

CABINET

16th February 2021

QUARTER 3 FINANCE MANAGEMENT REPORT

Report of the Strategic Director for Resources

Strategic Aim:	All	
Key Decision: No	Forward Plan Reference: FP/100920	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr G Brown, Deputy Leader and Portfolio Holder for Planning and Finance	
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Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet:

- a) Notes the projected revenue outturn for 20/21 and the uncertainty that remains;
- b) Notes the financial impact of COVID-19 on the Council's finances and the risks that remain.

1 PURPOSE OF THE REPORT

- 1.1 To inform Cabinet and all Members of the projected outturn for 20/21 including the impact of COVID-19 on the Council's finances and the Medium Term Financial Plan.
- 1.2 In November, the Council reported on the Quarter 2 finance position. This report brings Members up-to-date with the current financial position at Quarter 3.

2 2020/21 REVENUE OUTTURN

2.1 Background

- 2.1.1 The purpose of this section is to give an update on the performance against the revenue budget and in doing so to present the financial impacts of COVID-19.
- 2.1.2 Figures shown in this report include a combination of **actual costs incurred** and **estimates** based on our knowledge as at the end of December. As reported at Quarter 2, forecasting likely expenditure during the pandemic is proving challenging. New duties and requirements emerge weekly, issues can change very quickly and new funding is being received. The above factors added to local issues (e.g. health and capacity of the workforce) mean that the position is variable.
- 2.1.3 The Government originally committed to meet extra costs arising and to cushion the impact of the pandemic. The Government has continued to make funding available that support these intentions. This position has not changed.
- 2.1.4 Whilst there remains concern that there will not be sufficient funding to cover all impacts beyond 20/21 (e.g. income losses and the impact of additional costs in certain sectors such as Leisure) the Government has promised additional funding for 21/22 which has been highlighted in the Budget for 21/22 (17/2021).
- 2.1.5 The impact described in this report in respect of 20/21 covers:
- a) One off costs;
 - b) Additional service costs which will increase as the crisis continues, and may end as we return to normal;
 - c) Lost income from fees and charges; and
 - d) The effect of new grants awarded.

2.2 Overall position against budget

- 2.2.1 The Council approved a budget in February 2020 which has been updated at Quarter 3. All approved changes since Quarter 2 are detailed in Appendix A.
- 2.2.2 In overall terms, the Council is coming in under budget compared to the budget position. This is a very strong position compared to many other local authorities who are reporting significant over spends. Section 2.3 covers the position and movement in more detail.
- 2.2.3 The table below summarises the position against the Council's revised budget.

	Revised Budget	Q2 Forecast Outturn	Q3 Forecast Outturn	COVID variance	Non COVID variance
	£000	£000	£000	£000	£000
People	19,139	19,031	19,058	351	(432)
Places	13,407	14,573	14,540	1,211	(78)
Resources	7,504	7,439	7,471	240	(273)
Directorate Totals	40,050	41,043	41,069	1,802	(783)
COVID costs	4,223	2,676	2,118	(2,105)	0
COVID grants	(4,223)	(3,708)	(4,223)	0	0
Pay Inflation	98	0	0	0	(98)
Needs management	130	0	0	0	(130)
Net Cost of Services	40,278	40,011	38,964	(303)	(1,011)
Depreciation	(2,344)	(2,344)	(2,344)	0	0
Capital Financing	1,647	1,647	1,647	0	0
Interest Receivable	(300)	(247)	(254)	46	0
Net Operating Expenditure	39,281	39,067	38,013	(257)	(1,011)
Financing	(38,619)	(38,554)	(38,660)	0	(41)
Transfers to/(from) reserves	(716)	(553)	(385)	0	331
Revenue Contribution to Capital	44	0	44	0	0
(Surplus)/Deficit	(10)	(40)	(988)	(257)	(721)
General Fund 1 April 20	(9,171)	(9,171)	(9,171)		
General Fund 31 March 21	(9,181)	(9,211)	(10,159)		

2.3 Key messages

2.3.1 The Directorate forecasts are detailed in Appendix B. Over and underspends have been split, where possible, according to whether they are COVID-19 related. Where there are other risks that are causing overspends outside of COVID-19, these are discussed in Appendix C. The forecast is largely in line with the position reported at Q2.

2.3.2 Within the Covid forecast there has been a number of changes. A full analysis of the changes to forecasts are shown in appendix E. The main changes within the forecast, from Quarter 2, is a £400k reduction across Adult and Children social care. It was expected that we would see an increase in the need for help towards the back end of the year but this has not materialised. It is very likely that the impact of additional need will be soon in 21/22 as restrictions are relaxed and we return to “normal”. The overall Covid-19 budget is underspent but the Council has

still been able to maintain an appropriate response to the pandemic.

- 2.3.3 The Council have also been allocated £400k from the Contain Outbreak Management Fund, and expects a further c£600k if current restrictions are funded as they have been in the past. A large proportion of this response has been delivered via existing resources. The Council are still working on the exact costs to be allocated against this funding. As a result the costs are still shown in either the directorates or Covid, but no forecast has been assumed for this expenditure to avoid double counting the expenditure.
- 2.3.4 Lost income - Lost income arising from closedown of services is shown in Directorate budgets but has been itemised separately in Appendix F. The Council has submitted a claim from Government for lost income.
- Places Directorate £790k – the key areas that have lost income as a result of the pandemic are Parking Services £437k, Highways £127k, Registration Services £85k, Libraries, Museum and Castle £22k, Planning £70k and Leisure Service £39k.
 - Resources Directorate £30k – Court Fee Income.
- 2.3.5 In summary, the underspend position is positive. It is possible that this underspend will increase further by the year end but this will depend on the work Council needs to undertake as part of its pandemic response. Notwithstanding the comment, any underspend at the year-end will either boost the Council's General Fund reserves or will be used to support the Council's pandemic response (including funding the continued use of agency staff in some areas and responding to any further pressures that may emerge in 21/22 not budgeted for).

2.4 Use of COVID funding

- 2.4.1 The Total amount COVID grants received is £4.898m of which general COVID grants make up £2.310m including £874k received in late 19/20, of which £848k was unused as at 31st March and transferred to an Earmarked Reserve. This reserve will be drawn down in 2021/22 as per Budget Report (17/2021). On top of the general funding, there has been specific funding for various initiatives. A full breakdown is given in Appendix D;
- 2.4.2 Costs associated with COVID-19 are shown in a separate cost centre but some are also shown in Directorate budgets. Appendix E gives more information on additional costs already incurred and a forecast for the remainder of the financial year.
- 2.4.3 The overall position shows that the grants from Government (including £848k held with reserves from the allocation received in 19/20) are likely to be sufficient to cover all 20/21 costs based on current forecasts. A summary of the COVID impact is given below.

	£000	Notes
Additional costs		
Directorates	952	Generally covers additional costs within existing contracts (see 2.3.3, review of existing costs to be allocated against Contain grant is likely to increase this figure).
Covid cost centre (see Appendix E)	2,118	Covid specific expenditure including ringfenced grants e.g. infection control fund.
Lost income	849	Impact of the council having to close venues and the decision made to reduce car parking fees.
Total costs	3,919	
Grants	4,223	Includes anticipated grant income for lost income
Total 20/21 net impact	(304)	Any surplus grant for 20/21 will go towards future losses

2.5 MTFP update

2.5.1 The Council has updated its MTFP as part of the annual budget process. The draft budget was presented to cabinet on 12th January 2021 (Report 08/2021). There are no updates to those presented as part of the draft budget report. The Final Budget Report (17/2021) will update the MTFP further.

3 OTHER UPDATES

3.1 Capital programme

3.1.1 The approved capital programme was £28.695m as set out in Report 141/2020. Further to various approvals the net change to the capital programme is £673k, therefore giving a revised capital programme of £29.369m. The detailed position for each project is shown in Appendix G.

Portfolio	Project	Amount	Amount
		£000	£000
Approved Capital Programme (Q2 141/2020)			28,695
Approval since Q2 Monitoring Report			
Asset Management Requirements	School Capacity & Feasibility Study (Delegation)	17	
Asset Management Requirements	Emergency Active Travel Project (Ring Fenced - Tranche 2)	29	
Strategic Aims and Priorities	Disabled Facilities Grant (Ring Fenced)	32	
Strategic Aims and Priorities	Affordable Housing (Report 03/2021)	650	
			728
Reprofiling since Q2 Monitoring Report			
Strategic Aims and Priorities	Duplicate Project (S106 Delegation)	(43)	
Strategic Aims and Priorities	Empingham GP (Emergency Delegation & cabinet paper)	(8)	
Asset Management Requirements	Barleythorpe Road Car Park (Closed)	(3)	
Total Approved since September Update			673
Revised Capital Programme 2020/21 (At Q3)			29,369

3.2 Schools Funding

3.2.1 Schools are funded from ring fenced grants, the most notable of which is the Dedicated Schools Grant (DSG). This funding cannot be used for any other Council function, and essentially schools operate within their own fund with any under or over expenditure being taken forward into future years.

3.2.2 The table below shows the forecasted outturn on the DSG.

	Schools £000	High Needs £000	Early Years £000	Central Schools £000	Total £000
Surplus/(Deficit) Carry Forwards from 2019/20	19	(458)	135	37	(267)
DSG Allocations	25,261	4,224	1,833	166	31,484
Transfer between blocks	(126)	126			0
Academy Recoupment	(23,288)	(234)			(23,522)
Expenditure in Year	(1,847)	(4,636)	(1,825)	(159)	(8,330)
Under/(Over) spends in 2020/21	0	(520)	8	7	(367)
Surplus/(Deficit) Carried Forward to 2021/22	19	(978)	143	44	(634)
Percentage of DSG	0.06%	3.11%	0.45%	0.14%	

3.2.3 As reported consistently, the main area for concern is around the High Needs element of the DSG. At Q3 there were 259 Education, Health and Care plans, this is a 10% increase on the beginning of the financial year. The recovery plan is currently being updated in line with the projects progress and considering the impact of Covid-19. The surplus of £19k on the Schools Block is being allocated to schools via the 2021/22 funding process.

3.2.4 The Early Years Block expenditure forecast has decreased from Q2; however, this area is high risk area due to potential changes with the Covid-19 pandemic. The Early Years settings are paid based on actual hours during the month, with the fluctuations we see during lockdowns the actual amount paid to settings will be estimated. The Funding for the Early Year block is also unknown as the funding will be based on January 2020 Census (9/12) and January 2021 (3/12). With the census being completed at the start of the lockdown period numbers are difficult to predict. The Council have been liaising with settings regularly to ensure settings record all children correctly on the census.

4 CONSULTATION

4.1 Formal consultation is not required for any decisions being sought in this report. Internal consultation has been undertaken with all officers regarding forecasts.

5 ALTERNATIVE OPTIONS

5.1 The report is for noting. At this stage, there are no alternative options.

6 FINANCIAL IMPLICATIONS

6.1 The report highlights the impact on the MTFP for 20/21 and future years.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

7.1 There are no legal implications arising from this report.

8 EQUALITY IMPACT ASSESSMENT

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

9 DATA PROTECTION IMPLICATIONS

9.1 A data protection impact assessment has not been completed as there are no data protection implications.

10 COMMUNITY SAFETY IMPLICATIONS

10.1 There are no community safety implications.

11 HEALTH AND WELLBEING IMPLICATIONS

11.1 There are no health and wellbeing implications.

12 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

12.1 To inform Cabinet and all members of the projected outturn for 20/21 including the impact of COVID-19 on the Councils finances and the Medium Term Financial Plan. The Council will need to address the funding gap in due course.

13 BACKGROUND PAPERS

13.1 None

14 APPENDICES

Appendix A: Approved Budget Changes 20/21

Appendix B: Directorate forecasts

Appendix C: Functions > £25k overspent

Appendix D: COVID funding

Appendix E: COVID additional costs

Appendix F: Lost income

Appendix G: Capital programme

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

Appendix A - Approved Budget Changes

This Appendix shows changes to functional budgets and other budget changes. In accordance with FPR's, Cabinet can approve virements in any functional budget of up to £250k in any one year to a cumulative value of £500k across all functions. Changes above £500k must be approved by Council on a recommendation from Cabinet. In approving requests, Cabinet or Council may agree the use of earmarked reserves (ER), use the General Fund (GF) or make virements between directorates. For the purposes of the rules, Cabinet is allowed to use earmarked reserves (approved by Council) in an unlimited way as long as they are used for their intended purpose and is allowed to carry forward unused budget from one period to the next so use of these reserves are not counted against the delegated limit for functional budget changes and shown as "Cabinet Other".

Description	Net Cost of Services £000	Capital Financing £000	Funding £000	Transfer to/(from) Reserves £000	Spend on Capital £'000	(Surplus)/ Deficit £000	Cabinet* £500k Limit £000	Cabinet Other £000	Council £000	Ch Exec. s151 Officer £000
Q2 Budget (141/2020)	40,228	(997)	(38,619)	(716)	0	(104)	0	285	0	(101)
(i) Waste Procurement Project	50	0	0	0	0	50	0	0	50	0
(ii) Additional Covid Grant	(515)					(316)				(316)
(iii) Additional Covid Budget	515					316				316
Approved Budget at Q3	40,278	(997)	(38,619)	(716)	0	(54)	0	285	50	(101)

- (i) Additional Budget approved by Council to support the re-procurement of the Waste Contract (143/2020)
- (ii) & (iii) new Covid-19 budgets funded by grants received in Quarter 3 (see Appendix D).

Appendix B1 - People Budget Monitoring Summary

Function	Outturn 2019/20	Approved Budget	Revised Budget	Q2 Forecast	Q3 Forecast	Q3 Forecast variance to current budget	Q3 Forecast Variance Covid-19 Related	Q3 Forecast Variance Other
Directorate Management	1,886,462	1,700,800	1,688,800	1,835,600	1,829,200	140,400	51,000	89,400
Business Intelligence	151,138	148,300	147,900	138,300	147,700	(200)		(200)
Total Directorate Costs	2,037,600	1,849,100	1,836,700	1,973,900	1,976,900	140,200	51,000	89,200
Public Health	8,938	101,500	101,500	80,500	34,500	(67,000)		(67,000)
BCF Programme Support	82,034	92,600	96,000	90,900	93,200	(2,800)		(2,800)
BCF Unified Prevention	339,606	363,300	394,000	384,500	346,600	(47,400)		(47,400)
BCF Holistic Management of Health & Wellbeing	840,468	721,300	956,000	899,800	944,000	(12,000)		(12,000)
BCF Hospital Flows	1,017,718	1,010,300	999,000	978,000	978,800	(20,200)		(20,200)
Adults and Health (Ringfenced)	2,288,764	2,289,000	2,546,500	2,433,700	2,397,100	(149,400)	0	(149,400)
Non BCF Contract & Procurement	456,257	473,200	469,700	439,300	434,300	(35,400)		(35,400)
ASC Community Inclusion	1,151,670	1,031,200	1,004,100	1,066,000	1,144,000	139,900	139,900	0
ASC Prevention & Safeguarding	125,782	183,300	176,100	92,100	25,100	(151,000)		(151,000)
ASC Prevention & Safeguarding - Staffing	261,680	269,500	267,600	269,300	271,300	3,700		3,700
ASC Housing	72,074	165,500	163,700	140,700	145,400	(18,300)	12,500	(30,800)

Function	Outturn 2019/20	Approved Budget	Revised Budget	Q2 Forecast	Q3 Forecast	Q3 Forecast variance to current budget	Q3 Forecast Variance Covid-19 Related	Q3 Forecast Variance Other
ASC Support & Review - Daycare	193,425	218,400	199,100	198,700	16,400	(182,700)		(182,700)
ASC Support & Review - Direct Payments	866,368	860,400	806,100	925,600	936,300	130,200		130,200
ASC Support & Review - Homecare	1,747,710	1,949,100	1,919,700	1,733,300	1,805,100	(114,600)		(114,600)
ASC Community Income	(414,740)	(371,300)	(323,700)	(353,400)	(393,900)	(70,200)		(70,200)
ASC Support & Review - Other	364,930	438,100	441,500	445,300	416,900	(24,600)		(24,600)
ASC Support & Review - Residential & Nursing	3,237,793	3,401,000	3,445,900	3,444,300	3,527,300	81,400		81,400
ASC Support & Review - Staffing	497,644	562,900	515,500	497,700	497,300	(18,200)		(18,200)
ASC Hospital & Reablement	284,464	390,100	439,400	441,500	466,900	27,500		27,500
Adults and Health (Non Ringfenced)	8,845,056	9,571,400	9,524,700	9,340,400	9,292,400	(232,300)	152,400	(384,700)
Safeguarding	229,072	350,500	348,700	329,600	330,600	(18,100)		(18,100)
Referral, Assessment and Intervention Service	225,379	231,200	222,800	288,800	308,200	85,400	66,000	19,400
Permanency and Protection Service	543,085	518,500	514,000	680,900	655,900	141,900	82,000	59,900

Function	Outturn 2019/20	Approved Budget	Revised Budget	Q2 Forecast	Q3 Forecast	Q3 Forecast variance to current budget	Q3 Forecast Variance Covid-19 Related	Q3 Forecast Variance Other
Fostering, Adoption and Care Leaver Service	1,845,492	1,921,400	1,918,800	1,935,800	2,124,700	205,900		205,900
Early Intervention - Targeted Intervention	1,099,301	1,183,200	1,286,000	1,058,200	1,099,000	(187,000)		(187,000)
Early Intervention - SEND & Inclusion	260,571	386,900	393,600	393,700	394,800	1,200		1,200
Early Intervention - Universal and Partnership	430,260	490,200	326,600	354,300	252,900	(73,700)		(73,700)
Childrens	4,633,160	5,081,900	5,010,500	5,041,300	5,166,100	155,600	148,000	7,600
Schools & Early Years	330,454	199,000	221,500	245,000	180,700	(40,800)		(40,800)
Rutland Adult Learning & Skills Service (RALSS)	(49,118)	(28,300)	(1,400)	(3,000)	45,000	46,400		46,400
Learning and Skills	281,336	170,700	220,100	242,000	225,700	5,600	0	5,600
Total People - GF (Ringfenced)	2,288,764	2,289,000	2,546,500	2,433,700	2,397,100	(149,400)	0	(149,400)
Total People - GF (Non Ringfenced)	15,797,152	16,673,100	16,592,000	16,597,600	16,661,100	69,100	351,400	(282,300)
Total People (Excluding DSG)	18,085,915	18,962,100	19,138,500	19,031,300	19,058,200	(80,300)	351,400	(431,700)

Appendix B2 - Places Budget Monitoring Summary

Function	Outturn 2019/20	Approved Budget	Revised Budget	Q2 Forecast	Q3 Forecast	Q3 Forecast Variance to Budget	Q3 Forecast Variance Covid-19 Related	Q3 Forecast Variance Other
Directorate Management	263,208	227,100	224,700	224,700	122,700	(102,000)	0	(102,000)
Directorate Management Costs	263,208	227,100	224,700	224,700	122,700	(102,000)	0	(102,000)
Development Control	(18,148)	199,900	195,300	313,700	273,800	78,500	94,200	(15,700)
Drainage & Structures	181,861	210,700	210,700	209,500	210,000	(700)	0	(700)
Emergency Planning	33,475	35,200	35,200	35,200	33,500	(1,700)	0	(1,700)
Crime Prevention	173,364	146,800	145,800	110,700	115,700	(30,100)	0	(30,100)
Environmental Maintenance	1,177,766	1,168,000	1,165,000	1,397,600	1,400,400	235,400	0	235,400
Forestry Maintenance	116,215	103,400	103,400	116,800	110,000	6,600	0	6,600
Highways Capital Charges	1,613,500	1,720,200	1,720,200	1,720,200	1,720,200	0	0	0
Highways Management	240,210	171,600	191,900	350,100	346,100	154,200	149,500	4,700
Commissioned Transport	1,959,012	1,803,700	1,800,900	1,885,100	1,877,200	76,300	93,500	(17,200)
Lights Barriers Traffic Signals	124,956	134,300	134,300	128,300	128,700	(5,600)	0	(5,600)
Parking	(299,838)	(305,100)	(307,300)	15,000	129,500	436,800	436,800	0
Pool Cars & Car Hire	106,965	111,400	111,400	113,800	95,500	(15,900)		(15,900)

Function	Outturn 2019/20	Approved Budget	Revised Budget	Q2 Forecast	Q3 Forecast	Q3 Forecast Variance to Budget	Q3 Forecast Variance Covid-19 Related	Q3 Forecast Variance Other
Public Protection	382,455	387,800	387,800	404,600	403,400	15,600	10,000	5,600
Public Rights of Way	62,659	94,600	94,600	92,500	66,900	(27,700)	0	(27,700)
Public Transport	818,828	859,500	859,500	775,600	754,300	(105,200)		(105,200)
Road Maintenance	302,382	414,100	414,100	325,700	326,000	(88,100)	0	(88,100)
Transport Management	284,515	364,100	387,600	403,500	403,600	16,000	49,000	(33,000)
Waste Management	2,435,278	2,429,500	2,479,100	2,587,100	2,640,500	161,400		161,400
Winter Maintenance	205,201	268,700	268,700	268,700	268,700	0	0	0
Environment, Planning and Transport	9,900,657	10,318,400	10,398,200	11,253,700	11,304,000	905,800	833,000	72,800
Planning Policy	484,671	516,600	598,900	628,400	657,500	58,600	58,600	0
Tourism	2,859	15,800	16,200	16,200	16,200	0	0	0
Health & Safety	39,651	70,000	70,000	40,700	40,900	(29,100)		(29,100)
Property Services	1,135,063	1,149,600	1,145,100	1,101,500	1,037,600	(107,500)		(107,500)
Building Control	(30,187)	(38,100)	(38,100)	(36,400)	(36,400)	1,700	1,700	0
Commercial & Industrial Properties	(99,631)	(270,100)	(271,000)	(165,700)	(135,700)	135,300		135,300
Economic Development	131,197	168,600	166,700	118,400	111,800	(54,900)		(54,900)
Culture & Registration Services	109,126	117,600	115,800	205,600	204,800	89,000	85,500	3,500
Libraries	453,504	486,600	483,700	472,800	477,700	(6,000)	0	(6,000)
Museum Services	392,246	409,100	406,800	444,500	449,900	43,100	32,200	10,900

Function	Outturn 2019/20	Approved Budget	Revised Budget	Q2 Forecast	Q3 Forecast	Q3 Forecast Variance to Budget	Q3 Forecast Variance Covid-19 Related	Q3 Forecast Variance Other
Sports & Leisure Services	51,057	66,600	89,500	268,700	289,400	199,900	199,900	0
Development and Economy	2,669,558	2,692,300	2,783,600	3,094,700	3,113,700	330,100	377,900	(47,800)
Total Places	12,833,423	13,237,800	13,406,500	14,573,100	14,540,400	1,133,900	1,210,900	(77,000)

Appendix B3 - Resources Budget Monitoring Summary

Function	Outturn 2019/20	Approved Budget	Revised Budget	Q2 Forecast	Q3 Forecast	Q3 Forecast variance to current budget	Q3 Forecast Variance Covid-19 Related	Q3 Forecast Variance Other
Chief Executives Office	177,281	206,000	253,200	272,220	281,800	28,600	0	28,600
Directorate Management	289,741	309,600	306,400	305,800	304,800	(1,600)	0	(1,600)
Communications	224,348	224,300	297,300	273,260	310,300	13,000	16,300	(3,300)
Corporate Costs	149,137	157,000	157,000	150,800	151,500	(5,500)	0	(5,500)
Pensions	210,576	200,000	796,200	791,200	791,200	(5,000)	0	(5,000)
Audit Services	155,832	157,300	157,300	160,700	180,900	23,600	23,600	0
Insurance	248,902	263,800	263,800	257,700	257,700	(6,100)	0	(6,100)
Accountancy & Finance	634,623	636,600	631,500	573,300	612,000	(19,500)	20,000	(39,500)
Information Technology	1,409,519	1,492,500	1,491,800	1,482,000	1,609,800	118,000	126,700	(8,700)
Business Support Services	792,676	899,900	817,100	755,000	718,400	(98,700)		(98,700)
Members Services	189,349	223,000	270,200	265,500	260,400	(9,800)		(9,800)
Customer Services Team	288,224	332,700	407,000	374,970	255,400	(151,600)	0	(151,600)
Elections	100,815	123,500	123,400	126,500	126,500	3,100	0	3,100
Legal & Governance	707,692	584,200	580,700	758,920	729,200	148,500	13,000	135,500
Human Resources	545,306	514,300	510,300	469,640	466,800	(43,500)	11,000	(54,500)
Revenues & Benefits	266,439	407,500	401,200	386,230	379,100	(22,100)	29,300	(51,400)
Financial Support	39,866	40,000	40,000	35,000	35,000	(5,000)	0	(5,000)
Total Resources Directorate	6,430,326	6,772,200	7,504,400	7,438,740	7,470,800	(33,600)	239,900	(273,500)

Appendix C – Variances against budget >£25k (Non COVID related)

Ref	Function	Reason for Overspend
1	Directorate Management Costs	Underspend in Adult Social Care due to the Director being appointed to the interim Chief Executive position (£45k). Overspend in Childrens due to Agency managers with Covid-19 (£51k), Ofsted work support and in Q3 staff changes within management (£89k). Forecast allocations updated from Q2 following a review of all Children's Service agency staff.
	Budget £1,688k	
	Forecast £1,829k	
2	Fostering, Adoption and Care Leaver Service	Whilst the increase in the number of children in Foster care and independent agencies has only increased by 2 the forecast costs have increased by £65k on Q2 placement costs. There has also been a further increase in accommodation forecast for supported accommodation of £170k. This will be closely monitored. It is expected this will be a short-term measure.
	Budget £1,921k	
	Forecast £2,124k	
3	Referral, Assessment and Intervention Service	Overspend on Contact and Referral Team due to use of agency workers covering posts. Of the forecast overspend £66k relates to Covid-19 agency posts and £19k non Covid-19 agency.
	Budget £223k	
	Forecast £298k	
4	Permanency and Protection Service	Overspend in staffing due to agency workers covering posts accounts for £111k of the variance, of which £82k is Covid-19 related. Unaccompanied Asylum Seekers forecast a current overspend of 25k, however a review is underway to ensure UASC placements are allocations are updated between Care Leavers and Over- 18.
	Budget £514k	
	Forecast £656k	
5	ASC Support & Review Residential and Nursing	Overspend due to fewer service users being assessed as being able to fund their residential care
	Budget £3,446k	
	Forecast £3,527	

Ref	Function	Reason for Overspend
6	ASC Support & Review – Direct Payments	Increased demand for direct payments as service users opt for different methods for the delivery of their packages of care. As a result there has been a decrease in expenditure to offset this overspend, within the Homecare budget.
	Budget £806k	
	Forecast £936k	
7	ASC Hospital and Reablement	Overspend due to use of agency staff to cover for long term sickness and maternity leave
	Budget £439k	
	Forecast £467k	
8	Environmental Maintenance	Grounds maintenance contract adjusted to incorporate rural grass verge cutting, depot and admin costs and has created a pressure of c£149k. The remainder of the variance is related to Interim Cover for the Head of Environmental Services £86k.
	Budget £1,165k	
	Forecast £1,400k	
9	Waste Management	The variance includes £50k under spend in respect of waste retendering consultancy costs. The over spend of £211k predominantly relates to increased residual waste tonnages and increased Dry Mixed Recycling (DMR) gate fees being experienced.
	Budget £2,429	
	Forecast £2,641	
10	Commercial Properties	The variance is partly due to the mothballing of Unit 5 at Oakham Enterprise Park due to building compliance issues and additional costs in relation relocating existing tenants and the loss of income from the unit c£43k, and the balance is due to vacant units, Covid-19 being the key factor.
	Budget (£273k)	
	Forecast (£215k)	
11	Legal & Governance	The forecast on this budget is volatile and costs associated with Adult Social Care cases, SEN tribunal claims, Children’s social care cases and Planning Litigation are increasing. In particular some complex Children’s social care cases have incurred high costs. Q3 showed a reduction in the use of external Solicitors following a service review with the new Solicitor in post.
	Budget £581k	
	Forecast £729k	

Appendix D - COVID-19 Funding received

The table below shows the funding the Council has received in relation to Covid-19 (this excludes business grants). Grants awarded in quarter are either new grants (not included at Quarter 2) or revisions to estimates of grants expected as at Quarter 2.

Funding	Allocation	Summary of Use	Grant Awarded in Quarter	RCC End Recipient
Grants Received 2019/20				
Covid 19 Emergency Funding	873,497	To support Local Government response to Covid. £848k is held in an earmarked reserve and will be drawn down when required, likely to be in 2021/22		Yes
Total Paid 2019/20	873,497			
Grants received 2020/21				
Emergency support for rough sleepers	-	Claimed through North West Leicestershire		No
Covid 19 Emergency Funding**	£1,436,761	General funding to support Local Government response to Covid. Allocations are £1.106m, £0.231m and £0.1m. The Council received the same allocations as small district Councils in the last allocation of funding.		Yes
Infection Control Fund	£458,233	Each care home should receive an amount per CQC registered bed, representing 75% of the funding. The remaining 25% must be used for infection control measures based on need. This may involve support for domiciliary care workforce measures.		No
Bus Services Support Grant	£94,239	Paid over to Bus Operators for loss of income		No

Funding	Allocation	Summary of Use	Grant Awarded in Quarter	RCC End Recipient
Early Discharge	£0	CCGs have received funding to reimburse costs in relation to early discharges. Additional costs are being reclaimed from the CCG, zero shown as additional expenditure not included in forecast.		Yes
Reopening High Streets Safely Fund guidance	£35,627	Funds to allow local authorities in England to put in place additional measures to establish a safe trading environment for businesses and customers, particularly in high streets, through measures that extend to the end of March 2021.		Yes
Test, Track and Trace Funding	£120,148	Provide support towards expenditure lawfully incurred or to be incurred in relation to the mitigation against and management of local outbreaks of COVID-19		Yes
New Burdens – Business Grants	£209,000	To recompense local authorities for administering the various Business Grant Schemes		Yes
Emergency Assistance Grant	£23,000	To use to support people who are struggling to afford food and other essentials due to COVID-19		Yes
Loss of Income	£467,917	Estimated grant for loss of income due to COVID-19.		Yes
Local Authority Compliance and Enforcement	£13,000	The funding made available is ringfenced for any activity which will support compliance and enforcement of measures to control the spread of COVID-19 across individuals, businesses and in the community.		Yes
Cultural Recovery Fund**	£132,100	To Support cultural organisations that were financially stable before Covid-19.		Yes
Contain Funding*	£399,270	See para 2.3.3	£95,270	Yes

Funding	Allocation	Summary of Use	Grant Awarded in Quarter	RCC End Recipient
New Burdens - Local Authority Discretionary Grants	£79,000	To recompense local authorities for administering the Local Authority Discretionary Grant Scheme	£69,000	Yes
New Burdens NNDR Discount & Council tax hardship	£18,231	To recompense local authorities for administering the various grant assistance schemes	£18,231	Yes
Clinical Extremely Vulnerable Support	£17,577	Payments to support the Clinically Extremely Vulnerable	£17,577	Yes
Test and Trace Support Payments**	£44,125	To be used for the implementation of the Test and Trace Support for those self-isolating £21k for cost of payments to applicants (demand Led will have to repay if not spent in full) £20k for cost of administering the scheme £3k Discretionary Payment (Demand Led)		Partially
Infection Control Fund Round 2**	£438,774	See comments above. Further allocation of grant received in early lockdown.		No
Covid Winter Grant	£63,022	Support for the Vulnerable during winter months	£63,022	Yes
Self-Isolation Payments	£50,577	Payments to those self-isolating	£50,577	No
Workforce Capacity Fund	£67,860	Boost staffing levels within the Care Sector	£67,860	No

Funding	Allocation	Summary of Use	Grant Awarded in Quarter	RCC End Recipient
Adult Social Care Rapid Testing Fund	£133,141	Support the social care sector, including care homes and domiciliary care providers, by increasing workforce capacity and increasing testing.	£133,141	No
Grants 2020/21	£4,223,202		£514,678	

*Estimated

Other Grants paid to Rutland County Council not reflected directly in the Councils MTFP

Council Tax - Covid-19 Hardship Fund	121,611	The hardship fund was used to provide council tax relief, alongside existing local council tax support schemes. This is payable to the Council Tax Collection fund.
Business Support (Additional Restrictions Grant)	1,153,214	Billing authorities will receive £20 per head "to enable councils to support businesses over the coming months more broadly". Allocations will use the 2019 mid-year population estimates. Funding is intended to be used to provide discretionary support to local businesses. Funding allocated was in two tranches £798k November 2020 and £355k January 2021.
Business Grants for closed business	786,276	Billing authorities will administer the mandatory grants payable to closed businesses. The amounts payable to businesses are set out below. <ul style="list-style-type: none"> • For properties with a rateable value of £15k or under, grants to be £1,334 per month, or £667 per two weeks; • For properties with a rateable value of between £15k-£51k grants to be £2,000 per month, or £1,000 per two weeks; • For properties with a rateable value of £51k or over grants to be £3,000 per month, or £1,500 per two weeks.
Christmas Support for Wet Led Pubs	£32,000	Support for Wet Led Pubs

Appendix E - COVID cost breakdown (includes costs shown in Directorate budgets)

	Full Year Impact	Forecast within Directorate	Forecast within Covid	Amount Spent/Lost to Date		Q2 Position	Change	Comments on movement
Adult Social Care – additional demand for care packages	0	0	0	0		300,000	-300,000	Although significant demand is expected, further restrictions and shielding mean demand may be deferred until 21/22.
Adult Social Care – supporting the market	1,203,033	0	1,203,033	702,878	Tranche 2 of Infection Control received but not yet Paid Over in full - Expected to be paid over by 31 March in line with Grant Conditions. New funding awarded for Lateral Flow Testing and supporting the Workforce.	1,002,032	201,001	Change relates to new funding for testing and supporting the workforce. The funding will be passported to providers when the grant conditions are confirmed.
Adult Social Care – workforce pressures	137,000	112,000	25,000	112,000	Will be required to keep to a preventative model.	85,000	52,000	With hospital capacity stretched, social care teams working on early discharge from hospitals.
Adult Social Care - Personal protective equipment (PPE)	80,000	0	80,000	53,532		100,000	-20,000	Reflecting the current expenditure and expectation that the level of expenditure will continue

	Full Year Impact	Forecast within Directorate	Forecast within Covid	Amount Spent/Lost to Date		Q2 Position	Change	Comments on movement
Children's Social Care – workforce pressures	199,000	199,000	0	106,720	Agency staff in post	156,000	43,000	Agency workers continued
Children's Social Care Demand	0	0	0	0	Demand not yet come through, still expecting to see some increase	100,000	-100,000	Although additional “need” is expected, further restrictions mean this is not materialising at this stage.
Education - Home to school transport	88,000	88,000	0	44,000	Additional expenditure from September to adhere to government guidance to keep school children off public transport and additional pressures from existing providers	85,000	3,000	Costs now known as services are running.
Public Health - Testing, contact tracing and outbreak planning	120,148	0	120,148	2,200	Current forecast matched to grant award in relation to the mitigation against and management of local outbreaks.	120,148	0	Forecast not changed as work ongoing in setting up lateral flow testing and some recharges confirmed from Public Health.
Housing	52,500	12,500	40,000	31,107		40,000	12,500	Expectation to continue support to rough sleepers
Environment & regulatory -	40,000	0	40,000	40,000	Cost to re-open CA Site	40,000	0	Additional costs in relation to demands

	Full Year Impact	Forecast within Directorate	Forecast within Covid	Amount Spent/Lost to Date		Q2 Position	Change	Comments on movement
waste management								from suppliers not materialised
IT, Remote Working	133,900	126,700	7,200	114,895	Cost of remote working	100,000	33,900	Revised based on review of expenditure incurred
Shielding	175,000	0	175,000	150,420	Provide essentials to the most vulnerable – cost of delivering food boxes prior to Government scheme being fully implemented	175,000	0	Support for second wave if needed
Bus Operators	94,239	0	94,239	94,239	Paid to bus operators from grant award to reflect loss of income.	94,239	0	
Emergency Assistance Grant	23,000	0	23,000	18,000	Spend on a contribution towards the work of the Food Bank and CAB and some funds set aside to support the most vulnerable	23,000	0	
Catmose Sports	170,000	170,000	0	123,000	Contractor has indicated additional support required to maintain service delivery.	170,000	0	
Local Plan	58,600	58,600	0	15,000	Covid delayed local plan timeline, so additional costs expected	30,000	28,600	Reassessed implications and revised timeline
Safety Partnership	40,000	40,000	0	0	Additional funding request from the road safety partnership	40,000	0	

	Full Year Impact	Forecast within Directorate	Forecast within Covid	Amount Spent/Lost to Date		Q2 Position	Change	Comments on movement
Records Office	10,000	10,000	0	10,000	Additional fee agreed with LCC for the provision of the records office	10,000	0	
Other Staff Costs	135,210	90,210	45,000	45,038		100,000	35,210	Reflection of moving into the second wave response
Readying Council Services	60,000	0	60,000	50,772	Ensuring Council Services are Covid Compliant. Majority of spend relates to Premises Costs	40,000	20,000	Costs of readying council services to re-open/operate in a different way
Contain Funding	0	0	0	0	To support local test, trace and contain activities as well as wider measures to protect public health and local economies.	304,000	-304,000	The Councils response to Covid has largely been redeploying existing resource. The expenditure in relation to this is currently shown within the directorates with work ongoing to identify the exact recharge that will be required
Additional Audit Costs	23,600	23,600	0	23,600	Additional costs to complete the Councils statutory Audit of the accounts.	0	0	
Covid Marshalls	21,500	5,500	16,000	9,644	Ensuring Compliance to Government Guidelines	0	21,500	Additional support required when the tiering system was introduced

	Full Year Impact	Forecast within Directorate	Forecast within Covid	Amount Spent/Lost to Date		Q2 Position	Change	Comments on movement
Cultural Recovery Fund	132,100	0	132,100	0	To Support Cultural Organisations that were financially stable before Covid-19.	132,100	0	New funding awarded
Test and Support Payment	24,000	0	24,000	11,500	Payments to those who qualify if they are instructed to self isolate.	0	24,000	New Funding awarded
Communications	50,000	16,300	33,700	25,443	Additional communication campaigns during pandemic and key communications around council services.	50,000	0	Communications will continue to be crucial as we move into the second wave
Total Additional Expenditure	3,070,830	952,410	2,118,420	1,862,652		3,296,519	-249,289	

Appendix F – Lost Income

	Full Year Budget	Full Year Impact	Amount Lost to Date	Details
Parking services losses	615,800	436,800	226,600	The position reflects the period where the Car Parks were free to park and assumption made about car park usage while additional restrictions are still in place. Trends will be monitored and this may change. Losses to date are to the end of November.
Highways and Transport losses	247,300	126,600	82,900	Traffic Regulation Orders, licencing and New Roads and Street Works, Section 38
Licensing	66,000	10,000	10,000	Compared to this point in 2019/20 income is £10k lower
Registration Services	165,700	85,000	78,500	Fees taken over summer months (2019/20 64% of income was in by period 4)
Museum & Castle	36,700	22,200	20,000	Full Year impact – with no income planned at the Castle for the year.
Active Rutland Hub	46,000	20,000	12,000	Licenses for clubs being drawn up, majority of income already lost
Building Control	38,100	2,000	0	
Schools Sports Service	28,700	9,900	9,000	
Planning Income losses	408,800	70,000	0	The expected loss is predicted over the full financial year, the profiling of income is difficult to predict and varies each year based on demand. The Council would have incurred some of the losses already, but this is difficult to quantify.
Court Fee Income - Rev's and Bens	47,300	29,300	20,000	
Day Opportunities	112,000	28,000	21,000	Lost income as a result of the service being closed
Bikeability	13,500	9,000	9,000	
Total Income Losses	1,825,900	848,800	489,000	

The Government have announced a scheme where Councils can reclaim some lost income. The Council submitted a claim at the end of November for £401k covering the period 1st April – 30th November. Final Claim and reconciliation April 2021 (Data Return 1st December – 31st March).

Appendix G: Capital Programme

Project Description	Approved Budget at Q2	New Projects approved	Total Project Budget	Prior Year Outturn	Estimated 2020/21 Outturn	Estimated Project Outturn	Project Over / (Under) Spend
	£000	£000	£000	£000	£000	£000	£000
Oakham Enterprise Park	270	0	270	66	204	270	0
Investment Properties (ON HOLD)	10,000	0	10,000	0	0	0	(10,000)
Invest to Save (ON HOLD)	200	0	200	0	0	0	(200)
Total Commercialisation Capital Programme	10,470	0	10,470	66	204	270	(10,200)
School Maintenance	36	0	36	16	20	36	0
School Capacity & Feasibility	36	17	53	0	53	53	0
Increase School Places (ON HOLD)	3,001	0	3,001	34	0	34	(2,967)
Highways Capital Projects	3,252	0	3,252	0	3,252	3,252	0
Integrated Transport Block	1,082	0	1,082	137	945	1,082	0
Emergency Active Travel	2	29	31	0	2	2	0
Schofield Road Culvert Works	86	0	86	0	86	86	0
Barleythorpe Road Car Park	6	(3)	3	3	3	6	0
Oakham Town Centre (ON HOLD)	428	0	428	342	0	342	(86)
Museum Roof	102	0	102	90	12	102	0
Future Maintenance Requirements	85	0	85	0	85	85	0
Total Asset Management Requirements Capital Programme	8,116	43	8,159	622	4,484	5,106	(3,053)
Devolved Formula Capital	11	0	11	0	11	11	0
Remote Learning Programme	3	0	3	0	3	3	0
Disabled Facilities Grant	486	32	518	176	342	518	0
Empingham GP Surgery	112	(9)	103	0	104	104	0
SEND	1,049	0	1,049	381	668	1,049	0
Sports Grants (ON HOLD)	500	0	500	343	0	343	(157)

Project Description	Approved Budget at Q2	New Projects approved	Total Project Budget	Prior Year Outturn	Estimated 2020/21 Outturn	Estimated Project Outturn	Project Over / (Under) Spend
	£000	£000	£000	£000	£000	£000	£000
Oakham Castle Restoration	2,400	0	2,400	2,306	94	2,400	0
Digital Rutland	5,066	0	5,066	2,230	2,836	5,066	0
S106 – Third Part Payment	85	(43)	42	22	21	43	0
Gt Casterton C of E Primary S106	43	0	43	0	43	43	0
Ketton Centre (Library & Hub)	7	0	7	0	7	7	0
North Luffenham Recycling Centre	23	0	23	0	23	23	0
Cashless Car Parking	29	0	29	0	29	29	0
Affordable Housing	0	650	650	0	650	650	0
9 Buckingham Road – Extension	225	0	225	169	56	225	0
IT Projects	70	0	70	0	70	70	0
Total Strategic Aims and Priorities Capital Programme	10,110	630	10,740	5,627	4,957	10,584	(157)
Total Capital Programme	28,696	673	29,369	6,315	9,645	15,960	(13,410)