements	44	-	-	-	(44)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	36	-	-	-	(36)
Total Adjustments	865	76	1,220	(165)	(1,996)

Adjustments between Accounting Basis & Funding Basis Under Regulations 2018/19	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	S106/Oakham North Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	
Adjustments primarily involving the capital adjustment account:					
Reversal of items debited or credited to the CIES:					
Charges for depreciation and impairment of non-current assets	1,218	-	-	-	(1,218)
Revaluation losses on Property Plant and Equipment	541	-	-	-	(541)
Capital grants & contributions applied	(3,781)	-	(56)	(330)	4,167
Capital Receipts Applied	(119)	-	-	-	119
Revenue expenditure funded from capital under statute	1,193	-	-	-	(1,193)
Amounts of non-current asset written off on disposal of sale	5,156	-	-	-	(5,156)
Statutory provision for the financing of capital investment	(719)	-	-	-	719
Capital expenditure charged against the general fund	(154)	-	-	-	154
Adjustment primarily involving the Capital Grants Unapplied Accounts					
Capital grants & contributions unapplied	(651)	-	-	651	-
Adjustments primarily involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain or loss on disposal	-	-	-	-	-
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	87	-	-	(87)
Use of the Capital Receipts Reserve to finance new capital expenditure	-	48	-	-	(48)
Adjustment primarily involving the Section 106 Reserve					
Section 106 contributions unapplied transferred to reserves	(984)	-	984	-	-
Use of the Section 106 reserves to finance revenue expenditure	49	-	(49)	-	-
Adjustment primarily involving the Deferred Capital Receipt Reserve					
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Account	-	-	-	-	-
Adjustments primarily involving the Oakham North Reserve					
Oakham North contributions unapplied	(371)	-	371	-	-
Adjustments primarily involving the Financial Instruments Account					
Amount by which finance costs charged to the CIES are different from finance costs in accordance with statutory requirements	16	-	-	-	(16)
Adjustment primarily involving the Pension Reserve					

Adjustments between Accounting Basis & Funding Basis Under Regulations 2018/19	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	S106/Oakham North Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	
<i>Reversal of items relating to retirement benefits debited or credited to the CIES</i>	(2,422)	-	-	-	2,422
<i>Employer's pension contributions and direct payments to pensioners payable in the year</i>	4,751	-	-	-	(4,751)
Adjustments primarily involving the Collection Fund Adjustment Account					
<i>Amount by which council tax income is different from income calculated in accordance with statutory requirements</i>	(432)	-	-	-	432
Adjustments primarily involving the Accumulated Absences Account					
<i>Amount by which remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements</i>	(96)	-	-	-	96
Total Adjustments	3,195	95	1,250	321	(4,861)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Revaluation Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2018/19	Revaluation Reserve	2019/20
£000		£000
14,525	Balance 1st April	13,842
4,720	Upward revaluation of assets	2,317
(2,373)	Downward revaluation of assets & impairment losses not charged to the Surplus/Deficit on the Provision of Services	(842)
(199)	Difference between fair value depreciation and historical depreciation	(149)
(2,831)	Accumulated Gain/(Loss) on assets sold or scrapped	0
13,842	Balance at 31st March	15,168

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements the authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place amounts are transferred to the Capital Receipts Reserve.

2018/19	Deferred Capital Receipts Reserve	2019/20
£000		£000
121	Balance 1 April	33
(87)	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the CIES	(10)
33	Balance at 31st March	23

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

2018/19	Financial Instruments Adjustment Account	2019/20
£000		£000
76	Balance 1 April	60
(16)	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(16)
60	Total	44

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to an historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on Donated Assets that have yet to be consumed by the Authority.

The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 13 provides details of the source of all the transactions posted to the Account apart from those involving the Revaluation Reserve.

2018/19 £000	Capital Adjustment Account	2019/20 £000
35,693	Balance at 1 April	35,765
(1,220)	Charges for depreciation and impairment of non-current assets	(2,377)
(541)	Revaluation losses on Property, Plant & Equipment	-
(1,193)	Revenue expenditure funded from capital under statute	(776)
1,074	Grant Funding of Revenue expenditure funded from capital under statute	767
(5,156)	Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the CIES	(390)
3,031	Adjusting amounts written out of the Revaluation Reserve	149
159	Use of the Capital Receipts Reserve to finance new capital expenditure and repay debt	128
2,727	Capital grants and contributions credited to the CIES that have been applied to capital financing	587
334	Application of grants to capital financing from the Capital Grants Unapplied Account	2,012
154	Capital expenditure charged against the general Fund balance	415
719	Statutory provision for the financing of capital investment charged against the General Fund balance	719
(48)	Capital Loans	(48)
32	Use of the s106 Reserve to finance new capital expenditure	167
35,765	Balance at 31 March	37,119

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However statutory arrangements require benefits earned to be financed as the authority makes employers contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time benefits come to be paid.

2018/19 £000	Pensions Reserve	2019/20 £000
(37,109)	Balance 1 April	(47,095)
(6,935)	Re-measurements of the net defined benefit liability (asset)	10,229
(5,473)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(5,911)
2,422	Employers pensions contributions and direct payments to pensioners payable in the year	2,817
(47,095)	Total	(39,960)

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the CIES as it falls due from council tax payers and business rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2018/19 £000	Collection Fund Adjustment Account	2019/20 £000
(412)	Balance 1 April	20
432	Amount by which council tax and non-domestic rates income credited to the CIES is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	(44)
20	Total	(24)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to/from the Account.

2018/19 £000	Accumulated Absences Account	2019/20 £000
(262)	Balance 1 April	(166)
262	Settlement or cancellation of accrual made at the end of the preceding year	166
(166)	Amount by which officer remunerations charged to the CIES on an accruals basis is different from the remuneration chargeable in year	(202)
(166)	Total	(202)

14. Movement in Reserves Statement – Transfer to/from Earmarked Reserves

This note includes the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2019/20 .

General Fund Earmarked Reserves	31 March 2019 £000	Transfers out £000	Transfers In £000	31 March 2020 £000
Invest to Save	(272)	-	(27)	(299)
Internal Audit	(20)	-		(20)
Training	(75)	-		(75)
Repairs	(110)	-	(17)	(127)
Highways	(608)	85		(523)
Public Health	(316)	188	(110)	(238)
Brexit	(105)	-	(161)	(266)
Tourism	(31)	-	-	(31)
Digital Rutland	(26)	-	-	(26)
National Non Domestic Rates	(332)	-	(106)	(438)
Social Care Reserve	(1,035)	-	(330)	(1,365)
Insurance	(180)	-		(180)
Welfare Reserve	(162)	-		(162)
Better Care Fund	(439)	236	(224)	(427)
Pressure Reserve	(475)	-		(475)

General Fund Earmarked Reserves	31 March 2019 £000	Transfers out £000	Transfers In £000	31 March 2020 £000
Commuted Sums	(382)	-	(12)	(394)
Rutland Adult Learning	-	-	(20)	(20)
Covid	-	-	(848)	(848)
Neighbourhood	-	-	(12)	(12)
Section 106	(3,924)	215	(895)	(4,604)
Oakham North Agreement	(2,661)	-	(551)	(3,212)
Budget Carry Forward	(780)	780	(337)	(337)
Total	(11,933)	1,504	(3,650)	(14,079)

15. Financial Instruments

Categories of Financial Instruments

Allowances for impairment losses have been calculated for amortised cost assets applying the expected credit loss model. Any material changes in loss allowances are debited/credited to the Financing and Investment Income and Expenditure line in the CIES. In 2019/20 the impairment losses are not considered material.

2018/19			Financial Instruments Balances			2019/20		
<i>Non Current Borrowings</i>	<i>Non Current Creditors</i>	<i>Current Borrowings</i>		<i>Non Current Borrowings</i>	<i>Non Current Creditors</i>	<i>Current Borrowings</i>		
£000	£000	£000	<u>Financial liabilities</u>	£000	£000	£000		£000
(22,437)	-	(6,738)	Amortised cost	(22,369)				(6,942)
(22,437)	-	(6,738)	Total Financial Liabilities	(22,369)				(6,942)
<i>Non Current Investments</i>	<i>Non Current Debtors</i>	<i>Current Investments</i>		<i>Non Current Investments</i>	<i>Non Current Debtors</i>	<i>Current Investments</i>		
£000	£000	£000	<u>Financial Assets</u>	£000	£000	£000		£000
-	188	35,353	Amortised Cost		149	39,351		
-	188	35,353	Total Financial Assets		149	39,351		

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

Gains & Losses Recognised in the Comprehensive Income & Expenditure Statement		
2018/19		2019/20
<i>Surplus or Deficit on the Provision of Services</i>		<i>Surplus or Deficit on the Provision of Services</i>
£000	£000	£000
(232)	Interest Revenue	(397)
(312)	Total Interest Revenue	(397)
1,049	Interest Expense	1,049
1,049	Total Expense in the Surplus/Deficit on the Provision of Services	1,049

All financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB payable, PWLB prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures.
- For non-PWLB loans payable, PWLB prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;

The fair values of financial instruments are calculated as follows:

2018/19		Fair Value of Financial Instruments	2019/20	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£000	£000		£000	£000
21,386	33,790	PWLB Debt	21,386	32,070
924	935	Non PWLB Debt	840	887
2,814	2,814	Short Term Creditors	2,300	2,300
25,124	37,539	Total Financial Liabilities	24,526	35,257
30,000	30,124	Short Term Investments	33,000	33,180
916	785	Short Term Debtors	578	305
30,916	30,909	Total Financial Assets	33,578	33,485

16. Nature & Extent of Risk Arising from Financial Instruments

Key Risks

The authority's activities expose it to a variety of financial risks, the key risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the authority
- Liquidity risk – the possibility that the authority might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the authority might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market risk - the possibility that financial loss might arise for the authority as a result of changes in such measures as interest rates movements.

Overall Procedures for Managing Risk

The authority's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government Act 2003 and the associated regulations. These require the authority to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and investment guidance issued under the Act.

The authority's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government Act 2003 and the associated regulations. These require the authority to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and investment guidance issued under the Act.

Overall these procedures require the authority to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice;

- by approving annually in advance prudential indicators for the following three years limiting:
 - the authority's overall borrowing;
 - its maximum and minimum exposures to fixed and variable interest rates;
 - its maximum and minimum exposures for the maturity structure of its debt;
 - its maximum annual exposures to investments maturing beyond a year.
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with Government guidance;

These indicators are required to be reported and approved at or before the authority meets to set its annual budget and Council Tax each year. These items are reported with the annual treasury management strategy which outlines the approach to managing risk in relation to the authority's financial instrument exposure. Actual performance is also reported annually to Members. These policies are implemented by officers in the finance team within the Resources directorate. The authority maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the authority's customers. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined in the Treasury Management Strategy.

No breaches of the authority's counterparty criteria occurred during the reporting period. This risk is minimised through the Annual Investment Strategy, which is available on the authority's website.

The impact of Covid-19 on the counterparty criteria has seen one bank fall outside the minimum criteria required and will no longer be used, other banks have been placed on negative outlooks and/or had a change in their long term rating but still fall within the minimum required criteria. Long term ratings for Building Societies have been placed on negative outlooks but to date there has been no change to these ratings. The ratings of institutions is continually monitored and more wholesale changes to credit ratings are expected following quarter 2 and quarter 3 results.

Credit Risk Management Practices

The authority's credit risk management practices are set out on pages 18 to 20 of the Annual Investment Strategy. With particular regard to determining whether the credit risk of financial instruments has increased significantly since initial recognition.

The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors credit rating services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

The authority uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit rating from all three credit rating agencies- Fitch, Moody's and Standard & Poor's, forming the core element. However it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries.

The Authority's maximum exposure to credit risk in relation to its investments in financial institutions of £30million cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits but there was no evidence at the 31st March 2020 that this was likely to crystallise.

During the reporting period the council held no collateral as security for trade debts.

Liquidity Risk

The authority has ready access to borrowings from the money markets to cover any day to day cash flow need, and whilst the Public Works Loans Board provides access to longer term funds, it also acts as a lender of last resort (although it will not provide funding to an authority whose actions are unlawful). The authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The authority manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through cash flow management procedures required by the Code of Practice.

Refinancing and Maturity Risk

The authority maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved prudential indicator limits for the maturity structure of debt and the limits placed on investments made for greater than one year in duration are the key parameters used to address this risk. The authority's approved treasury and investment strategies address the main risks and officers in the finance team within the Resources directorate address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the authority's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of long term financial liabilities is as follows:

2018/19 £000	Period	2019/20 £000
-	Less than one year	-
-	Between one and two years	-
924	Between two and seven years	840
-	Between seven and 15 years	-
21,386	More than 15 years	21,386
22,310	Total	22,226

The maturity analysis of long term financial assets, excluding sums due from customers is as follows:

Period	£000
Between one and two years	1
Between two and three years	1
More than three years	146
Total	148

All trade and other payables are due to be paid in less than one year and trade debtors totalling £1.98 million are not shown in the table above.

Market Risk

Interest rate risk

The authority is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the authority depending on how variable and fixed interest rates

move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- borrowings at fixed rates – the fair value of the borrowing liability will fall (no impact on revenue balances);
- investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances)

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Total Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund balance. Movements in the fair value of fixed rate investments, which have a quoted market price, will be reflected within the Comprehensive Income and Expenditure Statement. The authority has no financial instruments in these classifications.

The authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together authority's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure.

Officers in the finance team within the Resources directorate will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns.

The impact of the reduction in the base rate to 0.10% arising from the Covid-19 pandemic can already be seen; interest rates achieved has reduced from an average of 0.95% in 2019-20 to 0.58% to date in 2020-21, with the average anticipated to fall further. This has been reported as a potential shortfall in interest receivable of £150k in 2020-21. The authority has no variable rate borrowing and therefore the fall in interest rates has no impact on its borrowing. Fixed rate borrowing will continue to be reviewed.

If all interest rates had been 0.25% higher (with all other variables held constant) the financial effect in 2019/20 would be:

Effect	£000
Increase in interest payable on variable rate borrowings	-
Increase in interest receivable on variable rate investments	(101)
Total	(101)

The approximate impact of a 0.25% fall in interest rates would be as above but with the movements being reversed.

Price risk

The authority has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates. The authority (excluding the pension fund) has not invested in equity shares or marketable bonds during 2019/20.

17. Property, Plant & Equipment

Coronavirus (COVID-19)

All asset valuations held on the balance sheet do not include any adjustments for the Coronavirus (COVID-19) outbreak, declared by the World Health Organisation on the 11th March 2020.

All valuations are reported on the basis of 'material valuation uncertainty' as per the Royal Institution of Chartered Surveyors (RICS) Red Book Global Standard. The table below illustrates the possible impact of Covid-19 on Rutland County Council asset should the net book value be reduce by 10%, 5% or 2%

	Net Book Value At 31 March 2020 £'000	10% asset Reduction £'000	5% asset Reduction £'000	2% asset Reduction £'000
Other Land & Buildings	33,417	3,342	1,671	668

Assets under Construction - De-recognition

The de-recognition shown under Assets under Construction relates to the following two assets. Both assets have been deemed to no longer provide economic benefits to the Council and therefore de-recognised in 2019/20.

Oakham Town Centre - The Council remains committed in the need to invest in the Town Centre and will continue to work closely with all stakeholders, however the original works done in 2017/18 is now out of date and therefore a decision was made to de-recognise the asset from the balance sheet.

Officers Mess at St Georges Barracks - A feasibility study had shown that there was no business case for investment and therefore the Council choose not to pursue the project further with the Ministry of Defence (MOD).

Property, Plant & Equipment (PPE) – 2019/20	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infra-structure £000	Assets Under Construction £000	Surplus Assets £000	Total £000
Cost or Valuation						
At 1 April 2019	32,780	2,201	49,270	578	65	84,894
Additions	262	136	2,755	105	0	3,258
Revaluation increase / (decrease) recognised in the Revaluation Reserve	1,234	0	0	0	0	1,234
Revaluation increase / (decrease) recognised in the Surplus/Deficit on the Provision of Services.	(34)	0	0	0	0	(34)
De-recognition - Disposals	0	0	0	(390)	0	(390)
Transfer to other IFRS categories	78	0	0	(13)	(65)	0
At 31 March 2020	34,320	2,337	52,025	280	0	88,962
Accumulated Depreciation & Impairment						
At 1 April 2019	(732)	(1,791)	(12,675)	0	(3)	(15,201)
Depreciation charge in year	(423)	(64)	(1,718)	0	(1)	(2,206)
Depreciation written out to the revaluation reserve	241	0	0	0	0	241
Depreciation Written out to the Surplus/ Deficit on the Provision of Services	13	0	0	0	0	13
Impairment (losses)/ reversals recognised in Revaluation Reserve	0	0	0	0	0	0
Impairment (losses)/ reversals recognised in the Surplus/ Deficit on the Provision of Services	3	0	0	0	0	3
De-recognition – Disposal	0	0	0	0	0	0

Property, Plant & Equipment (PPE) – 2019/20	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infra-structure £000	Assets Under Construction £000	Surplus Assets £000	Total £000
Reclassification from Assets Held for Sale	0	0	0	0	0	0
Reclassification to Surplus Assets	(5)	0	0	0	5	0
At 31 March 2020	(903)	(1,855)	(14,393)	0	1	(17,150)
Net Book Value At 31 March 2020	33,417	482	37,632	280	1	71,812
At 1 April 2019	32,048	410	36,595	578	62	69,693

Property, Plant & Equipment (PPE) – 2018/19	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infra-structure £000	Assets Under Construction £000	Surplus Assets £000	Total £000
Cost or Valuation						
At 1 April 2018	38,173	2,003	46,570	419	65	87,230
<i>Additions</i>	158	198	2,653	264	-	3,273
<i>Revaluation increase / (decrease) recognised in the Revaluation Reserve</i>	(351)	-	-	-	-	(351)
<i>Revaluation increase/ (decrease) recognised in the Surplus/Deficit on the Provision of Services.</i>	257	-	-	-	-	257
<i>De-recognition - Disposals</i>	(5,457)	-	-	-	-	(5,457)
<i>Transfer to other IFRS categories</i>	-	-	47	(105)	-	(58)
At 31 March 2019	32,780	2,201	49,270	578	65	84,894
Accumulated Depreciation & Impairment						
At 1 April 2018						(3,509)
<i>Depreciation charge in year</i>	(533)	(46)	(1,610)	-	(1)	(2,190)
<i>Depreciation written out to the revaluation reserve</i>	393	-	-	-	-	393
<i>Depreciation Written out to the Surplus/ Deficit on the Provision of Services</i>	208	-	-	-	-	208
<i>Impairment (losses)/ reversals recognised in Revaluation Reserve</i>	2,305	-	-	-	-	2,304
<i>Impairment (losses)/ reversals recognised in the Surplus/ Deficit on the Provision of Services</i>	104	-	-	-	-	104
<i>De-recognition – Disposal</i>	301	-	-	-	-	301
At 31 March 2019	(731)	(1,791)	(12,675)	-	(3)	(15,200)
Net Book Value At 31 March 2019	32,049	410	36,595	578	62	69,694
At 1 April 2018	34,664	258	35,505	419	63	70,909

18. Revaluations

The authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured is revalued at least every five years on an appropriate basis. All valuations in 2019/20 have been carried out by Bruton Knowles in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

Valuations of vehicles, plant and equipment are based on current prices where there is an active second-hand market or latest prices adjusted for the condition of the asset.

Valued at fair value as at	Vehicles, Plant & Equipment	Other Land & Buildings	Total
	£000	£000	£000
Historical Cost	482	-	482
At 1 April 2015	-	460	460
At 1 April 2016	-	2,825	2,825
At 1 April 2017	-	7,690	7,690
At 1 April 2018	-	13,770	13,770
At 1 April 2019	-	8,672	8,672
Total cost or valuation	482	33,417	33,899

19. Heritage Assets

A Heritage Asset is defined as a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. In Rutland the County Museum and Oakham Castle and the exhibits fall within this definition. The Council's policies for Heritage Assets are included within its Cultural Strategy and it complies with national acquisitions and disposals for accredited museums. Operational heritage assets (i.e. those that in addition to being held for their heritage characteristics are also used for other activities or provide other services) are accounted for as operational assets and valued in the same way as other assets of that type. Both the Castle and the Museum are operational heritage assets held by the Council and are included within the balance sheet at their depreciated replacement cost.

The museum and castle exhibits have a total insured value of £1,210,000 but none of the items are valued individually and they are not included within fixed assets as the average value per item would be below the de minimis value of £10,000 that the council adopts for capital accounting purposes.

20. Capital Expenditure & Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the authority the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the authority that has yet to be financed.

2018/19 £000	Capital Financing Requirement	2019/20 £000
21,859	Opening Capital Financing Requirement	21,246
	Capital Investment	
3,273	Property Plant & Equipment	3,258
14	Intangible	41
1,193	Revenue expenditure funded from capital under statute (REFCUS)	776
-	Long Term Debtor	
	Sources of Finance	
(158)	Capital Receipts	(128)
(4,167)	Government Grants and contributions	(3,532)
(768)	Sums set aside from revenue (including direct revenue financing, MRP, VRP and loans fund principals)	(1,029)
21,246	Closing Capital Financing Requirement	20,632
	Explanation of movement in year	
(613)	Increase/(reduction) in the underlying need to borrow	(614)

21. Leases

Authority as Lessee

Operating leases:

The authority has acquired property, vehicles and equipment by entering into operating leases. The minimum lease payments due under non-cancellable leases in future years are;

2018/19 £000	Council as Lessee - Operating Leases	2019/20 £000
56	Not later than one year	61
137	Later than one year and not later than five years	205
170	Later than five years	148
363	Total	414

The expenditure charged across the authority including Cultural and Environmental Services line in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

2018/19 £000	Council as Lessee – Minimum Lease Payments	2019/20 £000
67	Minimum Lease Payment	58

Authority as Lessor

Operating leases:

The authority leases out property and equipment under operating leases for the following purposes:

- For the provision of community services, such as sports facilities, tourism services and community centres

- For economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

2018/19 £000	Council as Lessor - Operating Leases	2019/20 £000
611	Not later than one year	622
-	Change in accounting estimate- Not later than one year	-
1,752	Later than one year and not later than five years	1,673
354	Later than five years	401
2,717	Total	2,696

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews

22. Debtors

2018/19 £000	Short-term debtors	2019/20 £000
600	Central Government Bodies	530
848	Other Local Authorities	49
787	NHS Bodies	529
256	Schools	150
2,321	Other Entities & Individuals	1,698
4,812	Total	2,956

2018/19 £000	Long-term debtors	2019/20 £000
116	Housing Association	114
73	Other	34
189	Total	148

23. Intangible Assets

The authority accounts for its software as intangible asset, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets are purchased licenses.

2018/19 £000	Intangible Assets	2019/20 £000
	Balance 1 April	
683	Gross Carrying Amounts	755
(121)	Accumulated Amortisation	(259)
562	Net Carrying Amount at Start of the Year	496
14	Additions	41
58	Assets Under Construction Completed in Year	0
(138)	Amortisation for the period	(153)
496	Net Carrying Amount at End of the Year	384
755	Gross Carrying Amounts	796
(259)	Accumulated Amortisation	(412)
496	Net Carrying Amount at End of the Year	384

24. Creditors

2018/19 £000	Creditors	2019/20 £000
1,871	Central Government Bodies	2,717
460	Other Local Authorities	898
133	Schools	3
4,418	Other Entities & Individuals	3,139
6,882	Total	6,757

25. Provisions

Provision	Balance 1 April £000	Addition to Provision £000	Amount Charged in Year £000	Balance 31 March £000
Appeals (NDR)	798	371	(57)	1,112

The Provision for Appeals (NDR) provides for appeals against the rateable valuation set by the Valuation Office Agency (VOA) and represents RCC's share only.

26. Cash Flow Statement – Operating Activities

The cash flow for operating activities includes the following items:

2018/19 £000		2019/20 £000
(312)	Interest Received	(397)
1,049	Interest Payables	1,049
Adjust net surplus or deficit on the provision of services for non-cash movements		
(2,328)	Depreciation and Impairment of Non-Current Assets	(2,379)
569	Revaluation Losses on Property, Plant and Equipment	2
(3,051)	Movement in Pension Liability	(3,094)
(5,156)	Gains or Losses on Disposal of Non-Current Assets	(390)
(279)	Increase / (Decrease) in Provisions	(315)
(630)	Increase / (Decrease) in Creditors	125
459	Increase / (Decrease) in Debtors	(1,856)
(21)	Increase / (Decrease) in Long Term Debtors	(39)
30	Increase / (Decrease) in Inventories	-
67	Other	4
(10,340)	Total Non-Cash Movements	(7,942)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		
5,905	Capital Grants credited to the CIES	4,636
119	Proceed from Disposal of Property, Plant and Equipment	147
(1,193)	Revenue Expenditure Funded from Capital in Statute	(767)
0	Proceeds from the Sale of Short Term Investments	(44)
432	Other	
5,263	Total Investing or Financing Activities	3,972

27. Cash Flow Statement – Investing Activities

2018/19 £000	Investing Activities	2019/20 £000
4,479	Purchase of property, plant and equipment, investment property and intangible assets	4,066
30,000	Purchase of short-term and long-term investments	33,000
(166)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(147)
(22,000)	Proceeds from short-term and long-term investments	(30,000)
(5,905)	Capital Grants Received	(4,636)
6,408	Total	2,283

28. Cash Flow Statement – Financing Activities

2018/19 £000	Financing Activities	2019/20 £000
84	Receipt / Repayment of short and long-term borrowing	84
(432)	Other payments for financing activities	82
(348)	Total	166

29. Cash Flow Statement – Cash & Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

2018/19 £000	Cash & Cash Equivalents	2019/20 £000
2	Cash held by the authority	2
4,608	Bank current accounts in credit	5,343
-	Short term deposits	0
(961)	Bank current accounts overdrawn	(32)
3,649	Total	5,313

30. Pension Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the authority are members of the Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education. The scheme provides teachers with specified benefits upon their retirement and the authority contributes towards the cost by making contributions based on a percentage of members' pensionable salaries.

The scheme is a multi-employer defined benefit scheme. However the scheme is unfunded and the Department for Education uses a national fund as the basis for calculating the employers' contribution rate paid by local authorities. The authority is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purpose of this Statement of Accounts it is therefore accounted for on the same basis as a defined contribution scheme.

In 2019/20 the authority paid £0.21 million to Teacher's Pensions in respect of teachers' retirement benefits, representing 20.77% of pensionable pay (£0.25 million and 16.48% in 2018/19). There were no contributions remaining payable at the year end.

The authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme.

31. Defined Benefit Pension Schemes

Participation in pension schemes

As part of the terms and conditions of employment the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make the payments that needs to be disclosed at the time that the employees earn their future entitlement.

The authority participates in two post-employment schemes:

- the Local Government Pension Scheme (LGPS) administered locally by Leicestershire County Council; this is a funded defined benefit career average salary scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets
- the Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE) (see note 30 above).

Transactions relating to post-employment benefits

The Council recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund in the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

2018/19 £000	Comprehensive Income & Expenditure Statement	2019/20 £000
	Cost of Service	
3,732	Current Service Cost	4,738
712	Past Service Cost	17
	Financing & Investment Income & Expenditure	0
1,029	Net interest expense	1,156
5,473	Total post-employment benefits charged to the surplus or deficit on the provision of services	5,911
	Other post-employment benefits charged to the CIES	
(2,028)	Return on plan assets (excluding the amount included in the net interest expense)	4,929
-	Actuarial gains and losses arising on changes in demographic assumptions	(3,944)
9,131	Actuarial gains and losses arising on changes in financial assumptions	(11,973)
(168)	Other	759
6,935	Total Re-measurements Recognised in CIES	(10,229)
12,408	Total post-employment benefit charged to the CIES	(4,318)
	Movement in Reserves Statement	
(5,473)	Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the code	(5,911)
3,051	Actual Amount charged against the General Fund Balance for Pensions in the year	3,094
(2,422)	Total Movement in Reserves Statement	(2,817)

2018/19	Pensions Assets and Liabilities Recognised in the Balance Sheet	2019/20
£000		£000
(74,546)	Fair Value of Employer Assets	(71,830)
121,641	Present Value of Defined Benefit Obligation	111,790
47,095	Net liability arising from defined benefit obligation	39,960

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The council have been made aware that there is a material uncertainty in the valuation of its property assets (£99.6m). As such there pension fund auditors (Grant Thornton) will be including an emphasis of matter paragraph in the audit opinion for the pension fund.

2018/19	Reconciliation of the Fair Value of the Scheme Assets	2019/20
£000		£000
70,250	Opening fair value of Scheme Assets	74,546
1,900	Interest Income	1,798
2,028	Return on plan assets, excluding the amount included in the net interest expense	(4,929)
2,422	Contributions from Employer	2,817
666	Contributions from Employees	742
(2,720)	Benefits Paid	(3,144)
74,546	Closing Fair Value of Scheme Assets	71,830

2018/19	Reconciliation of Present Value of Scheme Liabilities (defined benefit obligation)	2019/20
£000		£000
107,359	Opening Liability at 1 April	121,641
3,732	Current Service Cost	4,738
2,929	Interest Cost	2,954
666	Contributions from Scheme Participants	742
-	Actuarial gains/losses arising from changes in demographic assumptions	(3,944)
9,131	Actuarial gains/losses arising from changes in financial assumptions	(11,973)
(168)	Other	759
712	Past Service Costs	17
(2,720)	Benefits Paid	(3,144)
121,641	Closing Liability at 31 March	111,790

The liabilities show the underlying commitments that the authority has in the long run to pay retirement benefits. The total liability of £40.134 million has a substantial impact on the net worth of the authority as recorded in the Balance Sheet.

However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy. The deficit on the local government pension scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

The total contributions expected to be made to the Local Government Pension Scheme by the council in the year to 31 March 2020 is £2.705m.

The following table is required by the revised IAS19 disclosure requirements and details the composition of the Scheme Assets into classes that distinguish the nature and risks of those assets. All of the assets have quoted prices in active markets apart from the asset category Private Equity.

18/19	Local Government Pension Scheme Assets	2019/20
£000		£000
1,298	Equity Securities	1,251
	Debt Securities	
6,312	UK	6,083
965	Other	930
7,277	Total debt securities	7,013
3,438	Private Equity	3,313
5,572	Real Estate	5,369
	Investment Funds & Unit Trusts	
29,940	Equities	28,853
3,150	Bonds	3,036
6	Hedge Funds	6
2,637	Commodities	2,541
3,921	Infrastructure	3,778
15,169	Other	14,618
54,823	Total investment funds & unit trusts	52,832
(95)	Derivatives	(92)
2,233	Cash & Cash Equivalents	2,152
74,546	Closing Fair Value of Scheme Assets	71,838

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

The Local Government Pension Scheme liabilities have been assessed by Hymans Robertson, the independent actuaries to the Leicestershire County Council Pension Fund based on the latest assumptions of the scheme as at the 31 March 2020. The significant assumptions used by the actuary have been:

2018/19		2019/20
	Mortality Assumptions	
	Longevity at 65 for Current Pensioners:	
22.1	Men (years)	21
24.3	Women (years)	23.8
	Longevity at 65 for Future Pensioners:	
23.8	Men (years)	22.2
26.2	Women (years)	25.2
	Financial Assumptions	
3.50%	Rate of Inflation	2.80%
3.50%	Rate of increase in salaries	2.40%
2.50%	Rate of increase in pensions	1.90%
2.40%	Rate for discounting scheme liabilities	2.30%
50.00%	Take-up of option to convert annual pension into retirement lump sum-pre April 2008 service	50.00%
75.00%	Take-up of option to convert annual pension into retirement lump sum-post April 2008 service	75.00%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses has been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme. The methods and types of assumptions used in preparing the sensitivity analysis as previously shown did not change from those used in the previous period.

The impact of those assumptions are shown in Note 31 Assumptions made about the Future and Other Major Sources of Estimation Uncertainty.

Impact on the Council's Cash Flows

The figures are prepared in accordance with the latest version of IAS19, as last amended on 16 June 2011. This amendment included changes to IAS19 that took effect from 1 January 2013 for accounting periods ending on or after 31 December 2013. The calculations have been carried out in accordance with the Pensions Technical Actuarial Standard (TAS) adopted by the Financial Reporting Council, which came into effect on 1 January 2013 (version 2), and other Technical Actuarial Standards.

The Council anticipated to pay £2.705m expected contributions to the scheme in 2019/20.

The weighted average duration of the defined benefit obligation for active members is 20 years.

32. Contingent Liabilities

The former local authority insurer, Municipal Mutual Insurance (MMI) ceased taking new business in 1992. MMI believed they could achieve a solvent run-off and have continued to pay claims. However as part of the arrangement to do this councils entered into a Scheme of Arrangement whereby, if it was necessary to invoke the Scheme councils would be liable to pay a percentage of all claims paid on their behalf since 1992 and any future claims (i.e. a levy), but only for a cumulative value of claims above £50,000. The Scheme had to be invoked in November 2012 when it became apparent that MMI could no longer achieve the solvent run-off. Rutland County Council's claims paid to date have not yet exceeded the £50,000 threshold and therefore the Council is not liable to pay a levy at present. However this levy (currently set at 15% of the claims value) will be due, when and if, the threshold is exceeded. As the levy also applies to future claims paid, and these cannot be foreseen, there is a potential that a levy may become payable in the future.

33. Contingent Assets

The Council is party to an agreement by which it will receive an amount due to over-performance against a contract. The amount the Council will receive depends on the performance of the supplier, so this cannot be accurately recognised within the Councils accounts.

34. Trust Funds

The Authority acts as custodian trustee for the Emma Molesworth Trust. As a custodian trustee the authority holds the investment but takes no decisions on its use. The funds do not represent the assets of the Authority and therefore have not been included in the Balance Sheet.

2018/19 £000	Trust Funds	2019/20 £000
7	Income	7
(8)	Expenditure	(13)
223	Assets	212

35. Events After the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Strategic Director for Resources on 30 June 2020. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2020 the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

36. Accounting Standards Issued Not Yet Adopted

At the balance sheet date the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom, the table below shows these

IFRS 16 Leases will require local authorities that are lessees to recognise most leases on their balance sheets as right-of-use assets with corresponding lease liabilities (there is recognition for low-value and short-term leases). CIPFA/LASAAC have deferred implementation of IFRS16 for local government to 1 April 2021.

37. Critical judgements in applying accounting policies

In applying the accounting policies, set out from page 59, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in preparing the Statement of Accounts are:

- COVID-19 - On the 31 March 2020 there were unprecedented circumstances in place due to the physical and economic impact of COVID-19 within the UK and the rest of the world. At the time these financial statements were prepared it was too soon to evaluate the effect of this and to make appropriate and considered adjustments. Measures to alleviate the difficulties businesses and the economy were experiencing were still being announced by Central Government and amendments to legislation were also being considered to alleviate the impact of COVID-19 on the economy. The accounts therefore have been prepared with limited reference to the effect of COVID-19, the major examples are shown below.
 - a. The valuations of fixed assets have not been adjusted. Details of the potential impact of a downturn in valuations are shown in note 17.
 - b. Impact on the Council Financial Investments. The Council has only entered into fixed term investments with rates agreed at the point of execution. At the time of writing the accounts the Council did not foresee any of the investments not being repaid so no impairment allowance has been made. The institutions are all monitored regularly.
 - c. Pension returns – the pension liability has been updated with the latest assumptions from the Actuary which takes into account the effect of Covid on the Councils liability.
- The Council collects approximately net £16m in business rates. The assumptions around the outcome of appeals against the NNDR valuations (either received to date or expected in future years) represent a material and critical judgement applied to the accounts. The appeals provision is derived from the experience with both the 2005 and 2010 lists as well as appeals determinations so far made against the 2017 list which has resulted in the Council allowing 4.7% of net rates payable per year. There is a low number of claims against the 2017 at present mainly due to the new process of Check, Challenge, Appeal.

38. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However because balances cannot be determined with certainty actual results could be materially different from the assumptions and estimates.

The items in the authority's Balance Sheet at 31 March 2020 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the authority with expert advice about the assumptions to be applied.</p> <p>Assets held by the pension fund maybe affected by the Coronavirus (COVID-19) outbreak, declared by the World Health Organisation on the 11th March 2020. As such if the asset where to decrease in value then the liability of the Council would increase.</p>	<p>The effects on the net pension liability of changes in individual assumptions could be measured. However the assumptions interact in complex ways. For 2019/20 the authority's actuaries advised that an increase in life expectancy of 1 year would increase the potential benefit liability by 2%.</p>
Arrears	<p>At 31 March 2020 the authority had a balance of £2.9 million for all of its short term debtors. A review of significant balances suggested that an impairment of doubtful debts of £0.5 million was appropriate plus an additional allowance of £167k to cover additional losses in respect of commercial properties due to impact of Covid on the economy. However in the current economic climate it is not certain that such an allowance would be sufficient.</p>	<p>If collection rates were to deteriorate a doubling of the amount of the impairment of doubtful debts would require an additional £0.5 million to be set aside.</p>
Asset Valuations	<p>Asset valuations are based on market prices and are periodically reviewed to ensure that the Council does not materially misstate its non-current assets. The Council's external valuers provided valuations as at 31 March 2020 for approximately 20% of its operational portfolio.</p> <p>The remaining balance of operational properties were also reviewed to ensure values reflect current values. The outbreak of Covid-19 has impacted global financial markets and as at the valuation date, less weight can be attached to previous market evidence to inform opinions of value. There is an unprecedented set of circumstances on which to base a judgement. Valuations are therefore reported on the basis of 'material valuation uncertainty' as per the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to the valuation. At the current time, it is not possible to accurately predict the longevity and severity of the impact of Covid-19 on the economy. Therefore, values have been based on the situation prior to Covid-19, on the assumption that values will be restored when the real estate market becomes more fluid.</p>	<p>A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. The impact of changes in valuations are set out in note 17.</p>

Business Rates	<p>The Business Rates Retention Scheme was introduced from 1 April 2013 and the Council is now liable for its proportionate share of successful business rate appeals. A provision has been recognised for an estimated amount that may have to be repaid on successful appeals. The estimate has been calculated using the Valuation Office ratings list of appeals and an analysis of successful appeals to date.</p>	<p>The structure of the appeals is not uniform, there are different classes of business, each of which have had historically different success rates of appeal and the value of each individual appeal can vary considerably. Due to these different criteria and the fact that each class of appeal is provided for separately it would not give the user of the accounts any meaningful information by flexing the provision.</p>
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39. Prior Period Adjustments

The Council has had to amend the figures from 2018/19 due to a misclassification error on Internal Recharges. The Income and Expenditure should have been classified the same e.g. both as expenditure. There is no impact on the Council's Balance Sheet or the level of reserves.

The main statement affected is the Comprehensive Income and Expenditure Statement and the impact of the change is shown below

	<i>Original Accounts</i>			<i>Adjustments</i>			<i>Restated Accounts</i>		
	<i>2018/19</i>			<i>2018/19</i>			<i>2018/19</i>		
	<i>Gross Expenditure</i>	<i>Gross Income</i>	<i>Net Expenditure</i>	<i>Gross Expenditure</i>	<i>Gross Income</i>	<i>Net Expenditure</i>	<i>Gross Expenditure</i>	<i>Gross Income</i>	<i>Net Expenditure</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
People	35,267	-16,557	18,710	-1,557	1,557	0	33,710	-15,000	18,710
Places	16,406	-4,340	12,066	-487	487	0	15,919	-3,853	12,066
Resources	11,707	-5,467	6,240	-23	23	0	11,684	-5,444	6,240
Cost of Services	63,380	-26,364	37,016	-2,067	2,067	0	61,313	-24,297	37,016
Other Operating Expenditure	5,961	-119	5,842	0	0	0	5,961	-119	5,842
Financing & Investment Income & Expenditure	2,790	-312	2,478	0	0	0	2,790	-312	2,478
Taxation & Non-Specific Grant Income	169	-41,633	-41,464	0	0	0	169	-41,633	-41,464
(Surplus) / Deficit on Provision of Services	72,300	-68,428	3,872	-2,067	2,067	0	70,233	-66,361	3,872

the only other note affected by this restatement is Note 2 to the Expenditure Funding Analysis (Note 1). The impact on this note is shown below

Expenditure / Income	Original Accounts	Adjust ments	Restated Accounts
Expenditure			
Employee Benefits	16,128	0	16,128
Other Service Expenses	44,542	-2,067	42,475
Depreciation, Impairment	8,108	0	8,108
Interest Payments	2,068	0	2,068
Precepts & Levies	732	0	732
Gain on the Disposal of Assets	-32	0	-32
Total Expenditure	71,546	-2,067	69,479
Income			
Fee, Charges and other Service Income	-7,576	2,067	-5,509
Interest & Investment Income	-312	0	-312
Income from Council Tax and Business Rates	-36,629	0	-36,629
Government Grants & Contributions	-23,879	0	-23,879
Total Income	-68,396	2,067	-66,329
(Surplus) or deficit on provision of services	3,150	0	3150

Collection Fund

2018/19	Collection Fund	Council Tax	2019/20 Business Rates	Total
Total		£000	£000	£000
	Income			
(29,793)	Council Tax Receivable	(31,779)	-	(31,779)
(11,628)	Business Rates Receivable	-	(11,646)	(11,646)
(533)	Transitional Protection Payments Receivable	(0)	(452)	(452)
-	Annex Grant	-	-	-
(15)	Local Council Tax Support - General Fund Contribution	(19)	-	(19)
(41,969)	Total Income	(31,798)	(12,098)	(43,896)
	Expenditure			
	Precepts			
25,602	Rutland County Council	27,177	-	27,177
3,051	Leicestershire Police	3,460	-	3,460
991	Leicester, Leicestershire & Rutland Fire Authority	1,033	-	1,033
29,644	Total Precepts	31,670	-	31,670
	Business Rates Shares			
5,614	Central Government	-	5,635	5,635
5,501	Rutland County Council	-	5,522	5,522
112	Leicester, Leicestershire & Rutland Fire Authority	-	113	113
11,227	Total Business Rates Shares	-	11,270	11,270
	Charges to the Collection Fund			
64	Write Off - Uncollectable Amounts	51	42	93
(11)	Increase / (Decrease) in Bad Debt Provision	9	3	12
822	Increase / (Decrease) in Appeals Provision	-	758	758
58	Cost of Collection	-	61	61
45	Renewable Energy	-	37	37
978	Total Charges to the Collection Fund	60	901	961
	Distribution of Previous Year's Estimated Collection Fund Surplus			
(323)	Central Government			
(386)	Rutland County Council	64	2	66
(8)	Leicestershire Police	8	2	10
(9)	Leicester, Leicestershire & Rutland Fire Authority	3	0	3
(726)	Total Distribution of Previous Year's Estimated Collection Fund Surplus	75	4	79
41,123	Total Expenditure	31,805	12,175	43,980
(846)	(Surplus) / Deficit on Collection Fund	7	77	84
	Collection Fund Balance			
878	(Surplus)/Deficit B/Fwd 1 April	(93)	125	32
(846)	(Surplus)/Deficit Arising During the Year	7	77	84
32	(Surplus)/Deficit C/Fwd 31 March	(86)	202	116

1. Collection Fund Overview

The Collection Fund is an agent's statement that reflects the statutory obligation of billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and Business Rates (BR) and its distribution to local government bodies and the Government. The Council, as a billing authority, has a statutory requirement to operate a Collection Fund as a separate account to the General Fund.

There is no requirement for a separate Collection Fund balance sheet. Instead Collection Fund balances are distributed across the balance sheet of the billing authority, the Government and precepting authorities.

In 2014/15, the local government finance regime was revised with the introduction of the retained business rates scheme. The scheme allows the Council to retain a proportion of the total BR received. Rutland County Council share is 49% with the remainder distributed to other bodies. For Rutland the BR bodies are Central Government (50% share) and The Leicestershire Fire Authority (1% share).

In its Spending Review the Government announced that it would localise support for Council Tax from April 2013, this meant that there would no longer be a nationally governed Council Tax Benefit (CTB) scheme and each council set their own schemes.

2. Business Rates

The total non-domestic rateable value as at 31 March 2020 was £33.0 million (31 March 2019 - £32.500 million).

The standard BR multiplier for 2019/20 was 50.4 pence (2018/19 – 49.3 pence). The small business multiplier for 2018/19 was 49.10 pence (2018/19 48.00 pence).

3. Council Tax

The Council's tax base, i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of band D dwellings for 2018/19 is calculated as follows:

2018/19 Band D Equivalent	Band	Ratio	Number of Chargeable Dwellings	2019/20 Band D Equivalent
2.91	A (with Disabled Relief)	5/9	4.49	2.50
753.54	A	6/9	1,056.83	705.75
2,539.46	B	7/9	3,284.32	2,564.74
2,381.87	C	8/9	2,704.40	2,406.04
2,278.16	D	9/9	2,237.95	2,392.15
2,597.48	E	11/9	2,149.66	2,627.37
2,216.30	F	13/9	1,536.02	2,219.56
2,002.55	G	15/9	1,207.98	2,014.30
259.07	H	18/9	125.50	251.00
15,031.34	Total			15,183.41
431.90	Ministry of Defence contribution in lieu of council tax			468.70
(150.31)	Allowance for non-collection			(151.84)
15,312.93	Council Tax Base			15,500.27

4. Impairment

The balances determined to require impairment at the reporting date have been considered with regard to their age and the likelihood of repayment.

	Business Rates £'000	Council Tax £'000
Assets past due but not impaired	13	382
Assets impaired		
2002-03	0	0
2003-04	0	1
2004-05	0	2
2005-06	0	2
2006-07	0	2
2007-08	0	3
2008-09	0	4
2009-10	0	5
2010-11	0	9
2011-12	0	12
2012-13	0	13
2013-14	0	15
2014-15	0	13
2015-16	0	26
2016-17	7	46
2017-18	4	78
2018-19	19	157
2019-20	112	0
Total Assets Impaired	142	388

Statement of Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2019/20 financial year and its position at the year-end of 31st March 2020. The authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those regulations require to be prepared in accordance with proper accounting practices. These practices under section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for service or the provision of goods, is recognised when (or as) the good or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed; where there is a gap between the date the supplies are received and their consumption, they are carried as inventories on the balance sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowing is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Acquisitions and Discontinued Operations

Acquired Operations

Additional policy detail required where an authority has acquired operations (or transferred operations under combinations of public sector bodies) during the financial year.

Discontinued Operations

Additional policy detail required where an authority has discontinued operations (or transferred operations under combinations of public sector bodies) during the financial year.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three

months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund balance (Minimum Revenue Provision), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (ie the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislation framework for the Collection Fund, billing authorities, major preceptors and central government share proportionally the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the

difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the authority's share of the year end balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangement will not be made (fixed or determinable payments), the asset is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and bonuses, for current employees and are recognised as an expense for services in the year in which the employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rate applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that the holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the authority recognised costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provision require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriation are required to and from the Pension Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amount payable but unpaid at the year end.

Post-Employment Benefits

Employees of the Council are members of two separate pension schemes:

- The Local Government Pension Scheme, administered by Leicestershire County Council.
- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

However, the arrangements for the teachers' scheme mean that the liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a

defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Peoples Directorate line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year, and equally the Adult Social Care and Public Health for the NHS scheme.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Leicestershire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – ie an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using an appropriate discount rate (based on the indicative rate of return on high quality corporate bond as identified by the actuary)
- The assets of the Leicestershire County Council pension fund attributable to the authority are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value
- The change in the net pensions liability is analysed into the following components:
 - Service cost comprising
 - Current service cost: the increase in liabilities as a result of years of service earned this year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - Past service cost: the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-distributed Costs.
 - Net interest on the net defined benefit liability (asset) i.e. net interest expense for the authority; the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement; this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
 - Re-measurements Comprising
 - The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pension Reserve as Other Comprehensive Income and Expenditure

- Contributions paid to the Leicestershire County Council pension fund: cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Events After the Reporting Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the

General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss
- fair value through other comprehensive income

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest.

Financial Assets measured at Amortised Cost

Financial Assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIEs is the amount receivable for the year in the loan agreement.

However the Council has made loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year- the reconciliation of amounts debited and credited to the CIES to the net gain required against the general fund balance is managed by a transfer to or from the Financial Instruments Account in the Movement in Reserves Statement.

Any gains or losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12 month expected losses.

The authority has a portfolio of a small number of loans to local businesses. It does not have reasonable and supportable information that is available without undue cost or effort to support the measurement of lifetime expected losses on an individual instrument basis. It has therefore assessed losses for the portfolio on a collective basis.

Foreign Currency Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income an Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

The authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable development for the authority) with appropriate planning consent. The council charge for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (These include transport, flood defences and schools) to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure

Heritage Assets

Heritage assets are assets that are held by the Council principally for their contribution to knowledge or culture. These assets are recognised and measured in accordance with the Council's accounting policies on Property, Plant, and Equipment. However the assets are recognised in the Balance Sheet using as its base the detailed insurance valuation (which are based on market values) held by the Council. And as heritage assets held have indeterminate lives and a high residual value; the Council does not consider it appropriate to charge depreciation for the assets.

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the good or services transferred to the service recipient during the financial year.

Investment Properties

Investment properties are those that are used solely to earn rentals and / or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end.

Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses and therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg there is a rent-free period at the commencement of the lease).

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Asset Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the authority's arrangements for accountability and financial performance.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (ie repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (ie it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income and expenditure line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV), except for a few offices that are situated close to the council's housing properties, where there is no market for office accommodation, and that are measured at depreciated replacement costs (instant build) as an estimate of current value
- school buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value.
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (ie freehold land and certain Community Assets) and assets that are not yet available for use (ie assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer

- vehicles, plant and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer
- infrastructure – straight-line allocation over various asset lives

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before classification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting process for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged, so that there is no impact on the level of council tax.

Schools

The Code of Practice on Local Authority Accounting in the United Kingdom confirms that the balance for local authority maintained schools (ie those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The code also stipulates that those schools assets, liabilities, reserves and cash flows are recognised in the local authority financial statements (and not the Group Accounts) Therefore schools transactions, cash flows and balances are recognised in each

of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

Fair Value Measurement

The authority measures some of its non-financial assets such as surplus assets, investment properties and some of its financial instruments as applicable at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling to another market participant that would use the asset in its highest or best use

Where there is not an active market for the asset or liability the authority uses professional services such as qualified valuers to measure the fair value.

Glossary

Accruals - The concept that revenue and capital income and expenditure are recognised as they are earned or incurred, not as money is received or paid. Transactions are treated on an accruals basis with income and expenditure due as at 31 March brought into the accounts.

Accumulating Compensated Absences Adjustment Account – Absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year.

Amortisation – The reduction in the useful economic life of a long term intangible asset, whether arising from time or obsolescence through technological or other changes.

Annual Governance Statement – Identifies the systems that the Council has in place to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded.

Balance Sheet - Fundamental to the understanding of a local Council's financial position at the year-end. It shows the balances and reserves at the Council's disposal and its long term indebtedness, and the long term and net current assets employed in its operations.

Balances – The non-earmarked reserves of a local Council, which are made up of the accumulated surplus of income over expenditure. This is known as the General Fund Balance for all the other services provided by the Council. Adequate revenue balances are needed to meet unexpected expenditure or a shortfall of income. A local Council may decide to use its revenue balances to reduce its budget and thus its call on the Collection Fund.

Budget (Medium Term Financial Plan (MTFP)) - A statement of a Council's plans for net revenue and capital expenditure over a specified period of time.

Capital Adjustment Account – This account was created at midnight on 31 March 2007 and its opening balance was made up of the balance on the Fixed Asset Restatement Account (FARA) and the Capital Financing Account.

Capital Charge - A charge to service revenue accounts to reflect the cost of non-current assets used in the provision of their services.

Capital Expenditure - Expenditure on the acquisition or development of major assets which will be of use or benefit to a Council in providing its services beyond the year of account.

Capital Grant - A grant received towards the capital expenditure incurred on a particular service or project. Capital grants can be made by a Council, for example, to homeowners to meet the cost of improving their houses.

Capital Receipts - Proceeds from the sale of non-current assets, e.g. land and buildings. The proceeds can be used to finance new capital expenditure or repay debt. It cannot be used to finance revenue expenditure.

Collection Fund - A statutory fund in which a Council records transactions for Council Tax, National Non-Domestic Rates and residual Community Charges.

Community Assets - Assets that the local Council intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and open spaces.

Comprehensive Income and Expenditure Statement - Reports the income and expenditure for all the Council's services and demonstrates how that cost has been financed from general government grants and income from taxpayers.

Council – Means 'Rutland County Council' specifically. The Council is a local Council and this term is used in these definitions, and in the Statement of Accounts', to define any or all Councils.

Creditor - An amount owed by the Council for work done, goods received or services rendered to the Council within the accounting period but for which payment has not been made.

Current Asset - An asset which can be expected to be consumed or realised during the next accounting period.

Current Liability - An amount which will become payable or could be called in within the next accounting period, e.g. creditor, cash overdrawn.

Debt Redemption - The repayment of loans raised to finance capital expenditure.

Debtor - An amount owed to a local Council within the accounting period, but not received at the Balance Sheet date.

Dedicated Schools Grant (DSG) – Grant received from Department for Education to fund schools related expenditure.

Deferred Capital Receipts Reserve - Holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place.

Depreciation - The measure of the wearing out, consumption or other reduction in the useful economic life of a long term asset, whether arising from use, time or obsolescence through technological or other changes.

Derecognition – The term used for the removal of an asset or liability from the balance sheet.

Revenue Contribution to Capital Outlay (RCCO) - A contribution to the financing of capital expenditure by a charge to the Comprehensive Income and Expenditure Statement. This can be used to supplement a local Council's other capital resources.

Effective Rate of Interest – The rate of interest that will discount the estimated cash flows over the life of a financial instrument to the amount in the balance sheet at initial measurement.

Equity Instrument – A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities (e.g. an equity share in a company).

Fair Value – The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financing Charges - Annual charges to the Comprehensive Income and Expenditure Statement of a local Council to cover the interest on, and repayment of, loans raised for capital expenditure.

Finance Lease - A lease that transfers substantially all of the risks and rewards of ownership of an asset to the lessee. Such a transfer of risks and rewards may be presumed to occur if at the inception of the lease the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset

Financial Asset – A right to future economic benefits controlled by the Council. Examples include bank deposits, investments and loans receivable.

Financial Instrument – Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

Financial Instrument Adjustment Account – This is a specific accounting mechanism used to reconcile the different rates at which gains and losses (such as premiums on the early repayment of debt) are recognised under proper accounting practice and are required by statute to be met from the General Fund.

Financial Liability – An obligation to transfer economic benefits controlled by the Council. Examples include borrowings, financial guarantees and amounts owed to trade creditors.

Long Term Asset - An asset which has value beyond one financial year

General Fund - The main revenue account of a local Council which summarises the cost of all services provided by the Council which are paid for from Council Tax, government grant and other income.

Government Grants and Subsidies - Grants towards either the revenue or capital cost of local Council services. These may be either in respect of particular services or purposes, (specific and supplementary grants), or in aid of local services generally e.g. Revenue Support Grant.

Heritage Assets – A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

IAS 19 - This is an International Accounting Standard (which replaces Financial Reporting Standard 17) now universally adopted across all sectors (public and private) for the inclusion and reporting of pension costs in Financial Accounts. It is based on the principle of recognising pension costs in the financial year that they become known rather than the cash transfers made in that year – usually, this means that a higher cost arises. These (higher) costs are calculated each year by Actuaries who forecast changes in future liabilities and the performance of the Pension Fund in determining any potential shortfall. In local government, a Pension Reserve has been introduced to absorb this impact so that no additional costs fall on Council Taxpayers until they are actually due.

Impairment – The term used where the estimated recoverable amount from an asset is less than the amortised cost at which the asset is being carried on the balance sheet.

Infrastructure Assets - Assets that are inalienable, ie may not be sold, transferred or assigned to another. These include facilities required to enable other developments to take place e.g. roads and street lighting.

Investment Properties – Those properties that are used solely to earn rentals and/or for capital appreciation.

Loans Outstanding - The total amounts borrowed from external lenders for capital and temporary revenue purposes and not repaid at the Balance Sheet date.

Local Council – A corporate body, established by statute, to undertake specific local functions. It is governed by Members (also known as Councillors) who are either elected or appointed. Peterborough City Council is a 'local Council'. In these definitions, the term 'local Council' is used to describe one or all Councils generally. Sometimes, this is shortened to just 'Council'.

Minimum Lease Payments – Those lease payments that the Council is, or can be, required to make.

Minimum Revenue Provision (MRP) - This is the minimum amount which must be charged to a local Council's Comprehensive Income and Expenditure Statement and set aside to repay debt. It is calculated by charging 4% on all borrowing up to the 1st April 2007 and for any new supported

borrowing. For the remaining unsupported borrowing, MRP is charged in line with the life of the asset for which the borrowing was undertaken.

Movement in Reserves Statement – This statement shows the movement in the year on the different reserves held by the Council, analysed into ‘usable reserves’ (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves.

Business Rates (BR) - The rates payable by businesses on their properties are calculated by applying a nationally determined multiplier to the rateable value of the property.

Operating Leases - Leases under which the ownership of the asset remains with the lessor.

Pooling – The term used for the calculation and payment of a proportion of housing capital receipts into a national pool for redistribution.

Precept - The amount a local Council, who cannot levy a council tax directly on the public (eg Fire and Police authorities, Parish council), requires it to be collected on its behalf.

Provisions - Required for any liabilities of uncertain timing or amount that have been incurred. Provisions are set aside in the accounts and charged to individual services. When the relevant expenditure occurs, it is charged direct to the Provision.

Reserves - Amounts set aside for purposes falling outside the strict definition of provisions are considered as reserves. Reserves include earmarked reserves set aside for specific projects or service areas, or expected future commitments.

Revaluation Reserve – This account was created on 1 April 2007 and its balance represents the revaluation gains accumulated since 1 April 2007.

Revenue Expenditure - The day-to-day running costs a local Council incurs in providing services (as opposed to capital expenditure).

Revenue Support Grant (RSG) - A general grant paid by the government and recognised in the General Fund to help finance local Council revenue expenditure.

Supported Borrowing – The amount of borrowing assumed by Government in the calculation of their grant payment.

Usable Reserves – Those reserves that can be applied to fund expenditure or reduce local taxation.

Unusable Reserves – Those reserves that absorb the timing differences arising from different accounting arrangements.

Unsupported / Prudential borrowing – The amount of borrowing for which there is no grant to support its revenue impact.

VAT – VAT is an indirect tax levied on most business supplies of goods and service

Independent Auditor's Report

Annual Governance Statement 2019/20

Scope of Responsibility

- 1.1 Rutland County Council (“the Council”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercising of its functions, which includes the arrangements for the management of risk.
- 1.3 The elements of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (updated in 2016) are embedded throughout the Council’s Constitution and other strategies. This statement explains how the Council has complied with the framework and also meets the requirements of regulation 4(3) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of an Annual Governance Statement (“AGS”).

The Purpose of the Governance Framework

- 1.4 The governance framework comprises the systems, processes, culture and values by which the Council is managed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 1.5 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically by identifying and implementing measures to reduce the likelihood of the risks being realised and to negate or mitigate their potential impact.
- 1.6 The governance framework has been in place at Rutland County Council for the year ended 31 March 2020 and up to the date of approval of the statement of accounts. Key events and issues falling outside of the 19/20 financial year but relevant to the Governance Framework are included in this AGS.

The Governance Framework

1.7 Overview

- 1.7.1 The Council has a ‘Local Code of Governance’ which states our commitment to complying with the principles of good governance and references relevant documents where stakeholders can find out more. This section of the AGS

describes some of our arrangements in more detail.

1.8 **Coronavirus Pandemic**

1.8.1 From mid-February, the Council joined the Leicestershire, Leicester and Rutland (LLR) Local Resilience Forum (LRF) in preparing its response to the Coronavirus pandemic. The Council also invoked the emergency delegation in the Constitution (11.10.5) which allows the Chief Executive “to take any urgent action necessary in the event of a civil emergency and deal with matters relating to civil protection/emergency planning arising from the Council’s powers and duties under the appropriate legislation.” and the provisions in the Financial Procedure Rules (4.6) which allows the Chief Finance Officer to put in place alternative financial systems in the case of a major incident. As part its response, the Council quickly established a Local Strategic Coordinating Group (LSCG) comprising of senior management and a Local Tactical Coordinating Group (LTCG) involving key officers from across the Council. These Groups still continue today and coordinate the Council’s response which has focused on:

- Participating in all of the LRG Groups and Cells covering a range of issues from Personal Protective Equipment to Business issues
- Establishing a revised operational structure so that resources could be focused on delivering ‘business as usual’ activity as far as possible and responding to the needs of vulnerable people through Operation Shield (announced 22nd March)
- Reviewing all key services, in accordance with Government guidance, and determining which services could continue as ‘business as usual’ and which services would be stopped
- Developing an approach to the “shielding of vulnerable people” – i.e. supporting those people who are vulnerable, and who have no other means of support – (obtaining required medication; obtaining food; support with social isolation and other welfare support).
- Deploying new technology to enable staff to work at home under ‘lockdown’
- Redeploying staff to areas of greatest need as services were reduced or discontinued
- Delivering key Government initiatives such as payment of business rate grants and reliefs, ensuring ongoing payments to key suppliers/contractors and enforcing social distancing measures.

1.8.2 From a governance perspective, the following key arrangements were put in place underneath the work of the LSCG and LTCG

- The Council structure was revised with two key cells created (a BAU and Operations cell and a Health, Social Care and isolation cell led by SMT members)
- Decision making at both the RSCG and RTCG levels informed the agenda and direction of travel for both Cells
- The Cells met at least twice weekly, with all meetings minuted with actions

- Below the two main cells various sub-cells were created to focus on specific issues such as advice and hardship
- A Status and Data report was developed to capture key information to inform decision making
- Reporting was a two-way flow, where information coming from the Cells was put in to Status and Data Reports and formally submitted to the LSCG three times a week (Monday, Wednesday and Friday) with issues raised for decision making
- An Executive Decision log was created to record all Executive decisions
- Separate finance cost centres were created and maintained to record all funding received and costs and changes to finance systems enacted to facilitate decision making
- Verbal briefings were provided to Cabinet (daily), all Members (weekly) and Parish Council (weekly) alongside daily written communications

1.8.3 The longer-term impacts and consequences on the Council are still uncertain but can be categorised as follow:

- Financial – the Council is monitoring its position. It has received Government funding to deal specifically with the response but the bigger concerns are the impact on the Medium Term Financial plan of lost income (with key income generating services stopped), a drop in collection rates for council tax and business rates, any additional costs incurred as key services are restored (and backlog issues dealt with) and the fallout on the local economy.
- Operational impacts – with key services stopped and resources diverted, officers will have to reinstate key services and catch up on a backlog of issues. Whilst work is being done to mitigate some of this work, the extent of recovery is likely to be significant.

1.8.4 The Council's senior management have engaged with the Internal Audit service to review their role during the Coronavirus pandemic and seek suitable assurances on financial management and governance during this challenging time. It has been agreed that Internal Audit will conduct reviews on expenditure, decision making and key financial controls during this period. The approach has been discussed and agreed with the s151 officer and the Chair of the Audit and Risk Committee, both of whom will receive regular updates on the outcomes, and the assurances secured from the work will be reported to the Audit and Risk Committee in due course.

1.8.5 The remainder of this document includes comments on how the pandemic has impacted governance arrangements where applicable.

1.9 **Vision, Aims and Objectives**

1.9.1 The Council has a new Corporate Plan covering the period 2019 – 2024. The Corporate Plan serves as a roadmap for what the Council wants to achieve during its current four-year term. The Plan was developed following the local elections in May 2019.

1.9.2 The Plan was taken through the Scrutiny process and approved in January 2020. The Plan can be found here:

1.9.3 Delivering sustainable development

- Develop a 50-year vision for Rutland by 31st March 2020
- Support the delivery of high-quality employment opportunities
- Commit to the development of a strategic plan for Oakham Enterprise Park
- Provide homes that young families can afford
- Improve broadband and mobile services
- Make sure that development is supported by services, facilities and transport infrastructure
- Adopt a sound Local Plan to deliver a minimum of 160 homes each year
- Develop an Environmental Policy to meet Rutland's needs and the challenge of climate change

1.9.4 Vibrant Communities

- Protect, maintain, enhance and conserve what makes Rutland great
- Improve access for children and young people to be engaged out of school
- Explore new and improved cultural and leisure opportunities for Rutland
- Make our roads safer
- Work with partners to protect and enhance healthcare within our community
- Provide an inclusive and high-quality learning offer, and to support the expansion of our schools and learning to meet need

1.9.5 Protecting the Vulnerable

- Improve services that care for our children and protect them from risk and harm
- Protect and improve the lives of vulnerable adults

1.9.6 Customer-focussed services

- Develop and implement a new Customer Services Strategy
- Develop customer responsive systems
- Develop a sustainable Medium-Term Financial Plan to support service delivery
- Enhance digital access to services - Launch 'MyAccount'

1.9.7 The aims and priorities are underpinned by actions and targets which will be reported on quarterly through the corporate performance report. These targets form the basis for planning for the Budget, Local Plan, and other Strategic Plans as well as service and team plans. The annual report for 19/20 has been postponed due to resources being re-diverted to support the pandemic response. An update on actions will be given as part of a refresh of the corporate plan, which pandemic permitting, is expected to take place in early 2021.

1.9.8 The financial implications of implementing agreed priorities (as far as they are known) are incorporated into the Budget and the Medium-Term Financial Plan for 20/21 and beyond.

1.10 **Political and Constitutional Arrangements**

1.10.1 2019 marked the start of a new four-year term of office for all Councillors. Following the May election, the political make-up of the Council changed to the following: 15 Conservative, 7 independent, 1 non-aligned and 3 Liberal Democrats.

1.10.2 Councillor Parsons, non-aligned, was re-elected in May but failed to take up office. A by-election was subsequently held and in September the seat was won by Councillor Coleman, Conservative.

1.10.3 By March 2020 the changes to the political make-up of the Council and its 27 Members was made up of groups as follows: 17 Conservative, 6 Independent, 3 Liberal Democrats and 1 non-aligned.

1.10.4 At Annual Council on 13 May 2019, the Leader, Councillor Hemsley confirmed the appointment of 5 Cabinet Members and Portfolios. Previously there had been 6 Cabinet Members but the Portfolio for Lifelong Learning, Early Years and Special Educational Needs and Disabilities, and the Portfolio for Safeguarding – Children and Young People, had been amalgamated into one.

1.11 **Elections**

1.11.1 Rutland's ordinary Local Government Elections were held in May 2019, resulting in 10 out of 15 County Wards being contested and 3 of the 33 Parish Council elections being contested.

1.11.2 Shortly after this, due to Brexit not taking place as originally planned, the European Parliamentary Election took place on 23 May with our results feeding into the overall result for the East Midlands Region.

1.11.3 Following the Ordinary elections, a County Ward By-Election was held for the Ryhall and Casterton Ward in September due to an elected councillor failing to take up office, resulting in the election of Councillor Richard Coleman (Conservative).

1.11.4 In addition to the above elections, during the period of this report, there were a further 12 Parish notice of vacancies posted which have resulted in no election being called and the parishes concerned being given the opportunity to co-opt new councillors to these posts.

1.11.5 Finally, in December there was the unscheduled UK Parliamentary General Election, which saw our polling stations in use for a third time in 2019. Following the count at Melton Mowbray a new member of parliament was elected for the constituency, Alicia Kearns (Conservative).

1.12 **Constitution**

- 1.12.1 The Council's Constitution defines the roles and responsibilities of the Council, Cabinet, Committees and Scrutiny Committees and provides for extensive delegation to officers. Policy and decision making are facilitated by a clear framework of delegation set out in the Council's Constitution. The exercising of delegated powers is regulated by Financial Procedure Rules, Contract Procedure Rules and other policies and procedures.
- 1.12.2 The Constitution includes a list of roles of officers including officers responsible for undertaking statutory roles. The Chief Executive is the Head of Paid Service. The Deputy Director Corporate Governance is designated as the Council's Monitoring Officer under the Local Government and Housing Act 1989 and the Strategic Director for Resources is designated as the responsible officer for the administration of the Council's financial affairs under section 151 of the Local Government Act 1972.
- 1.12.3 The Audit and Risk Committee undertakes the core functions of an audit committee, in accordance with CIPFA's Audit Committees – Practical Guidance for Local Authorities and this is set out in the Committee's terms of reference, which include the Council to act as those charged with governance on behalf of the Council.
- 1.12.4 The Constitution is kept under review by a working group of members appointed by the Council.
- 1.12.5 In the previous municipal year, the Council's Constitution Review Working Group had undertaken a full review of the Council's Constitution with the resulting changes approved by Council on 11 March 2019. Details of these changes can be found on the following link:

<https://rutlandcounty.moderngov.co.uk/documents/q1867/Public%20reports%20pack%2011th-Mar-2019%2019.00%20Council.pdf?T=10>

- 1.12.6 Since the review only minor administrative changes have been made to the Constitution which are not considered to be material and which have been carried out under the powers delegated to the Monitoring Officer.
- 1.12.7 At the Cabinet meeting held on the 21st April 2020, the Council declared an emergency because of the pandemic and the use of Emergency Powers was triggered. During the lockdown period, Council meetings were suspended but Cabinet meetings continued virtually and a virtual meeting programme was put in place following Annual Council in June.

1.13 **Decision Making Arrangements**

- 1.13.1 The officer structure of the Council operates with a Chief Executive and three Directorates, entitled People, Places and Resources.
- 1.13.2 The Council's Chief Executive, Helen Briggs, retired in August 2020 having originally deferred her retirement following the outbreak of Covid-19. The Council appointed Mark Andrews as Interim Chief Executive from August 2020 and also appointed Dawn Godfrey and John Morley as Interim Director of Children's Services and Adult Services respectively. These officers alongside Interim Director for Places (Penny Sharp), Director for Resources (Saverio Della Rocca) and Phil Horsfield (Deputy Director/Monitoring Officer) make up Senior Management Team (SMT).

- 1.13.3 Matters which require a decision to be made by members are considered by the relevant Directorate Management Team (DMT), who will make a recommendation to the Strategic Management Team (SMT). If approved, the matter is reported, with a recommendation to the Cabinet or other appropriate body.
- 1.13.4 The Deputy Director for Corporate Governance is designated as the Council's Monitoring Officer under the Local Government and Housing Act 1989. All reports to a decision-making body must be considered by the Deputy Director for Corporate Governance before they are submitted. This is to ensure compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful.
- 1.13.5 In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, decisions made by officers following express delegation by the Cabinet are recorded in writing.
- 1.13.6 During the pandemic, all material decisions pertaining to the Council's response have been recorded in an Executive Decision Log.

1.14 **Performance Management**

- 1.14.1 The Council has a performance management framework through which quality of service and use of resources is measured. Financial and non-financial performance is monitored by DMT's and SMT on a regular basis and is formally reported to Scrutiny Panels and Cabinet on a quarterly basis.
- 1.14.2 The Council published its annual report in September 2019 alongside the usual performance reports to Cabinet and Scrutiny.
- 1.14.3 The performance management framework flows through the Council, down to an individual employee level. All officers have a Performance Development Review (PDR) with their manager during each year. This process includes reviewing progress against objectives and targets and setting new objectives and targets for the forthcoming year. Training and development needs are also identified during this process.
- 1.14.4 The Council also has a Compliments, Comments and Complaints Policy. Compliance with the Policy is reported via the performance management framework and an annual report is taken to Audit and Risk Committee for Member consideration.

1.15 **Financial Management**

- 1.15.1 The Strategic Director for Resources is designated as the responsible officer for the administration of the Council's financial affairs under section 151 of the Local Government Act 1972.
- 1.15.2 The CIPFA Statement on the Role of The Chief Financial Officer in Local Government sets out the five principles that need to be met to ensure that the Chief Financial Officer can carry out the role effectively. The principles are that the Chief Financial Officer:
- Is a key member of the leadership-team;
 - Must be actively involved in all material business decisions;
 - Must lead the promotion and delivery of good financial management;

- Must lead and direct a finance function that is resourced to be fit for purpose;
 - Must be professionally qualified and suitably experienced.
- 1.15.3 The Strategic Director for Resources is a member of the Council's SMT and is actively involved in the key business decisions of the Council. The post holder oversees the development and work of the financial management function at the Council and is the Council's proper officer for matters of financial administration. The post holder is professionally qualified as a CIPFA Accountant with suitable experience. It is therefore confirmed that the Council is fully compliant with the requirements set out in the CIPFA statement.
- 1.15.4 The Council's Medium-Term Financial Plan (MTFP) covers a five-year period. Such an approach to financial planning provides the platform on which the Council can look to deliver public services in accordance with local priorities. Moreover, through horizon-scanning and anticipating necessary change at the earliest opportunity, the Council can plan and react accordingly to not only secure its financial position but to protect services.
- 1.15.5 The MTFP was updated throughout 2019/20 and periodically reported to Cabinet. The updated MTFP, following the Local Government Settlement, was presented to each Scrutiny Panel by the Leader and to Council as part of the budget setting process. Members have up-to-date financial information about not only the current but also the medium-term outlook for decision making purposes.
- 1.15.6 In their External Auditor report issued in July 2019, the external auditors issued an unqualified audit opinion on the Authority's financial statements.
- 1.15.7 The Council has a set of Financial Procedure Rules (FPRs) and Contract Procedure Rules (CPRs) within its Constitution which govern the way in which financial matters are conducted.
- 1.16 Risk Management**
- 1.16.1 Risk Management is embedded in the Council through the Risk Management Strategy. Risk management is an integral part of the Council's decision-making processes. All Council papers include reference to risk to ensure that members and officers understand the impact of decision-making.
- 1.16.2 The Leader is the lead member for risk management. Each risk is assigned a member of SMT as risk owner. SMT is responsible for maintaining the register and monitoring the actions taken to mitigate the strategic risks. The Audit and Risk Committee receives regular reports on risk management, with the ability to refer particular risks to Scrutiny Panels if there is a need to look at them in more detail.
- 1.16.3 The register was reviewed in July 2019 by Audit and Risk Committee and further to that meeting the format of the risk register was changed to provide further information and a dashboard. The new register was reviewed again in November 2019 and February 2020.
- 1.16.4 A Risk Management training session was also undertaken in February 2020 by Zurich Municipal.
- 1.16.5 Beyond the corporate risk register, the Council also has an Elections Risk Register and Fraud Risk register. Directorates also have their own risk registers albeit in different formats. The move to standardise risk registers is ongoing.

1.17 **Standards of Conduct**

- 1.17.1 During 2019/20 the Monitoring Officer received 13 complaints of alleged councillor misconduct within the County compared to 28 that were received for 2018/19. 7 Complaints have been raised against Rutland County Council councillors, the rest (6) were raised against Town and Parish Councillors. A large number of the complaints related to a Councillor who was acting in their capacity as a landowner and therefore was not a Code of Conduct matter. Independent investigations are ongoing. A number of complaints have been discussed with the Independent Person and it has been recognised that there have been some significant and contentious issues discussed at various meetings which have led to further conduct complaints. There are ongoing issues with Oakham Town Council and there have been recent resignations. Clerks of the Town and Parish Councils have been urged to seek advice on issues concerning procedure and process from the Leicestershire Rutland Association of Local Councils. It is hoped that disputes about process can then be definitively settled to avoid attempts to use the Code of Conduct as a pseudo complaints process.
- 1.17.2 The Council has also (through the Monitoring Officer) actively engaged with the LGA and other bodies to feed views into the review of the Model Code of Conduct. It is hoped that this, together with Government action to support the findings of the Committee for Standards in Public Life will mean that there will be a stronger framework in place in the near future.

1.18 **Information Governance**

- 1.18.1 The Council has a range of arrangements in place to comply with Data Protection Act 1998, General Data Protection Regulations and UK Data Protection Act 2018. These arrangements include:
- Annual refresher data protection training for all staff;
 - Introduction of a Subject Access Request process to help manage the increased number of requests;
 - Regular redaction training for staff;
 - Briefings to relevant service areas as required.

1.19 **Counter-fraud and Whistleblowing**

- 1.19.1 The Council has arrangements in place for receiving allegations of fraud or misconduct through its whistleblowing policy
- 1.19.2 A full review of the Council's Whistleblowing Policy has been completed and subsequently endorsed by Cabinet in April 2020.
- 1.19.3 Members of staff are made aware of the changes through internal communication updates. Members of the public are also advised of the changes.

1.20 **Developing Effectiveness**

- 1.20.1 Our ability to effectively recruit and retain quality staff is crucial to delivering Council services. Our Recruitment Policy provides the framework to recruit the right staff at the right time. We have continued to develop innovative and creative recruitment strategies which have enabled us to fill difficult to recruit posts and reduce the use of agency and interim staff.

- 1.20.2 The ongoing development of our Applicant Tracking System has streamlined our recruitment processes and is enabling us to target and reduce our Time to Recruit. In 2019 the HR team developed its capacity to support the delivery of the organisation's Recruitment Strategy through the appointment of an HR Manager (Resourcing) and Resourcing Officer. This has greatly enhanced the support provided to managers in recruiting to their teams.
- 1.20.3 Our HR and Communications team have developed a Rutland Recruitment Microsite which went live in February 2020 – this showcases and presents the Council as a great place to work. Importantly candidates will get a true sense of what it is like working for Rutland.
- 1.20.4 Staff confirmed that they receive the training and development they need in order to do their job. Our priority within our training framework is to support mandatory and essential training. Our senior management team has now agreed a new approach to leadership development focusing a move towards a tailored programme for individual needs – this is crucial to enabling us provide the vision, direction and leadership to deliver our Corporate Plan.
- 1.20.5 During 2019 the Council was successful in securing some resource from the LGA to support development of an Apprenticeship strategy. This has also enabled workforce development workshops with services and development of a tool that can be use across the organisation during 2020.
- 1.20.6 The effectiveness of our Performance Development Review (PDR) scheme has been reviewed and will be replacing with a new model which is based on the value of 'conversations' between managers and staff. A roll out of the new approach was completed in June and July 2020.
- 1.20.7 The Health and Wellbeing of the workforce is also a priority for the organisation – an engaged workforce that is supported and valued, thrive, achieve and deliver. A Health and Wellbeing Strategy was developed by the Health and Wellbeing group and was due to be rolled out during 2020. This work was replaced by various initiatives designed to support homeworking during the pandemic including changes to the way the flexible working policy was applied, home display screen equipment assessment and deployment of new technologies. A staff wellbeing survey was also completed.
- 1.20.8 Members are provided with development opportunities through in-house and external training and briefings. Budget provision is made for training and development of members and officers. Councillors underwent an extensive induction programme in May to equip them with the skills that they needed following the election. There was mandatory training on the Code of Conduct, Planning, Licensing and Appeals, and Adult and Children Safeguarding. Members are encouraged to express an interest in receiving training on specific topics.
- 1.20.9 In addition to mandatory training, in 2019/20 Members attended training on the following subjects:
- Induction to the Council (for new Councillors elected in 2019)
 - Introduction to Decision Making
 - Introduction to Scrutiny
 - Introduction to Local Government Finance

- Audit and Risk Training
- Parish Council Essentials
- Being an Effective Chairman
- GDPR
- Planning Policy
- Internal Audit and Related Topics
- Resilience Training
- Employment and Appeals Training

1.20.10 Members have also attended various individual training sessions on a variety of subjects offered through organisations such as East Midlands Councils, Local Government Association and the Centre for Public Scrutiny.

1.21 **Service Delivery**

1.21.1 The Council is focused on delivering high quality outcomes at low cost and has always worked in partnership with an eclectic mix of Local Government and Public Sector partners. The Council has a wide range of partners covering a wide range of service areas. Some examples are given below.

<u>Service area</u>	<u>Lead Authority Name</u>
Internal Audit	Local Government Shared Service
Welland Procurement	Melton Borough Council
Out of Hours Emergencies	Harborough District Council
Public Protection	Peterborough City Council
Emergency Planning	Leicestershire County Council
Local Safeguarding Children Board	Leicestershire County Council
Health and Safety	Peterborough City Council
Planning system	South Kesteven District Council
Adoption Services	Leicestershire County Council
Public Health	Leicestershire County Council (with shared Director)
Finance IT systems provision and administration	Herefordshire Council (local authority company, Hoople)

1.21.2 The Council continues to review how best to deliver services with examples below of work done.

1.21.3 The Council had an agreement with Peterborough City Council (PCC) to cover legal services. A review of performance across the range of advice offered highlighted arrangements where a) the Council could in-source some activity and deliver it at lower cost e.g. adult social care advice, and b) areas where capacity and performance was limited and alternative arrangements should be sought.

1.21.4 In response, the Council has now moved away from an exclusive relationship with PCC, has recruited in-house resource and has commissioned LGSS to deliver work

for children's services.

- 1.21.5 In 2016, the Council delegated provision of its finance system to Herefordshire Council to make savings and increase resilience. This has worked well with savings continuing to be delivered with very good performance. Cabinet have agreed to extend the delegation.
- 1.21.6 The Council's governance approach to partnerships (working with others) varies according to the legal basis of arrangements. All delegated services are covered by formal delegation agreements. Partnerships/shared services are covered by Service Level agreements. All arrangements have a Rutland Lead Officer and all documents cover scope of services, performance expected, reporting and termination clauses.

1.22 **Community Engagement, Partnership working and reporting**

- 1.22.1 The Council has two projects that are part of the 'One Public Estate' programme which is supported by Central Government and aims to bring together Central and Local Government together with like-minded private sector partners to deliver services more effectively to the public. These projects relate to St Georges Barracks and the Rutland Hub. This section also includes details of our working on the Local Plan.

St Georges Barracks

- 1.22.2 In November 2016, the Ministry of Defence (MOD) announced it was to dispose of St. George's Barracks. The MOD and Rutland County Council agreed in September 2017 to work together to explore possible options for the future use of St George's Barracks in North Luffenham. Since then, High Level and Evolving Masterplans have been developed, with input from residents for the site.
- 1.22.3 The Evolving Masterplan sets out the policy context, a vision for the site and outlining the consultation process. It provides a potential future framework for redeveloping the site to create around 2,315 new homes for Rutland and more than 2,000 new jobs.
- 1.22.4 In November 2018, a bid was submitted by Rutland County Council to the Ministry for Housing, Communities & Local Government (MHCLG) for the project to be included in the national Garden Communities Programme.
- 1.22.5 The bid was successful, and in June 2019 it was announced that the Council would receive a proportion of the £3 million grant funding to help develop a design and layout proposal that includes the creation of innovative new dementia-friendly neighbourhoods within St. Georges.
- 1.22.6 In January 2019, Rutland County Council's Full Council approved a bid for £29.4m to be submitted to MHCLG to enable essential infrastructure and other works to be brought about in advance of the redevelopment of the St George's site.
- 1.22.7 This will underpin the viability of the project to ensure appropriate and timely investment in infrastructure is put in place. The investment would not only benefit the St George's site, but benefits will be seen across the county as roads and junctions are upgraded along with health facilities and public transport supporting the local community at and around St George's.
- 1.22.8 In November 2019 MHCLG announced that Rutland has been successful in its application. The decision whether to accept the funding was put to Full Council in

January 2020 and Councillors voted to defer the decision until further information about the terms of the grant were provided by MHCLG.

- 1.22.9 The Council is in dialogue with Homes England and the MOD about the terms and is not yet in a position to bring forward a report to Council.

The Officers' Mess Site

- 1.22.10 In March 2018, Cabinet endorsed some proactive work be undertaken that would help us understand whether the early acquisition of the Officers' Mess for the purpose of providing new housing was feasible. However, earlier in the year, a decision was taken by the Rutland One Public Estate team to disband the project as the financial risks were far too great for RCC to take forward.

- 1.22.11 Subsequently, the DIO made the decision to move the project into the wider St George's project and will now form part of the holistic masterplan developed for the site.

Rutland Hub

- 1.22.12 As part of the OPE programme, the council led a project to look at the viability of creating a single service hub that would include the council, health, voluntary sectors and blue light services. As well as rationalising public estate in Oakham and seeking to improve access to public services, the project explored how a single hub may deliver revenue savings for organisations, meet an increased demand on primary care and support the future sustainability of wider health services delivered through the Rutland memorial hospital. However, our viability testing identified that the initial scope for the project was too broad and would not provide the intended benefits for all partners.

- 1.22.13 That said, with capacity of the GP surgeries being stretched together with an aging health estate in Rutland, there is still a mandate to pursue changes. The project scope has therefore narrowed on health and social care and but looking at the whole Rutland health estate.

- 1.22.14 The aim of the project is to review the delivery of overall primary health care across the county in addition to the Rutland Memorial Hospital.

Local Plan

- 1.22.15 We are reviewing the Local Plan in order to extend the plan period to 2036 and to provide for any additional new housing, employment or other development that may be needed over the extended plan period.

- 1.22.16 Additional consultation forming part of Rutland's ongoing Local Plan Review took place between 13 August and 24 September 2018. The consultation invited comments on two separate documents:

- Focused Changes to the Local Plan after including St George's Barracks in the Plan
- Additional Sites put forward for possible development since the Consultation Draft Local Plan 2017

- 1.22.17 The feedback was collated recommendations presented to and agreed by Rutland County Council's Cabinet in December 2019. The recommendations were then used to inform the development of a Pre-Submission Local Plan, which was

presented to the Growth Infrastructure and Resources Scrutiny Committee in January 2020.

- 1.22.18 Full Council approved the Pre-Submission Local Plan to be presented to residents for further consultation in February 2020, before representations and the Submission is provided to the Secretary of State for consideration.
- 1.22.19 Consultation was originally postponed, owing to the outbreak of Covid-19. Consultation was opened on 27th August and will run to October. At this stage of consultation, Rutland County Council is seeking views on whether the Local Plan is legally compliant and meets the tests of 'soundness' as set out in the National Planning Policy Framework (NPPF).

Working with the business community

- 1.22.20 We work with the business community in different ways. We offer all year-round support to local businesses of all sizes through our Economic Development team. The team provides information and advice about grant funding, training and networking opportunities.
- 1.22.21 We delivered a number of networking events. These included a business summit in March 2020 where 70 of Rutland's businesses and partners gathered to meet and discuss future trends affecting our local, regional and national economy. Guest speakers covered a wide range of special topics including advising on Brexit for business and Rutland's 50-year vision. The summit also provided an opportunity to gather insight from businesses to shape the new Economic Growth Plan.
- 1.22.22 The team also engaged with RCC business tenants including delivering a meet and greet event at the King Centre to enable businesses to meet Places team. The Economic Development team also connected with the Federation of Small Business, Job Centre Plus and the Cambridgeshire and Greater Peterborough Growth Hub.
- 1.22.23 We also organise an Annual Tourism Forum through the Discover Rutland Tourism Committee for groups, businesses and individuals connected with tourism in the local area. This year's forum took place in November and included a run-down of activity from different tourism sectors and reported on the economic impact of Rutland's tourism industry, which is shown to have grown again over the past 12 months.
- 1.22.24 During the pandemic, the Council has worked to implement the business grant schemes put in place by Government. It has made over £12m in payments to over 1,000 local businesses.

Working with health

- 1.22.25 The LLR Sustainability and Transformation Partnership has continued to reshape health and care services around the needs of the LLR population through the Better Care Together programme. Following publication of the NHS Long Term Plan in January 2019, LLR is moving into the next phase of integration, with the aim of becoming an 'Integrated Care System' by April 2021. This will move further towards place-based budgeting (with single system control totals), looking across organisations at the 'LLR pound' and identifying new, more efficient and effective models of care that manage demand, including through increased prevention. How Adult Social Care and Public Health fit into this picture is progressively being clarified.

1.22.26 The aim of the Better Care Together plan is to ensure the sustainability and sufficiency of healthcare services, achieving this by: keeping more people out of hospital through improved prevention and by supporting more patients at home and in their community; improving crisis care including for mental health; and joining up routes through the care system. The programme is a standing item at the Rutland Health and Wellbeing Board.

1.22.27 In Rutland itself, delivery of the local Better Care Fund programme has again progressed well during 2019/20, providing integrated health and social care approaches tailored to the Rutland context, working together with local NHS and community sector providers. For example:

- Unified prevention remains a focus, including an emphasis on ageing well. The social prescribing project, led by the Rutland Public Health and Integration leads, is working with a growing cross-section of partners to design and deliver improved prevention potential in Rutland. Partners will address a diversity of support needs and circumstances in a more systematic and coordinated way to help people to sustain their health, wellbeing and independence. As part of this, the new quarterly 'Signposters Network' is going from strength to strength, and partners are looking to put in place a shared online system to help them with quick and secure client referrals.
- Associated with this the RISE service has been launched, an innovative social prescribing collaboration between the Rutland GP practices (now working together as a Primary Care Network) and the Council. The aim of this holistic and personalised service is to support people already living with mental and/or physical ill-health or other challenges to feel more empowered to manage their situation and to live their best life.
- Other successes in prevention include the expansion of the Admiral dementia nurse service, high take-up of the streamlined Housing and Prevention Grant scheme delivering home adaptations quickly for people with disabilities, and the complex care service, MICARE, for those with care needs that are difficult to meet through the mainstream care market.
- The success of reablement continues, with 96% of those receiving reablement care after a hospital stay still living at home three months after being discharged. Building on this, we have been exploring the potential to use reablement more pre-emptively in a personalised, preventative, enabling model.

1.22.28 Under the NHS Long Term Plan, more of the way that health and care are organised and funded will soon be determined at the local level, through the channel of 'Places' (mapped to local authorities providing social care services) and Localities (coherent areas of 30-50,000 people associated with groups of GP practices). Rutland is both a Place and a Locality, opening up significant potential for partners to plan Rutland's health and care services in a more integrated way than ever before, through a close alliance between the Council, the Rutland GP practices, community health services and the voluntary and community sector.

1.22.29 Since the start of the pandemic work with health and others has involved supporting those shielding, including providing food supplies during the early part of lockdown, and working with health colleagues to safely discharge people from hospital.

Other Engagement

1.22.30 The Council undertakes public engagement and consultation on a range of

matters. Outside of the matters discussed above, in 2019/20 this included:

- Barrowden & Wakerley Neighbourhood Plan
- 2020/21 Annual Budget Consultation
- Learning Disability Market Position Statement
- Armed Forces Survey
- Rutland Older People's Accommodation Market Position Statement
- Pharmaceutical Needs Assessment for Rutland
- Local Transport Plan
- Community Safety

1.22.31 Prior to the outbreak of Covid-19 the Council was in the process of developing its communications and engagement approach and this work is being revisited.

1.23 **Reporting**

1.23.1 All formal meetings are held in public, and the reports and minutes of those meetings are published in accordance with the principles of openness and transparency, unless there are legal reasons for confidentiality. There are opportunities for members of the public to make deputations to, or ask questions at, meetings of the Council, Committees and Scrutiny Committees.

1.23.2 The Council publishes information relating to all of its expenditure on its website and also complies fully with the Local Government Transparency Code 2015 which sets out the minimum data that local authorities should be publishing and the frequency it should be published and how it should be published. The information published can be found here.

<https://www.rutland.gov.uk/my-council/transparency/>

Review of Effectiveness

1.24 **Overview**

1.24.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of its effectiveness is informed by the work of senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also comments made by the external auditors and other review agencies and inspectorates.

1.25 **Internal and Management Assurance**

Internal Audit

1.25.1 It is my opinion that Satisfactory Assurance can be given over the adequacy and effectiveness of the Council's control environment for 2019/20. This control environment comprises of the system of internal control, governance arrangements and risk management. This remains consistent with the overall opinion given in

recent years.

- 1.25.2 Financial control - Controls relating to the key financial systems which were reviewed during the year were concluded to be operating effectively with no significant control weaknesses identified by audit testing.
- 1.25.3 Risk management - Established structures and processes for identifying, assessing and managing risk remained consistent during 2019/20. The strategic risk register is regularly reviewed and updated by the Senior Management team and by the Audit and Risk Committee.
- 1.25.4 Governance - During 2019/20, the Council's governance arrangements remained broadly consistent with previous years. Based on the findings of Internal Audit work in 2019/20, there are no significant governance issues that I wish to draw to the attention of the Council for inclusion in its Annual Governance Statement.
- 1.25.5 Internal control - For the audits completed in 2019/20, 93% of the opinions given in relation to the control environment and compliance have been of at least Satisfactory Assurance. The proportion of audits leading to a Substantial Assurance opinion has been higher than in previous years, specifically in relation to the design of the control environment. There was, however, one audit assignment which resulted in Limited Assurance opinions for both the control environment and compliance and this relates to the Highways Maintenance Contract.
- 1.25.6 Action plans have been agreed to address all areas of weakness. Of the recommended actions agreed, and due for implementation, 47% had been completed in a timely manner during the year.
- 1.25.7 Internal Audit has not been made aware of any further governance, risk or internal control issues which would reduce the above opinion. No systems of controls can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

Scrutiny

- 1.25.8 During 2019/20 the three Scrutiny Committees have considered a number of issues of particular concern to assess whether there are robust governance arrangements in place as far as the Council's own services are concerned.
- 1.25.9 Areas considered include:
- Financial Management
 - The Local Plan
 - The Housing Infrastructure Bid
 - The Biodiversity Task and Finish Group
 - The Corporate Plan
 - Fix My Street and MyAccount
 - Out of Hours Service
 - Inpatient Mental Health Services

- District Nursing Services
- East Midlands Ambulance Service
- Adult Services Strategic Plan 2019-2022
- Public Health Annual Report
- Care Homes
- OFSTED Focused Visit
- Fostering Service
- Youth Offending Service
- Early Help Offer
- CQC Review of Safeguarding and Children Looked After Health Services

1.25.10 Scrutiny Committees also consider service area performance indicators in relation to their scope and remit as set out in terms of reference for each committee.

1.25.11 There was a task and finish group on Biodiversity constituted under the Growth, Infrastructure and Resources Scrutiny Committee and approved by Council on 14 October 2019. The Group will present its final report to the October Scrutiny 2020 panel before submission to Cabinet.

1.25.12 The Scrutiny Commission continues to provide a platform for Chairs of each committee to meet and share best practice.

Complaints

1.25.13 In October 2019 an internal audit took place of the Councils Compliments, Comments and Complaints Policy with an outcome of 'Substantial'.

1.25.14 A full review of the Councils Complaints Policy has been completed and is recommended for approval by Cabinet in April 2020.

1.25.15 Continued further improvement has been achieved in our stage 1 complaint response times. The results show that 99% (94/95) of stage 1 complaints continue to be answered within the deadlines set within the complaints policies.

1.25.16 96% (25/26) of stage 2 complaints were answered within the deadlines. This was 100% last year, however, due to the low number of complaints escalating to stage 2 this is 1 complaint that has exceeded the deadline.

Financial performance

1.25.17 Quarterly reports on financial management were presented to Cabinet during the year.

1.25.18 The final quarterly report showed that a surplus of £207k had been achieved against the revised budget.

1.25.19 The final quarterly report also included details of impact on the MTFP of Covid-19. The following broad impacts on our financial position:

- Additional expenditure may be incurred that is not covered by Government funding;
- Some services generating income are no longer in operation as the Council has reviewed its service offer in light of Government advice and is only running essential services; and
- Key areas where the Council collects income (council tax, business rates, rents) are likely to see reduced recovery rates, losses and bad debts.

1.25.20 At the end of June the impact was assessed as being in excess of £1m but with further Government funding expected and significant unknowns, this position is far from certain.

1.25.21 What is clear is that prior to Covid-19, the Council was already forecasting a financial gap (it plans to spend more than it receives in funding) of c£1.5m - £2m and this is likely to be exacerbated by the pandemic.

1.25.22 The Council understands that this position is not sustainable in the medium term and is working on a range of strategies to address this position as part development of an “emergency budget”. Work will continue into 2020 involving Scrutiny.

Corporate performance

1.25.23 Performance of the Council towards achieving the objectives laid out in the Corporate Plan is monitored through the use of a number of key performance indicators. At the end of 2019/20, 84% of indicators were on or above target. 16% of these indicators were below target. The areas where the Council is below target includes:

- Number of delayed days in transfer of care (DTC) - 7.8 delay days in Rutland, with a target of 4.9. All delays are monitored closely by the Hospital Team Manager and are being dealt with on a case by case basis.
- Child Protection cases reviewed within timescales - 92% of cases were reviewed within timescales. The target for this indicator is 100%. Daily performance reports are being used by management to improve performance and to pick up the small number of cases in danger of falling out of timescales.
- % of eligible children registered with Childrens Centres - We have revised the baseline for children under 5 population in Rutland based on the latest ONS mid-year estimate, replacing the previous method which used child benefit data. Performance (89% of target group registered) now more accurately reflects population and the target of 100% is under review given the new baseline data.
- Customer Services - Calls answered within 60 seconds - 46% of calls received were answered within 60 seconds, against a target of 70%. There were some reductions in staffing within Customer Services during 2019/20 and some of the team were seconded to help support improving the website to allow more transactions through this channel from the public. Equally,

there has been a focus dealing fully with cases rather than passing customers on which has led to calls taking longer to deal with.

- 33 affordable houses were completed during the year, against a target of 45. Slow construction on a specific development during 2019/20 had an impact on achieving this target.

Information Governance and related issues

1.25.24 The Data Security and Protection Toolkit (previously called Information Governance (IG) Toolkit) is an NHS online self-assessment tool that allows us to measure our Information Governance performance. Organisations that have access to NHS patient data and systems must complete this assessment to provide assurance that personal data is handled correctly.

1.25.25 Requirements cover:

- Confidentiality and data protection.
- Information security.
- Records management.
- Training
- Staff Responsibilities

1.25.26 The Council submitted the 2019/20 assessment in March 2020

1.25.27 Freedom of Information Act 2000 (FOI) - The Council uses Microsoft Excel to manage FOI and Environmental Information Regulation (EIR) requests. 1716 FOI and EIR requests were received by the Council in 2019/20; 99.8% answered within 20 days. 5 complaints have been reported to or investigated by the Information Commissioners Office to satisfactory conclusion. 8 requests required an internal review and were satisfied for the customer in each case.

1.25.28 Data Breaches - The implementation of a Data Protection Action Plan to reduce data breaches was completed in September 2019.

1.25.29 Actions included:

- Topic at staff briefings to raise awareness
- Mandatory GDPR annual refresher training for all staff
- Redaction and subject access request training for all staff to attend
- All data breaches investigated with lessons learned applied

1.25.30 5 data breaches were reported to the Information Commissioners Office (ICO) in Quarters 1 and 2. Following implementation of the action plan no further breaches were reported to the ICO in the remainder of the year.

Fraud and whistleblowing

1.25.31 The Council received no whistleblowing allegations during 19/20 and no reported

frauds.

1.25.32 The Council continues to participate in the NFI programme and investigated possible matches in the following areas. For 2019/20 only Electoral Registration and Council Tax datasets were required, matches are then identified where households are getting single occupant discounts but other datasets possibly reflect that more than one resident is in the household. Rutland had 1,995 matches to review.

- Council Tax to Electoral Register - 757
- Council Tax rising 18s – 26
- Council Tax to other datasets – 471
- Council Tax to HMRC household composition - 741

1.25.33 The Council investigated all possible lines of enquiry and no matches suggested actual fraud had occurred.

1.25.34 Proactive work was undertaken in respect of Council Tax Single Persons Discounts. Recipients were contacted to confirm their ongoing eligibility. This has resulted in c£45k of savings as discounts have been withdraw where recipients have not responded or have confirmed their circumstances have changed.

Project Management

1.25.35 The Council has a Project Management Framework which includes the role of the Project Management Office, a scalable Project Management Methodology and Project Management Support. All new project managers coming into the Council are provided training on the methodology to ensure consistency of approach. The updated Project Management Methodology is in use for all corporate projects, and has been useful in managing some of our more high risk projects.

1.25.36 Progress on all projects is also monitored through SMT to understand and overcome any potential issues/risks before they become problematic. This provides an additional layer of challenge outside of the local governance structures put in place for each project (e.g. project boards), and allows for the independent escalation of issues.

1.25.37 The Council delivered the following projects in year.

Project	Outcome
Income Manager Replacement	The payment engine of the corporate enterprise resource system (Agresso) was replaced with an in-house Salesforce developed solution
Flare Replacement Programme	The on premise Flare system was migrated to a neighbouring local authority for the environmental service area
Local Transport Plan	The local transport plan for the Council has been developed and is in the process of being implemented
Capita Cloud Hosting	The on premise Capita education system has been migrated to the cloud being hosted by Capita
Printer Refresh	All printing solutions across the Council were rationalised into a new Printing Strategy together with a new set of printers procured

Project	Outcome
Buckingham Road Refurbishment & Extension	A property owned by the Council was extended and refurbished to house a local family in need of a bigger property
Green Waste Collection System	New system implemented to register green waste collection subscriptions and take payment

Data Incidents

1.25.38 Between April 2019 and March 2020, 28 reports of potential data breaches were made. All were investigated to satisfactory conclusion with actions and recommendations completed to mitigate further incidents of a similar nature. 6 data breaches were escalated to the Information Commissioners Office (ICO) in all cases the Council were found to have taken the appropriate measures with all actions completed.

Business Continuity

1.25.39 Specific recovery plans are in place for the five key threats listed below.

- loss of key staff (skills/knowledge);
- loss of telephone system;
- loss of buildings;
- loss of ICT and
- loss of utilities.

1.25.40 The business continuity plans also consider the loss of key suppliers across areas, the impact on services and how quickly service provision can be restored through alternative arrangements.

1.25.41 Current controls include the following:

- A Business Impact Assessment (BIA) has been carried out to determine which services are critical, how quickly they must be restored and the minimum resources required.
- A Major Incident Plan has been prepared which defines a structure to confirm the nature and extent of any incident, take control of the situation, contain the incident and communicate with stakeholders.
- Business Continuity documents have been uploaded to a secure website (Resilience Direct) to ensure they can be accessed from any site in the event of an incident
- Contract Procedure Rules include the requirement for contract managers to consider the impact of contractor failure and mitigate the risks appropriately

1.25.42 Alongside these exercises, the Council's Resilience Officer has attended every second SMT meeting to provide refresher training on key aspects of emergency planning and to share learning from real incidents such as the Hinckley Road explosion. (The explosion occurred in February 2018, in Hinckley Road, Leicester destroyed a convenience store and the two-storey flat above it, killing five people

and injuring five others).

- 1.25.43 Some aspects of the plans were put into place as part of the Council's response to Covid-19. As part of an ongoing lessons learnt exercise, Business Continuity Plans are being reviewed by the Local Resilience Forum and changes will be made if necessary.

Management Assurance

- 1.25.44 Managers have all completed an assurance statement highlighting whether there may be controls issues in their areas. As expected, there are areas where improvements are required as identified through audit reports or other work. None of the issues raised are considered to be Significant Control issues.

1.26 External Audit, Inspections and Reviews

External Audit

- 1.26.1 The Audit and Risk Committee has received and formally debated the Annual Audit Letter and External Audit Annual Plan. The new auditors Grant Thornton, in their Annual Governance Report for 2018/19 gave the Council an unqualified conclusion on the Statement of Accounts and Value for Money opinion. No concerns were reported regarding the Council's arrangements for securing financial resilience.

OFSTED Focused Visit to Children's Services

- 1.26.2 In March 2019 inspectors looked at the Council's arrangements for contacts and referrals. They also considered the effectiveness of strategy discussions and section 47 enquiries, the quality of assessments and early plans, the effectiveness of the designated officer role in investigating allegations against professionals, and support for children who are subject to or at risk of exploitation.

- 1.26.3 The report was published in May 2019 and whilst some positive elements were noted in the report the overall rating was "requires improvement". The letter from Ofsted giving their findings can be found here.

- 1.26.4 The full report can be found here: <https://files.ofsted.gov.uk/v1/file/50074940>

- 1.26.5 The Council's Children and Young People Scrutiny Committee took this report and an update on actions at its June meeting. Details can be found below:

<https://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CId=132&MId=2100>

OFSTED Visit to Children's Services (March 2020)

- 1.26.6 In March 2020, OFSTED undertook a week-long review and concluded that:

- 1.26.7 "Children's social care services in Rutland continue to require improvement to be good and have not improved since the last inspection in 2016. A number of the areas that were identified as needing improvement in the last inspection have not been addressed. Over the last year, leaders have rightly recognised some key weaknesses across the service. Strategic leadership has been strengthened. An improvement plan is being implemented and has had a partially positive impact, resulting in a strong early help service for children and families and an effective front door and assessment service. However, for children who need longer-term support, the service is not good enough.

- 1.26.8 Management oversight and decision-making to ensure that children's cases are

comprehensively overseen and that their progress is closely reviewed.

- The quality of assessments and plans to ensure that they identify needs and lead to improvements in children's well-being.
- Commissioning and contract monitoring arrangements, to increase the sufficiency and quality of commissioned services, including placement matching for disabled children and those with complex needs.
- The housing offer for vulnerable young people and care leavers, including addressing the use of bed and breakfast accommodation.
- The use of the pre-proceedings phase of the public law outline, to ensure that parents can make changes within a legal framework and that children come into care when they need to.
- Early permanence planning for children.
- The timeliness of foster carer annual reviews."

1.26.9 The full report can be found here. <https://files.ofsted.gov.uk/v1/file/50150005>.

1.26.10 The Council does have an action plan which was reported to Scrutiny in August 2020. The report can be found here:
<https://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CId=132&MId=2295>

SEND Peer Review November 2019

1.26.11 The SEND Review was a two day programme led by colleagues from Derbyshire County Council. The agreed areas of focus were:

- The effectiveness of Rutland's integrated offer for children and young people with SEND, testing this with our Rutland children and families and partners;
- The effectiveness of our arrangements for preparation for adulthood and independence;
- The effectiveness of our practice in Rutland
- Progress made since SEND inspection in 2017

1.26.12 The findings and feedback were positive, highlighting:

- The integrated Early Help SEND and Inclusion offer has made a difference to the experience and outcomes for children and families and enabled a more joined up and flexible approach to meeting children's needs.
- There is a positive culture of joint working in the best interests of children within Rutland County Council and between partner agencies which finds ways to meet children's needs.

- Significant progress has been made in some areas since the SEND inspection (2017), especially with the Education Psychology service, SENDIASS and some improvement in the Local Offer and publicity.

1.26.13 In response to the SEND peer review:

- Our SEND service continues to meet its legal timescales, (100% compared to the national figure of 69%),
- The quality of Education Health and Care Plans (EHCP) and Care Plans has improved and parents are positive about 'getting to know you' meetings and annual reviews.
- Responded to feedback from young people, who said they wanted more support to develop independence skills. Programmes are starting to be delivered to groups of young people, with the young people deciding which areas they want to focus on.

LGA Peer Review

1.26.14 In November, the Council was the subject of an LGA Peer Challenge. The peer team considered the following five questions which they believe are critical to councils' performance and improvement:

1. Does the Council understand its local context and place and use that to inform a clear vision and set of priorities?
2. Does the Council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. Does the Council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. Is organisational capacity aligned with priorities and does the Council influence, enable and leverage external capacity to focus on agreed outcomes?

1.26.15 The Peer Team met with more than 100 different people – elected members, staff, partners and residents – over the four days they spent at Rutland County Council and, through these interactions, gained a clear insight into what it is like to live in Rutland and how the Council operates.

1.26.16 Their conclusions were "Rutland is an ambitious and customer responsive Council, delivering good quality service with high performance levels." The main area for growth focused on how it engages with its communities. The Peer team recommended the Council looks at how it can build co-design and co-production into its engagement approach.

1.26.17 The full report can be found here: <https://www.rutland.gov.uk/my-council/how-the-council-works/peer-challenge-2019/>

Adult Social Care – IMPOWER index

1.26.18 The Council has been named the strongest performer in adult social care using refined productivity metrics. The council is deemed to be providing above average outcomes despite having a below average per capita spend. This means that users of adult social care services in Rutland are getting better outcomes at the same time as the council is making best use of public funds.

Public Services Network compliance

1.26.19 The Council must demonstrate compliance with the Public Services Network (PSN) on an annual basis. The PSN is an information assurance mechanism to support the connection of the Council's network to other PSN accredited networks, without increasing or substantially changing the risks to the already accredited network. The Council undertakes an IT Security Health-Check annually (carried out by an accredited third party) to identify any compliance issues. Once these have been addressed, the Council completes a PSN renewal submission. The Council is now fully compliant until November 2020.

Summary

This statement has been considered by the Audit and Risk Committee, who were satisfied that it is an accurate reflection of the governance framework and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Significant Governance Issues

There are no significant issues to report.

Certification

As Leader and Chief Executive, we have been advised on the implications of the results of the review of effectiveness of the Council's governance framework, by the Audit Committee and Cabinet.

Our overall assessment is that the Annual Governance Statement is a balanced reflection of the governance environment and that an adequate framework exists within Rutland County Council to ensure effective internal control is maintained. We are also satisfied that there are appropriate plans in place to address any significant governance issues and in particular that changes made to planning procedures should minimise the risk of a similar problem reoccurring.

Signed: 

Mark Andrews, Interim Chief Executive

Date: _____

Signed: 

Oliver Hemsley, Leader of the Council

Date: _____

Glossary

Agresso	Rutland County Councils Finance software system
BAU	Business as Usual
BIA	Business Impact Assessment
CIPFA	Chartered Institute of Public Finance
CPR's	Contract Procedure Rules
CQC	Care Quality Commission
DIO	Defence Infrastructure Organisation
DMT	Directorate Management Team
DTOC	Days in Transfer of Care
EHCP	Education Health and Care Plans
EIR	Environmental Information regulations
FLARE	Rutland County Councils Environmental Services software system
FOI	Freedom of Information
FPR's	Financial Procedure Rules
GDPR	General Data Protection Regulation
ICO	Information Commissioner's Office
LGA	Local Government Association
LLR	Leicestershire, Leicester & Rutland
LRF	Local Resilience Forum
LRG	Local Resilience Group
LSCG	Local Strategic Coordinating Group
LTCG	Local Tactical Coordinating Group
MHCLG	Ministry for Housing, Communities and Local Government
MICARE	Rutland County Councils Supported Living and Day Opportunities Service – Adults Social Care
MOD	Ministry of Defence
MTFP	Medium Term Financial Plan
NFI	Nation Fraud Initiative
OFSTED	Office for Standards in Education, Children's Services and Skills
ONS	Office for National Statistics
OPE	One Public Estate
PCC	Peterborough City Council
PDR	Performance Development Review
PSN	Public Services Network
RISE Service	Rutland Integrated Social Empowerment – Adults Social Care
RSCG	Rutland Strategic Commissioning Group
RTCG	Rutland Tactical Commissioning Group
SEND	Special Educational Needs and Disabilities
SENDIASS	Special Educational Needs and Disabilities Information, Advice and Support Service
SMT	Strategic Management Team
SOLACE	Network for local government and public sector professionals