

## CABINET

16 November 2021

### MID YEAR REVENUE REPORT 2021/22

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

Strategic Aim:	All	
Key Decision: Yes	Forward Plan Reference: FP/200821	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
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Ward Councillors	N/A	

#### DECISION RECOMMENDATIONS

That Cabinet:

- 1) Notes the revenue forecast at the of September per para 3.3
- 2) Notes the changes to the approved budget as per para 3.1 and Appendix A
- 3) Notes that the projected deficit for 22/23 is estimated to be £580k which is less than the £1m target set by Council in February 2021
- 4) Notes that the revenue budget outlook beyond 22/23 remains challenging with the financial gap estimated at £1.7 - £2.8m.
- 5) Approves the budget timetable for 22/23 as per para 8.3.

#### 1 PURPOSE OF THE REPORT

- 1.1 To provide all Members with an update on the revenue budget position for 21/22 and the future outlook and in particular progress on closing the financial gap which stood at £2.7m for 22/23 (at the time the Council set its original budget in February 2021).

1.2 An update on the capital programme is included in a separate report.

## 2 EXECUTIVE SUMMARY

### 2.1 Budget priorities

2.1.1 When the Council approved its Revenue budget for 21/22 in February 2021, the budget was propped up with the Council using £1.1m of General Fund reserves and £1.287m of Earmarked reserves.

2.1.2 At February 2021, the projected outlook for the 22/23 budget looked equally challenging with the Council projecting a £2.7m deficit (meaning that it again would have to balance the budget using reserves).

2.1.3 The Council has General Fund and Earmarked reserves which will allow it in the short term to balance the budget whilst it delivers savings. The use of Reserves to balance the budget over the medium term is untenable.

2.1.4 In this context, the Council set two key financial priorities:

- budget performance in 21/22 - the Council sought to reduce its budget deficit in year and to deliver an underspend on its budget whilst still achieving its corporate objectives. Any underspend will boost General Fund reserves and give the Council more time to address its future financial gap;
- reduce reliance on reserves - the Council sought to close the financial gap to no more than £1m in 22/23 and ultimately clear the gap in the longer term.

2.1.5 The Executive Summary provides the answers to the key questions in relation to these two priorities. For those who wish to get into more detail, this is provided in Section 3 onwards.

### 2.2 Budget performance in 21/22

	Key questions	Position	Comments and where you can find out more
1	Are we on track to achieve overall budget?	Green	<p>The Council is making good progress. First, it has revised its budget by agreeing a range of savings (Report 64/2021) so its budget deficit for 21/22 is now £291k instead of £1.1m.</p> <p>Second, the Quarter 2 forecast revenue position shows a favourable position - a surplus of £1.5m compared to a revised budgeted deficit of £291k. This gives a favourable overall position of £1.79m against the budget. The majority comes from underspends in Adults (£400k), Children's services (£410k) and a £551k windfall (the Council has successfully argued a residency case where another local authority will fund £551k in relation to back dated social care costs from April 18).</p>

	<b>Key questions</b>	<b>Position</b>	<b>Comments and where you can find out more</b>
2	How confident are we about forecasts?	Amber	At Quarter 2 overall confidence level is mixed for various reasons. There is still a great deal of uncertainty over key risk budgets (section 3.4) and staffing budgets where the Council has vacancies (Section 3.6). The easing of Covid restrictions has given greater clarity on some budgets such as discretionary income like car parking.
3	Are there budgets under pressure?	Red	Yes, 11 out of 77 functions (service areas) are predicting overspends of more than £25k (Appendix C gives a list). The concern is whether some of the budgets pressures may continue into next year. We believe this will be the case on investment income where returns are low. This would increase our forecast deficit for 22/23. It is too early to conclude on other budgets.
4	Are we on track to achieve savings in the budget?	Green	Yes, the budget savings for 21/22 which Members approved in July should be achieved. We will update in later Quarters if there is a risk to this.  The table in section 4.2 also shows some one year savings will be extended into 22/23.
5	Are there new pressures emerging?	Amber	Yes, there are a range of possible pressures being watched (Appendix C covers some issues).
7	Is Covid affecting the financial position?	Green	The Council has incurred expenditure for Covid funded by Covid grants. The Council has a net budget of £218k and uncommitted reserves of £900k to meet future requirements. Appendix D gives a detailed position.

### 2.3 Reducing reliance on Reserves

	<b>Key questions</b>	<b>Position</b>	<b>Comments and where you can find out more</b>
<b>OVERALL</b>			
1	What is the gap and is it getting worse?	Amber	At budget time, the projected gap for 22/23 was £2.7m. At Outturn and following Budget Savings approved, the gap was predicted to be £1.9m in 22/23 and £2.6m in 23/24. The gap is now provisionally estimated at c£580k (better than our £1m target) reflecting positive progress on some

	Key questions	Position	Comments and where you can find out more
			<p>savings projects. Estimates for 23/24 have deteriorated and now stand at £1.7m.</p> <p>One of the material changes from budget is that the Local Plan decision means we have reduced the time available to fix the gap (more reserves gives more time). The reduction in the Reserve is offset by recovery of social care costs of c£550k and current performance in 21/22.</p> <p>Section 4.4 gives an update on what the latest gap is.</p>
2	How confident are we about the size of the gap?	Red	<p>The risk around the size of the gap feels more acute now given the strong likelihood that Leisure and Waste projects may not deliver savings but potentially create pressures.</p> <p>There is also a general feeling that delivering local authority services in the current economy is getting “more costly”. Pressures on labour supply, additional tax burdens, energy prices, and pandemic recovery factors all seem to be pushing up prices.</p> <p>See commentary on key assumptions below. Different elements that make up the gap are being reviewed (Section 4.3 covers this) and this work will be stepped up in the next quarter.</p>
3	Have we got a plan to close the gap?	Red	<p>We have a plan that is making a difference but not one that closes the gap in full.</p> <p>Appendix E shows the progress we are making on long term savings projects. It shows that £876k will contribute towards reducing the deficit in 22/23 and a further £31k will impact future years. It also shows that 10 projects are still to begin.</p> <p>Whilst we are trying hard and have financially achieved so much (budget savings and budget under spends) in very difficult circumstances, it is not enough.</p> <p>In light of this and the tougher financial context, we will work up a new approach and some details of emerging issues to consider are covered in Section 4.5.</p>
<b>ASSUMPTIONS</b>			
5	Spending Plans - Are there emerging issues in the	Amber	<p>Yes, there are still some areas where we are watching. There are some big underspends in adults and children. These under spends reflect new ways of working have already helped</p>

	<b>Key questions</b>	<b>Position</b>	<b>Comments and where you can find out more</b>
	21/22 budget that have a significant impact on future years?		<p>minimise costs. The view of the Directors is that savings can be maintained into 22/23 and care needs met albeit there are underlying risks.</p> <p>There are also areas we are worried about. Areas showing pressures that we want to try and manage to avoid increasing budgets into 22/23 (these are covered in Section 3.4 and Appendix C).</p>
6	Government funding - Are funding projections changing and certain?	Amber	<p>We now expect a delay in the major local government funding reforms from 2022/23 to 2023/24 but based on the Chancellors budget the dates are not clear.</p> <p>The announcement of Adult Social Care funding reforms are not sufficiently detailed to update future funding assumptions but we are concerned that they will create pressures (see Appendix F).</p> <p>The Chancellor did announce some additional funding for local government in the Budget. Details given in Section 3.8 of what this might mean but further details are awaited with the formal financial settlement expected in early December.</p>
7	Pay - Are pay assumptions over life of MTFP still valid?	Amber	<p>We are still waiting for an outcome. The 0% pay assumption for 21/22 looks unlikely to materialise with 1.75% being the latest offer discussed albeit rejected. We could be looking at an increase of c£180k per annum on the MTFP.</p>
8	Council tax - Are Council tax assumptions and hence expected yield still valid?	Amber	<p>The Chancellor referenced general Council tax rises of 2% with an additional 1% for social care. The Council's plan assumes 4% as, previously, the adult social care precept has been at 2%.</p> <p>Council tax assumptions have been reviewed as per 4.4.</p>
9	Business rates - Will business rates expected yield hold up?	Amber	<p>Still too early to say. The vast majority of businesses have only started paying rates again from July.</p> <p>Some risks and uncertainties to Business Rates Income are covered in <b>Appendix G</b>.</p>

### 3 BUDGET PERFORMANCE IN 21/22

#### 3.1 Overall position

3.1.1 This reports sets out the latest financial position as at the end of Quarter 2 (September 2021). It includes:

- a) Update on how the budget has changed since it was approved (3.2)
- b) A summary of the revenue budget forecast for 21/22 (3.3)
- c) The latest position on high risk budgets 21/22 (3.4)
- d) Other budgets overspent by £25k (3.5)
- e) A summary of the position on staffing budgets (3.6)
- f) A summary of the position on use of existing grants (3.7)
- g) Update on emerging risks (3.8)

### 3.2 Approved and revised budget

3.2.1 The Council approved its budget in February 2021 and revised this as part of the Revenue and Capital Outturn Report (66/2021). Changes have been made following approvals by Cabinet and Council. Full details are included in **Appendix A**.

3.2.2 Local Plan – a £1.545m contribution has been removed from the General Fund to create an Earmarked Reserve to meet the future costs of creating a local plan and associated costs of not having a 5 year land supply.

### 3.3 2021/22 Revenue forecast

3.3.1 The Q2 revenue position is that the Council is forecasting a surplus position of £1.500m compared to a budgeted deficit position of £291k. The table below shows the forecast position as at Q2.

	<b>Budget (Outturn Report 66/2021)</b>	<b>Revised Budget</b>	<b>Q2 Forecast Outturn</b>	<b>Latest Forecast Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
People	20,153	20,116	19,308	(808)
Places	14,759	14,799	14,528	(271)
Resources	7,452	7,184	7,053	(131)
Covid	0	218	(279)	(497)
<b>Directorate Totals</b>	<b>42,364</b>	<b>42,317</b>	<b>40,610</b>	<b>(1,707)</b>
Pay Inflation	100	100	280	180
Social Care Contingency	274	274	0	(274)
<b>Net Cost of Services</b>	<b>42,738</b>	<b>42,691</b>	<b>40,890</b>	<b>(1,801)</b>
Appropriations	(2,478)	(2,478)	(2,478)	0
Capital Financing	1,647	1,647	1,647	0
Interest Receivable	(240)	(240)	(105)	135
<b>Net Operating Expenditure</b>	<b>41,667</b>	<b>41,620</b>	<b>39,954</b>	<b>(1,666)</b>
Financing	(39,163)	(39,198)	(39,754)	(556)
Revenue contribution to capital	77	77	87	10
Transfers to/(from) reserves	(2,140)	(2,208)	(1,787)	421

	<b>Budget (Outturn Report 66/2021)</b>	<b>Revised Budget</b>	<b>Q2 Forecast Outturn</b>	<b>Latest Forecast Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>(Surplus)/Deficit</b>	<b>441</b>	<b>291</b>	<b>(1,500)</b>	<b>(1,791)</b>
<b>General Fund 1 April 21</b>	11,508	11,508	11,508	
<b>Local Plan</b>	0	1,545	1,545	
<b>General Fund 31 March 22</b>	<b>11,067</b>	<b>9,672</b>	<b>11,328</b>	

### 3.3.2 Key variances at this point in time are:

- The Council has won a social care residency case which means it has recovered £551k from Cambridgeshire County Council (shown in the Financing line) towards the cost of a care case that we have been funding since April 2018. This has gone into the General Fund for now.
- People Directorate – Adult Social Care is c£400k underspent and Children’s Services c£410k. Both are covered in detail in Sections 3.4.4 - 3.4.5.
- Resources – this is under budget by c£130k. The majority of this saving is due to staffing savings across the Directorate, see section 3.6 for details. The legal budget is one area of risk (see 3.4.3 for current position).
- Places – against budget, the current position is c£270k favourable:
  - i) Directorate Management - staffing underspend of c£89k (see para 3.6)
  - ii) Commercial Properties - £95k overspend (see Appendix C)
  - iii) Commissioned Transport - £104k overspend (see para 3.4.7)
  - iv) Overachieving on parking income - £108k underspend
  - v) Highways - additional savings of £70k
  - vi) Development Control - £37k extra in planning income and £40k underspend on Land Registry grant, will be required to be carried forward.
- Pay Inflation – we budgeted for a 0% pay rise but held £100k for adjustments at the lower end of the pay scale. The latest offer is 1.75%. This would cost the Council c£280k (an additional increase of c£180k not budgeted).
- Interest receivable is down by £140k given the current level of interest rates within the markets.
- Social care contingency – based on the current position within the People Directorate, this is unlikely to be needed this year and in effect the contingency offsets the losses on pay and interest receivable.
- Covid – the Council has net budget for Covid of £218k. This is made up ring fenced and non ring-fenced grants. Where the Council has ring fenced funding it has been fully committed. The under spend relates to non-ring-fenced grants and these have not yet been fully committed. Appendix D gives a detailed position on the Covid budget.

### 3.4 High risk budgets

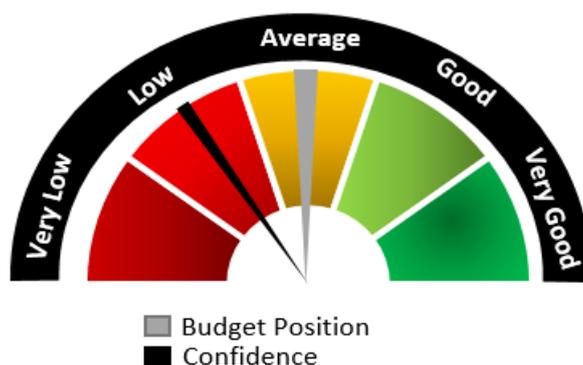
3.4.1 The section below gives additional information key risk areas for monitoring purposes. Some budgets present a higher risk than others and can be more volatile. Budgets in this category tend to be demand-led or dependent on a range of non-controllable factors. We are paying particular focus to these budgets. Performance against each Directorate budget shown in **Appendix B**.

3.4.2 For each budget forecast we give two ratings:

**CONFIDENCE** - confidence reflects the extent to which we can “rely” on the forecast. Poor confidence will be a sign that there are lots of risks pertinent to that budget that cannot be quantified at present. Good confidence means we have a high degree of certainty over the numbers.

**PERFORMANCE** - a measure of where we are against current budget. Poor reflects overspending and good shows we are underspending against budget.

### 3.4.3 Legal Budget



The legal budget is the key volatile budget within Resources and is largely committed by other services, so not solely within the control of the Director. The current forecast on the legal budget is £442k against a budget of £400k. The current spend to date against the budget is £138k with a further £147k committed (including Peterborough City Council and locum spend). The table below details where the Council have spent/committed money to date

Area	Spend £000
Salaries	96
Childrens Service (inc SEN)	31
Adults	54
Property (inc Commercial Property)	30
Procurement	22
Planning	33
Other	19
<b>Total</b>	<b>285</b>

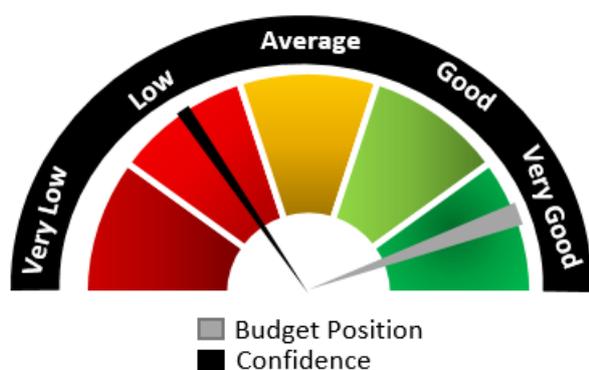
We are not aware of significant legal cases in the pipeline but inherently cases can emerge from our work on adult social care, planning, property and SEND.

As indicated above, the Council has won a social care residency case which means it has recovered £551k from Cambridgeshire County Council towards the cost of a care case that we have been funding since April 2018.

The Council is currently in legal discussions around 3 services to determine who picks up care costs with other local authorities. The annual cost of cases could be £267k with up to £500k back dated costs. This is not included in the current forecast in any budget. Current estimates are that a settlement could be reached between 6-12 months. If the Council does pick up the costs then the back dated element would be funded from the Social Care Reserve (current balance c£1.3m).

We have recently recruited a Legal Officer to help support the service and to help free up the time of our in house solicitor to do more legal work in house and reduce external costs.

### 3.4.4 Adults Budget



The Adults budget shows an estimated outturn position of £9.1m against the £9.5m budget. The Adults team is undertaking an “end to end” service review which is examining how services are delivered with a view to meeting needs whilst reducing costs. This review is contributing to the forecast underspend which relates to:

- £200k for day care provision that has either been withdrawn or run on a reduced basis during the pandemic. This is included within the end to end savings project which is being worked on by the Directorate,
- £100k increase in income for those service users that have been assessed as being able to contribute to their care; and
- £100k underspend on carer support.

The forecast is based on current demand for key packages of Residential Care 125, Homecare 105, Direct Payments 78 and respite 24.

There are a number of assumptions/risks that could change this position (i.e. these issues are not reflected in the forecast):

- During the pandemic peoples approach to care changed, which resulted in less people wanting to go into residential care and more opting for home care and direct payments, which are less expensive options. If this changes then it may impact the forecast. This can be seen in Appendix B where direct payments and homecare functions are overspending with these being offset by an underspend in the Residential Care function

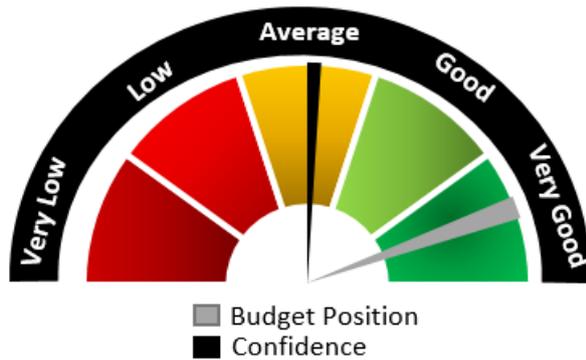
- Homecare services have seen significant staffing pressures and the ability to provide sufficient hours of care due to three main pressures.
  - i) Rutland has started to experience instances where care providers have handed packages back as they do not have the capacity to fulfil these contracts, this is a national issue, not just specific to Rutland.
  - ii) As the NHS start to begin treatment and elective surgery those patients that require a period of care at home, are not always able to secure the home care they need and are either delayed in their discharge from hospital or are being placed in a residential care home. The Council has seen an average of 3 service users in this position, but this can fluctuate. Our neighbouring authorities have seen significant increases in this area.
  - iii) The winter period generally sees an increased demand on the home care service.

The Council has received £159k of funding from the CCG to support the workforce during the winter, which is really positive and will contribute towards funding the extra demands listed above.

Additional funding does not remove the risk as there is still the potential for capacity issues in the external market and in our workforce. If we meet need then service users may have to be placed in residential care costing approx. £500 p/w compared to the average weekly homecare package costing around £250 p/w.

- The Council has seen a higher proportion of people presenting through the Councils “front door”. To deal with this additional demand the Council has already begun implementing some aspects of the end to end review including signposting to other support, which has resulted in the pressure at the front door not leading to a significant increase in packages of support. If this changes and we get more support packages it will affect the position.
- The Council has now implemented the seven day a week offer for service users accessing the Day Opportunities provision. This offer is not expected to create any more additional demand, but give flexibility over when the care is delivered. It is very early to determine any longer term trends of demand but initial modelling suggests 20% of service users would utilise the seven day service, which would result in costing the Council an additional £40k per annum.
- Provision for weekend working for Hospital Discharge has already begun to operate within Rutland. External funding has been secured to allow two additional Therapists to cover the additional weekend work, but this is only in place to the end of the financial year. There is an expectation, rather than it being part of legislation, for Councils to provide this service, and once funding runs out there is a risk that this service would not be offered. The Council will continue to monitor this position.

### 3.4.5 Childrens Budget



The overall position on Children's Services is showing an underspend of c£410k on a budget of £6.4m. Although there are risks within the forecast there is less uncertainty than with some of the other demand led budgets. There are three main reasons why this area is currently underspending:

- i) Staffing underspends of c£217k within the service (see 3.6).
- ii) Services physically closed and savings against property related costs c£20k
- iii) Less service users than budgeted for in care c£150k
- iv) Improvement in quality of assessments and plans has seen fewer children and families escalate to higher cost specialist services

As with adult social care there are number of risks that could change this forecast.

- A high-risk budget within Children's Social Care is Unaccompanied Asylum-Seeking Children (UASC). To date this financial year there have been 4 arrivals, including two through the national transfer scheme. A further 3 arrivals are scheduled to come to Rutland through the national transfer scheme over the next 6 months. This is likely to cause a pressure in the future in leaving care services.
- Looked After Children numbers are at 22 a reduction from the 27 at the start of the year. This is a fantastic achievement for the service, for children and families and has been achieved by staff working closer with families to keep children at home. However, this area is volatile, and demand driven which could result in fluctuations in forecast. This area is closely monitored.
- Income levels in Rutland Adult Learning Service have fluctuated during the pandemic and there is a risk that income levels will be lower than budgeted. The Finance Team are working with the service to ascertain current take up rates of courses to gauge what the level of pressure may be.

### 3.4.6 Waste Management



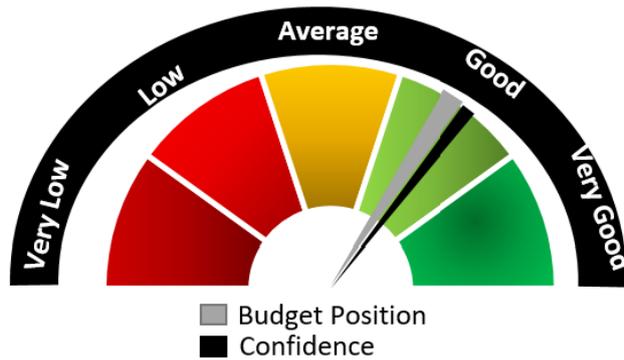
- The waste management budget of £3m is showing a slight underspend of £16k. With the work done on extensions last year, confidence in the numbers is good. The biggest risk to this forecast relates to Driver Shortages in the Waste Industry, although this has not yet materialised in additional costs. The Council is already taking steps to mitigate any potential costs by supporting Biffa on its recruitment drive and will continue to look for any mitigating actions the Council can take to avoid any additional costs.
- Outside of the driver shortage there are two variables that can have an impact on the waste budget 1) actual tonnage and 2) Price Per Tonne, the impact of these for this financial year are;
  - i) Tonnages – The Council has seen an increase in a number of areas on the tonnages of waste collected as can be seen in the table below. The change that has the most impact in fluctuations in residual waste with this being the highest tonnage of waste collected and the most expensive.
  - ii) Gate Fees – Most gate fees have stayed consistent from when the budget was set. The exception to this is The Dry Mixed Recyclables (DMR) Co-Mingled gate fee changes quarterly and when the 2021/22 budget was set it was expected to be c£51 p/tonne. The current price of £23 p/tonne has mitigated the pressure of the increase in tonnages.

The tonnage movements in this demand led budget over the 6 months to September are shown in the table below:

Waste Materials	Price Per Tonne	Q2 Period to September 2020/21	Q2 Period to September 2021/22	Movement between 2021 and 2022	Percentage Movement
Residual Waste	£128	4,346	4,727	381	9%
Dry Mixed Recycling Co-Mingled	£23	2,036	1,884	(152)	(7%)
Street Sweepings	£66	217	77	(140)	(65%)
Green Waste	£20	3,309	3,472	163	5%
Wood non-domestic	£70	223	383	160	72%
Other*	£17 to £154	329	307	(22)	(7%)

\*includes Rigid plastics, mattresses and carpets, mixed paper and cardboard, comingled with glass

### 3.4.7 Commissioned Transport



The Commissioned Transport function covers all transport the Council provides includes SEN, looked after children, Adult Social Services, mainstream, and post 16 for all education transport.

Routes have now been finalised and the forecast budget is showing a £104k overspend on the total budget of £1.91m. The new school year has seen a significant increase in the number and cost of routes. Before the new academic year there were c45 routes costing c£1.5m (c£70k underspend). There are now 67 routes costing c£1.7m (£123k overspend).

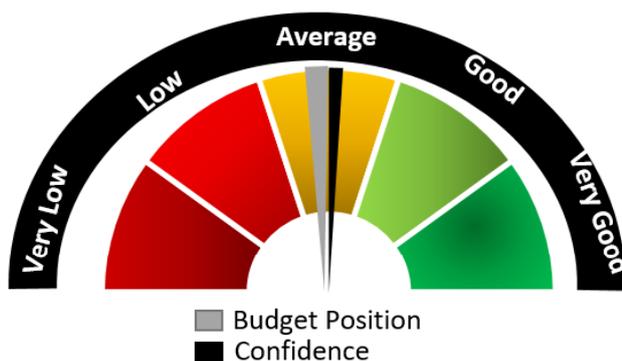
The majority of the overspend being SEN routes. Up to August (previous academic year) the cost of SEN Transport was £251k, from September to March the costs will be £418k which includes 9 additional routes costing £127k. This position was not expected but the service has seen a very high amount of late applications for transport.

There has also been an increase in demand for transport in relation to Children Looked After and Adult Social Care. There are seven new routes in total creating a £40k overspend.

The Transport team are looking for the most economic way of meeting transport needs. This has resulted in more routes delivered in house, 13 education routes as well as one local bus route. This has helped keep costs from escalating further and has contributed towards the savings on Post 16 and Home to School transport totalling £41k despite six additional routes.

The Travel Demand Management Grant has been provided to understand how Covid has impacted public transport. This grant is forecast to be underspend by £22k which will be carried forward to 2022/23.

### 3.4.8 Public Transport



The budget for Public Transport is £766k and the current forecast is £711k an underspend of £55k. However this includes underspend on the local bus strategy grant of £50k that will not be spent until 2022/23. If you adjust for the grant, then Public Transport is underspent by £5k.

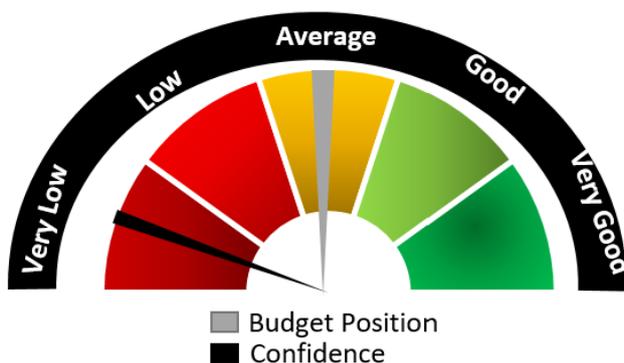
There are two key pressures:

- The Council has decided to subsidise the commercial route 9 (Oakham to Stamford) following notice from the operator that it would otherwise cease provision. The Council has looked at other options for the service, but all would be more costly than the subsidy requested which is forecast to commence from September at a cost of £26k for 2021/22 (£3.8k per month). This service is under review to see how best to manage going forward, the subsidy agreed would be in place for one year to give time for this review to take place.
- The Council included a £50k saving in the budget or the Oakham Hopper to run it in house. Half of this saving will be achieved in 21/22 with the year saving being achieved from 22/23.

The pressure(s) above may be managed this year by savings in relation to Concessionary Travel, where there is a £42k underspend. However there is a risk that this surplus is not achieved due to rising numbers. As lockdown has ended and people start to travel again this is increasing our costs. Concessionary Fares has already experienced increases with £40k paid out for Q1 and £60k paid out for Q2. Historically demand also peaks around December and if there is a spike in demand it may impact the forecast.

The Council has received £150,000 as part of the National Bus Strategy grant which has been awarded to Local Authorities to support the development of Bus Service Improvement plans. There will associated costs of £150,000 to implement the requirements of the grant. This expenditure is currently forecasted to be spent as £100,000 in 21/22 and £50,000 in 22/23.

### 3.4.9 Property Services



The Property Services budget covers maintenance across the Council Property portfolio (excluding commercial properties), the property staff (inc. premises officers and cleaners). The budget is £1.132m and the current forecast is £1.124m an under spend of £8k.

Key budget issues include:

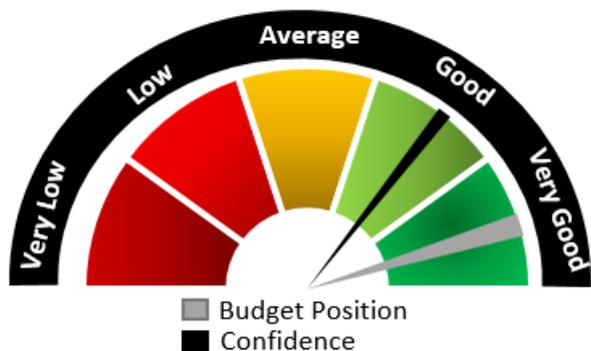
- Cleaning – Forecast costs have been reviewed in light of reopening buildings and are expected to be on budget

- The Vaccination Centre at Catmose closed in September. A Booster Vaccination Centre at Oakham Enterprise Park (OEP) is now open. The OEP unit was previously used as a Covid Testing Site. We are awaiting details of some remaining costs incurred at the Catmose site and will issue a final invoice for additional non-rental charges in October. This is not expected to have an impact on the budget.

The two factors that reduce confidence in the forecast relate to:

- Maintenance - From this budget, expenditure is largely reactive and unplanned. The current budget is £208k, with just under 50% spent or committed to date. We are forecasting to budget at this stage but issues can arise at short notice.
- An asset review is underway and includes carrying out condition surveys of property assets to establish repair and maintenance needed to properties. This will allow the Council to properly plan and budget for future years. The review is expected to highlight areas of expenditure needed as an immediate priority to ensure safe occupation of our assets. This information will become available in late Dec/early Jan and will need further scrutiny and review. As a result we may need to revise Property Service forecasting if emergency works arise. Otherwise, a planned maintenance programme will be developed.

### 3.4.10 Discretionary Income Budgets



This area covers the volatile income budgets that could affect financial performance. They include Parking (Budget £425k), Registrars (budget £166k), Highways (budget (£135k), Castle (budget £32k) and Planning (budget £441k).

As can be seen in Appendix B, income budgets are performing very well with the income forecast to be £138k greater than budget.

### 3.5 Other budgets overspent by £25k

3.5.1 In addition to the key risks above, commentary around any forecast greater than £25k overspent is shown in Appendix A. The table below shows that 11 out of 77 are overspent, 7 are within Adult Social Care/Children Social Care where they are being managed. The other three areas are covered in **Appendix C**.

Function	Amount Overspent
People	

BCF Holistic Management of Health & Wellbeing	£29,700
<b>Places</b>	
Cultural & Regulatory	£27,000
Commercial Properties	£95,000
<b>Resources</b>	
Directorate management	£27,000

### 3.6 Key Variances on Staffing Budgets

3.6.1 The table below shows the key variances in relation to staffing budgets and the impact on service delivery, there are a number of things that can change this position:

- Additional Vacancies/Unsuccessful recruitment campaigns resulting in further underspends;
- Long Term Sickness;
- Use of Agency/Interim staff to cover for vacancies, sickness, maternity and to meet rising demand resulting in additional costs that may reduce the current position.

Area	Current FTE	Budget FTE	Budget impact	Service impact
Finance	10.02	13.42	(£39k)	Focus on essential activity only. The team will be fully staffed from November.
Childrens	86.76	98.66	(364k)	The staffing underspend was largely planned either maternity cover arrangements or holding posts for student social workers and has not caused any service issues.
Places Directorate Management	1	4	(£89k)	The 2 Head of Service roles will be covered by interims from December for 6 months pending recruitment and the Project Management role is planned to be filled by January.
King Centre	1	1.9	(£21k)	Post filled by 1 FTE and remaining FTE covered by internal casuals on ad hoc basis when required.

Area	Current FTE	Budget FTE	Budget impact	Service impact
Digital Rutland	1	1	(£23k)	The 1 FTE post is leaving in November and discussions are underway with the director as to how to manage this service in the short term.
HR	6.81	8.42	(£20k)	The team have been fully staffed since July.  The difference in FTE is because the structure of the team was changed early in the financial year
Governance	1.84	4.0	(£39k)	Supported by Business Support and agency staff on a temporary basis.
Revenues & Benefits	6.62	9.31	(£31k)	Focus on essential activity only.

### 3.7 Use of existing grants

- 3.7.1 The table below shows predicted use of grants against what is included within the budget. In Q2 the Council has spent 42% of the forecast in year which equates to 40% of grant allocated for the year.
- 3.7.2 Grants in year are generally ring fenced. This means that the funding must be spent on specified activities e.g. the Contain Outbreak Management Fund must be spent on specific activities to manage the outbreak of Covid-19. Where funding is ring fenced then any underspends are either repaid to the issuer or carry forward into the next financial year.
- 3.7.3 The Covid grants make up a significant amount of this list, indicated with C19. A detailed breakdown of these grants can be found in Appendix D.

Grant	Budget	Actual Use (Q2)	Forecast	Possible variance
Contain Outbreak Management Fund (COMF) (C19)	187	149	187	0
Active Travel Fund	7	0	7	0
Covid Winter Grant Scheme (C19)	22	18	22	0
Domestic Abuse Prevention	63	0	63	0
CCG Ageing Well - Urgent Community Response Funding	61	20	61	0

<b>Grant</b>	<b>Budget</b>	<b>Actual Use (Q2)</b>	<b>Forecast</b>	<b>Possible variance</b>
Adult Weight Management Services	11	0	11	0
National Bus Strategy	150	0	100	50
DFT Capability Fund	49	0	49	0
Travel Demand Management	50	18	28	22
Covid Bus Service Support Grant (CBSSG)	153	153	153	0
Bus Services Operators Grant (BSOG)	69	0	69	0
Bus Services Support Grant	80	80	80	0
Additional Home to School Grant	41	28	41	0
Land Registry New Burdens	60	0	20	40
DWP Data Sharing Programme IT costs	4	0	4	0
National Lottery Community Fund Awards for All – Climate Action	5	2	5	0
Drug Treatment Universal Funding	17	0	17	0
Local Council Tax Support (C19)	215	107	215	0
Workforce Capacity Fund (C19)	17	0	17	0
ASC Rapid Testing Fund (C19)	5	0	5	0
Self-Isolation Support	39	3	39	0
Cultural Recovery Fund (C19)	94	0	94	0
Leisure Recovery Fund (C19)	59	59	59	0
Infection Control Round 2 (C19)	5	0	5	0
Infection Control Round 3 (C19)	116	95	116	0
Holiday Activities and Food Programme (C19)	64	0	64	0
Garden Community Funding	150	0	150	0
Welcome Back Fund (C19)	35	0	35	0
Kickstart	34	11	34	0
<b>Total</b>	<b>1,862</b>	<b>743</b>	<b>1,750</b>	<b>112</b>

### 3.8 Chancellors' Budget announcement

3.8.1 There were some important announcements in the Chancellor's budget yesterday. Whilst finer details will emerge in due course, our understanding of the headline impact for us is as follows:

### 3.8.2 Overall funding

3.8.3 Local government will receive an additional £4.8bn in "core" grant funding over the next 3 years (roughly an additional £1.6bn in each year including small amounts for family help and cyber resilience). The grant looks like it will be front-loaded, with almost all the increase in grant in 2022-23, and very little increase in the two later years. Using the Council's share of overall funding to calculate possible income this would give us c£1.3 - £1.5m over the three years. Our assumption is that this funding will contribute towards our gap although it is not clear whether our contribution to the social care levy (c£125k pa) would have to come from this funding (we are still awaiting confirmation about how the increase in National Insurance Contributions will be funded).

3.8.4 Separately, local government will receive £3.6bn in grant funding through the settlement for social care reforms. The sector will receive £200m in 2022/23, £1.4bn in 2023-24 and £2.0bn in 2024/25. As this funding helps meet the new responsibilities around the cap on care then this funding is welcome but deemed to have a neutral impact on our finances.

3.8.5 As the government allocated £5.4bn to fund the social care reforms that it announced on 7 September 2021, we expect a further £1.7bn will be allocated separately by the Department of Health and Social Care "to improve the wider social care system".

### 3.8.6 Council tax

3.8.7 To ensure that all local authorities have access to the resources they need to deliver core services such as children's social care, road maintenance and waste management, the referendum threshold for increases in council tax is expected to remain at 2% per year. In addition, local authorities with social care responsibilities are expected to be able to increase the adult social care precept by up to 1% per year. So this in effect means potential council tax rises of 3% if Councils go down this route.

3.8.8 Last year the Council had the option of a 3% social care precept rise over 2 years and took 1% leaving 2% to be taken in 22/23. It is unclear as to what the latest statements mean for Council Tax in 22/23 i.e. whether the Council will be restricted to 3% only or whether we will be able to uplift this by the amount not taken last year so in effect go to 5%. Full details will only emerge in the Settlement in December. For future years i.e. from 23/24, it looks like 3% is the maximum rise when previously it has been 4% (2% general and 2% precept).

### 3.8.9 Other news

3.8.10 New Homes Bonus (NHB). We had hoped for an announcement on the future of NHB (there was a consultation paper earlier this year). Officials have not given any indication about whether NHB will disappear in 2022/23 or 2023/24, or whether it will continue in some form for the rest of the spending review period. We again will have to wait for the Settlement to find out more.

- 3.8.11 Business rates baseline reset. No announcement has been made about the baseline reset or any of the other business rates reforms. Given that pilots will be continuing until 2024/25, this suggests that the baseline reset will also be delayed.
- 3.8.12 Fair Funding Review. Again, no announcement and the growing sense that it too will be delayed until 2025/26.
- 3.8.13 Business rates discount: There will be a 50% discount for retail, hospitality and leisure sectors (up to a maximum of £110,000) in 2022/23. Again, local authorities will be fully-funded for the additional costs of the discount.
- 3.8.14 £639m will be made available to reduce homelessness.
- 3.8.15 **Levelling-Up**
- 3.8.16 £2.6bn will be available through the UK Shared Prosperity Fund and £4.8bn through the Levelling-Up Fund. 105 bids have already been awarded funding.

## 4 REDUCING RELIANCE ON RESERVES

### 4.1 Overall position

- 4.1.1 At February 2021, the projected outlook for the 22/23 budget looked challenging with the Council projecting a £2.7m deficit (meaning that it would have to balance the budget using reserves unless further action was taken). Council therefore agreed to take action to reduce the deficit to no more than £1m through a savings programme. Ultimately, the Council wants to reduce the deficit fully and “live within its means”.
- 4.1.2 The Council has taken substantial action the first half of 21/22 to try and close this gap. The latest position is that the projected deficit looks like c£623k but this figure should be treated with caution as risks and uncertainty remain. This section covers:
- Savings made since approved budget and savings projects ongoing (4.2)
  - New potential pressures and context (4.3)
  - Update on 22/23 gap and beyond (4.4)
  - The future: revised plan and mindset (4.5)

### 4.2 Savings made since approved budget and savings projects ongoing

- 4.2.1 In July, Full Council took a report (64/2021) and agreed various savings. Some of these savings were for one year only and others were permanent. Details of all savings delivered can be found in the July report and are summarised here:

<b>Rutland County Council</b>	<b>Total 21/22</b>	<b>Total 22/23</b>	<b>Total 23/24</b>
Administrative Savings	(186,500)	(137,500)	(137,500)
Revision to Councils Offer	(412,700)	(308,400)	(295,100)
Change in Funding Assumptions	(613,000)	(371,000)	(151,000)
<b>Total Rutland Council</b>	<b>(1,212,199)</b>	<b>(816,899)</b>	<b>(583,599)</b>

4.2.2 In September, the continuing pressures on the 22/23 budget meant the Council has reviewed whether some of the one year savings listed above can continue. The table below shows that the Council plans to make additional savings of £72,000.

<b>Rutland County Council</b>	<b>Original total 22/23</b>	<b>Revised total 22/23</b>	<b>Change</b>
Administrative Savings	(137,500)	(209,500)	(72,000)
Revision to Councils Offer	(308,400)	(348,500)	(40,100)
Change in Funding Assumptions	(371,000)	(371,000)	0
<b>Total Rutland Council</b>	<b>(816,899)</b>	<b>(928,999)</b>	<b>(112,100)</b>

4.2.3 The Budget Savings report also listed a series of Strategic and Other Proposals being developed. This list in itself (if implemented) would not be sufficient to close the gap but would have enabled the Council to close it substantially. The latest position regarding these projects is shown in **Appendix E**. The Council estimates that savings of £876k in 22/23 and £31k beyond that will be generated from Strategic proposals and other long term savings. The position is positive and will help reducing the 22/23 deficit. A summary of the position is as follows:

4.2.4 This is the emerging picture:

- There are 18 projects in progress – these projects are estimated to deliver c£770k for 22/23;
- There are 2 projects which have now been completed. These are estimated to deliver £70k;
- There are 3 projects which have been closed and will not deliver savings.
- There is 1 project which has not yet started due to timing reasons. It will be completed at the right time in the future e.g. when contracts are up for renewal;
- There are 9 projects which have not started in earnest due to resource constraints and other workload priorities e.g. Local Plan, Waste and Leisure projects. It is still estimated that these will contribute savings of £28k;
- There are 4 projects which will be deferred pending the outcome of other projects;
- There are 2 projects which will be combined with others

4.2.5 The key issues arising from work completed to date are:

- Some projects will deliver some savings and are ongoing. For example, the projects in Adults and Children’s social care are focusing on how we can continue to meet “need” while minimise cost through changes in practice and approach. Converting the under spends at Quarter 2 into recurring savings in the face of potential increases in demand would be a significant contribution to our gap. In both Adult Social Care and Childrens’ Services the Director’s view is that this can be achieved but carries risk. Further information will be given on progress in the next report.

- Some projects are underway but are very unlikely to deliver the financial objectives set out – the Council started off with the right financial ambitions on its Leisure and Waste projects but these savings projects look like they will not deliver cost savings but yield possible pressures. With Leisure, the Council is tied into a long term lease and have enjoyed ‘zero cost’ leisure provision until recently. Now the options on the table are likely to trigger a pressure. If we continue with a Leisure Contract it is unlikely to be cost neutral and will carry with it an ongoing capital maintenance cost (with or without any spend on the swimming pool). If we exit the market, then we will still be left with an annual lease liability and have responsibility for maintenance (unless we can negotiate an exit). The impact will depend on the next steps and options chosen. Waste is more complicated. To achieve a 10% saving would ordinarily have required a fundamental redesign of the Council’s service offer with refuse collected much less often and an agreed focus on reducing waste produced and disposed of. The Environment Bill complicates matters as the Council will go out to tender not knowing the outcome of the bill (so variant tenders will be required) and, worse still, the Council will have no idea of the new burdens funding it will get.
- The Council now needs to refresh its savings programme list and plot a way forward on those projects not yet started.

### 4.3 New potential pressures and a challenging context

4.3.1 There are many risks and uncertainties which can impact the Council’s finance and mean that the gap could go up or down.

<p><b>Pay award</b> – still not settled for 21/22 with Unions wanting more than 2% and strike action now threatened. Any settlement above 2% increases our gap.</p>	<p><b>General inflation</b> - Local authority ‘business as usual’ is becoming more expensive. Pressures on labour supply, additional tax burdens, energy supply issues, and pandemic recovery all seem to be pushing up prices.</p>	<p><b>National funding challenges</b> –the national finances are unprecedented and funding scarce The Adult Social Care funding reforms (the Council’s assessment is covered in <b>Appendix F</b>) indicate there is unlikely to be significant new funding for social care (other than to fund the social care cap).</p>
<p><b>New policy</b> – new Government policies must be fully funded for the Council not to experience pressures. Recent examples regarding the Armed Forces Covenant and Afghan refugee scheme leave some residual concerns.</p>	<p><b>Local issues</b> - The Council is monitoring a list of other risks and issues that could impact the budget. E.g. the impact of the changes in Waste Legislation, impact of the local plan decision and options to meet the ongoing leisure needs of the County. A full list of issues currently being monitored is shown in <b>Appendix C</b>.</p>	<p><b>Business rates</b> – following a period of Government reliefs, most businesses are now paying rates and are looking to restart after the pandemic. The Council may be at risk if a key business fails or if businesses appeal their rates bill. The issues are covered in <b>Appendix G</b>.</p>

#### 4.4 An update of the 22/23 gap

4.4.1 The target for 22/23 was to reduce deficit to be no more than £1m as indicated above. In the next two months we will begin a review of various MTFP assumptions including funding, pay, business rates and council tax base assumptions. Changes to these assumptions can have a positive or negative impact on the financial gap.

4.4.2 The table below shows the provisional position for 22/23 but should be treated as a “work in progress”. It starts with the expected deficit which reduces (if the Council expects a saving or a favourable change in assumption - F) or increases (if the Council expects extra costs or an unfavourable change in assumption - U).

	Deficit	Issues	Action
	£1,938,000		The projected MTFP deficit is £1.9m after the savings put forward that were approved by Members (see 4.1).
U	£227,000	Pay award	This still has not been settled. The Council agreed a 0% pay assumption for 21/22. The latest figure quoted is 2% which will add to our deficit. The latest offer was 1.75% which would cost the Council an estimated £180k but this offer was rejected by the NJC. We have assumed 2%. The final pay award would add to the deficit
U	£172,000	Adult Social Care Levy	The Government introduced The Health and Social Care Levy Bill 2021/22 Contributions by 1.25%
F	(£112,100)	Revised saving position	By extending current savings as per table in 4.1 the Council can reduce its deficit
F	(£875,900)	Longer term savings projects	Appendix 5
F	(£555,400)	Social care contingency	The Council includes a contingency in the budget for social care. Linked to the savings work (Appendix 5), the Director of Adults believes we can meet “need” within the current budget so the target is to release this contingency.
F	(£12,600)	Cabinet/Council Approvals	Cabinet/Council may take decisions that impact the MTFP. So far the Council has approved the following changes: <ul style="list-style-type: none"> <li>• Building Control Service £55k (U)</li> <li>• Local Plan £67k (F)</li> </ul>
U	£140,000	Q2 pressures	Based on Q2 areas of concern (as highlighted in Section 3) are: <ul style="list-style-type: none"> <li>• Legal</li> <li>• Property</li> </ul>

	Deficit	Issues	Action
			<ul style="list-style-type: none"> <li>• OEP</li> <li>• Transport</li> <li>• Investment income (£140k)</li> </ul> <p>The Council will need to assess pre budget whether the current position will continue and could impact next year. Investment income pressure looks likely to continue for at least 22/23.</p> <p>The MTFP includes a growth contingency of £147k. It is there as a proxy for emerging pressures.</p>
F	(£30,000)	Q2 savings	<p>Based on Q2 various areas are showing positive variances outside of Adults and Children's Services including:</p> <ul style="list-style-type: none"> <li>• Parking</li> <li>• Staffing Budgets</li> <li>• Highways</li> <li>• Insurance</li> </ul> <p>At the minute it is only expected that the £30k underspend in Insurance is likely be permanent which gives additional savings.</p> <p>The other budgets will be reviewed during the budget setting process to see whether any additional savings are possible</p>
F	(£300,000)	Government funding	<p>With the Government funding reforms delayed to 23/24, we are looking at what might happen in 22/23 based on various announcements made. Additional short term funding is likely but may be one off.</p>
U	£250,000	Asset management	<p>Council asset condition work completes in March 2022 and it is very likely that additional investment will be needed in a maintenance programme. £250k is an estimate and the actual cost (and funding options) will not be known until the end of March.</p>
F	(£258,000)	Council tax / business rates assumptions	<p>Council Tax revised assumptions.</p> <ul style="list-style-type: none"> <li>• Growth – Reduced from 220 to 145 to reflect the large developments no longer coming forward due to the Local Plan decision</li> <li>• Growth was dampened in 22/23 due to the expected impact of Covid. This has not been the case so this has been removed</li> </ul>

	Deficit	Issues	Action
			<ul style="list-style-type: none"> <li>• Council Tax increase assumed at 3% per year from 23/24</li> <li>• Surplus – one off £180k surplus assumed for 22/23 only based on Collection Fund performance</li> <li>• As growth slower saving from Housing growth pressures (50k)</li> </ul> <p>Although these assumptions give a favourable change in 22/23, from 23/24 onwards they create a pressure of c£300k per annum mainly due to the change in growth numbers.</p> <p>Business Rates to be reviewed in next two months</p>
	<b>580,000</b>	<b>Latest projected deficit for 22/23</b>	

4.4.3 The deficit predicted above is tentative and should be treated as such. If all of the assumptions held true, then the gap for 23/24 – 26/27 would be between £1.8m - £2.8m. This does not take into account the pressures around Leisure and Waste. Whilst the position reflects very good progress, the size of the gap, risks and the challenges in making further savings mean that we still need a revised plan and mindset.

#### 4.5 The way forward: Revised plan and mindset

4.5.1 Despite the savings we have already made, the hard work gone into managing pandemic funding prudently and delivering an underspend on the budget, the Council finds itself in a position where it has made progress but not closed the gap in full. Its position says as much about the size of the challenge as it does about the Council's performance. Whilst the Council's position is better than most, it has to accept that a revised mindset and way way forward is needed.

4.5.2 Over the next few months, the Council will work on the following:

- **Priorities** – the Council needs to reaffirm what its key priorities are as part of the corporate plan and agree where financial sustainability ranks.
- **Pressure management** – the Council has to consider how it can better manage pressures corporately and in service areas. The Council cannot afford to increase its budget. Whilst using reserves for one off spending is acceptable, the Council needs a different approach to recurring pressures.
- **Savings** - Officers were diligent in identifying savings opportunities which Members approved. For the projects that remain, the Council needs to take a harder look, bring more independence and scrutiny into that analysis.

- 4.5.3 To reflect the new approach Cabinet and the Management Team will meet monthly to drive our approach and Members and residents will be updated through briefings and future reports.

## **5 CONSULTATION**

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

## **6 ALTERNATIVE OPTIONS**

- 6.1 Cabinet are requested to note the current position and future outlook. There are no alternative options.

## **7 FINANCIAL IMPLICATIONS**

- 7.1 The report highlights the impact of the current forecast for 21/22 on the MTFP. The under spend is positive and will help subsidise future deficits giving the Council more time to right size the budget. For 22/23 onwards revised MTFP assumptions and the impact of savings work mean the gap is estimated at c£1.8m.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

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

- 8.2 There are functions within the People Directorates that fall into this category but no specific request has been made because overspends can be contained within the overall budget.

- 8.3 In accordance with the Constitution, Cabinet is required to publish a budget timeline for 2022/23. The budget timetable is as follows:

- December - settlement received from Government (date unknown)
- January Cabinet - draft budget approved by Cabinet
- January - February - consultation (no less than three weeks) including special budget scrutiny panels
- February Cabinet - Cabinet approve final budget to Council
- February Council - Council approved final budget and Council tax

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 An Equality Impact Assessment (EqIA) has not been completed for the following as this report does not impact on Council policies and procedures.

## **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 The report updates Cabinet and all members of the forecast financial position for 21/22 which is positive. Whilst the Council has made good progress in tackling the funding gap for 22/23, future years still look challenging. The Council still needs to address the funding gap as highlighted in section 4.

## **13 BACKGROUND PAPERS**

13.1 None

## **14 APPENDICES**

Appendix A	Approved Budget Changes
Appendix B1	People Directorate
Appendix B2	Places Directorate
Appendix B3	Resources Directorate
Appendix C	Adverse Variances over £25k and updates on significant risks
Appendix D	Covid Position
Appendix E	Progress on savings projects
Appendix F	Adult and Social Care Reforms
Appendix G	Business Rates Risks

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## Appendix A. Approved Budget 21/22 changes

This Appendix shows changes to functional budgets and other budget changes. In the final quarter, changes relate primarily to new grants.

Description	Net Cost of Services £000	Capital Financing £000	Funding £000	Transfer o/(from) Reserves £000	Spend on/ Capital £'000	(Surplus) Deficit £000	Cabinet £500k Limit £000	Cabinet Other £000	Council £000	Ch Exec. s151 Officer £000
<b>Approved Budget (34/2021)</b>	<b>42,608</b>	<b>(1,071)</b>	<b>(39,140)</b>	<b>(1,288)</b>	<b>0</b>	<b>1,109</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Budget C/Fwd	518	0	0	(595)	77	0	0	0	595	0
Grant Expenditure	1,458	0	0	0	0	1,458	0	0	1,458	0
Grant Income	(1,544)	0	(23)	0	0	(1,567)	0	0	(1,567)	0
Commitments (New Pressures)	408	0	0	0	0	408	0	0	408	0
Budget Review Savings	(710)	0	0	(260)	0	(970)	0	0	(970)	0
<b>Approved Budget at Outturn (66/2021)</b>	<b>42,738</b>	<b>(1,071)</b>	<b>(39,163)</b>	<b>(2,143)</b>	<b>77</b>	<b>438</b>	<b>0</b>	<b>285</b>	<b>(76)</b>	<b>0</b>
(i) Customer Improvements budget C/Fwd	(150)	0	0	150	0	0	0	0	0	0
(ii) Building Control Service	53	0	0	0	0	53	53	0	0	0
(iii) Covid Adjustments	198	0	0	(218)	0	(20)	0	0	0	218
(iv) Local Plan	(182)	0	0	0	0	(182)	0	0	1,545	0
(v) Kickstart Funding	34	0	(34)	0	0	0	0	0	0	34
<b>Revised Budget</b>	<b>42,691</b>	<b>(1,071)</b>	<b>(39,197)</b>	<b>(2,211)</b>	<b>77</b>	<b>289</b>	<b>53</b>	<b>285</b>	<b>1,469</b>	<b>252</b>

Figures shown in brackets denotes income/surplus position

- i) The approved budget carry forward (66/2021) will be put back into reserves until required.

- ii) Cabinet approved report 78/2021 to appoint the Building Control Contract to Blaby District Council and the associated budget increase of £53k.
- iii) Covid-19 related ring fenced grants were added to the budget. Some of these were received in 2020/21 and were placed in a reserve to be used in 2021/22. Details can be found in Appendix D
- iv) Council approved the withdrawal of the submitted Local Plan (submitted to Government in February 2021) under Regulation 22 of the Local Plans Regulations from the process of Examination in Public as per report 105/2021. This reflects the adjustments made to the budget following the decision taken by members. In addition to this a £1.5m earmarked reserve will be created.
- v) The Kickstart Scheme makes up part of the Government's 'Plan for Jobs' skills and employment programmes. The Kickstart Scheme offers six-month jobs for young people aged 16 to 24 years old who are currently claiming Universal Credit and are at risk of long-term unemployment. The government fund the placement. Current the council have 4 Kickstart roles.

## Appendix B. Directorate Outturn

### B1. PEOPLE DIRECTORATE

The Directorate Summary shows the performance against budget. Where a budget has an underspend then Officers may request a budget is carried forward to be used next year or put into earmarked reserves so it can be used for a specific purpose in the future.

Function	Reference	Outturn 2020/21	Approved Budget	Revised Budget	Q2 Forecast	Q2 Forecast variance to current budget
Directorate Management		1,842,592	1,807,100	1,811,300	1,775,100	(36,200)
Business Intelligence	Para 3.4.5	136,581	158,000	195,700	161,300	(34,400)
Savings		0	0	0	0	0
<b>Total Directorate Costs</b>		<b>1,979,173</b>	<b>1,965,100</b>	<b>2,007,000</b>	<b>1,936,400</b>	<b>(70,600)</b>
Public Health		(54,730)	52,200	52,200	17,600	(34,600)
BCF Programme Support		85,989	220,500	122,500	123,300	800
BCF Unified Prevention		347,976	394,000	438,800	433,400	(5,400)
BCF Holistic Management of Health & Wellbeing		923,454	956,000	909,200	938,900	29,700
BCF Hospital Flows		1,058,061	1,135,000	1,235,000	1,233,800	(1,200)
<b>Adults and Health (Ringfenced)</b>		<b>2,360,750</b>	<b>2,757,700</b>	<b>2,757,700</b>	<b>2,747,000</b>	<b>(10,700)</b>
Non BCF Contract & Procurement		402,412	466,600	465,300	439,300	(26,000)
ASC Community Inclusion		1,186,072	1,041,600	1,023,100	1,097,200	74,100
ASC Prevention & Safeguarding		23,612	149,700	119,400	29,900	(89,500)
ASC Prevention & Safeguarding - Staffing		288,477	280,800	305,300	318,700	13,400
ASC Housing		180,736	151,300	120,800	107,600	(13,200)
ASC Support & Review - Daycare		12,938	201,600	201,600	13,000	(188,600)
ASC Support & Review - Direct Payments		921,871	1,013,200	1,013,200	1,341,500	328,300

Function	Reference	Outturn 2020/21	Approved Budget	Revised Budget	Q2 Forecast	Q2 Forecast variance to current budget
ASC Support & Review - Homecare		1,793,316	1,874,400	1,869,700	2,004,600	134,900
ASC Community Income		(409,313)	(380,000)	(380,000)	(457,100)	(77,100)
ASC Support & Review - Other		303,821	337,700	324,100	272,000	(52,100)
ASC Support & Review - Residential & Nursing		3,250,471	4,063,900	4,063,900	3,569,300	(494,600)
ASC Support & Review - Staffing		489,731	522,600	525,200	516,800	(8,400)
ASC Hospital & Reablement		111,741	467,600	464,900	466,900	2,000
<b>Adults and Health (Non Ringfenced)</b>	Para 3.4.4	<b>8,555,884</b>	<b>10,191,000</b>	<b>10,116,500</b>	<b>9,719,700</b>	<b>(396,800)</b>
Safeguarding		334,143	353,100	351,500	382,500	31,000
Referral, Assessment and Intervention Service		268,410	258,400	256,400	197,800	(58,600)
Permanency and Protection Service		614,194	629,200	620,800	550,800	(70,000)
Fostering, Adoption and Care Leaver Service		1,988,072	1,939,700	1,912,500	1,945,100	32,600
Early Intervention - Targeted Intervention		1,066,986	1,206,600	1,136,600	976,300	(160,300)
Early Intervention - SEND & Inclusion		372,050	435,000	430,400	457,400	27,000
Early Intervention - Universal and Partnership		260,954	326,400	314,700	261,700	(53,000)
<b>Childrens</b>	Para 3.4.5	<b>4,904,809</b>	<b>5,148,400</b>	<b>5,022,900</b>	<b>4,771,600</b>	<b>(251,300)</b>
Schools & Early Years		211,826	176,600	243,900	148,700	(95,200)
Rutland Adult Learning & Skills Service (RALSS)		26,624	(1,900)	(4,900)	(4,900)	0
<b>Learning and Skills</b>		<b>238,450</b>	<b>174,700</b>	<b>239,000</b>	<b>143,800</b>	<b>(95,200)</b>
<b>Total People - GF (Ringfenced)</b>		<b>2,360,750</b>	<b>2,757,700</b>	<b>2,757,700</b>	<b>2,747,000</b>	<b>(10,700)</b>

<b>Function</b>	<b>Reference</b>	<b>Outturn 2020/21</b>	<b>Approved Budget</b>	<b>Revised Budget</b>	<b>Q2 Forecast</b>	<b>Q2 Forecast variance to current budget</b>
<b>Total People - GF (Non Ringfenced)</b>		<b>15,678,317</b>	<b>17,479,200</b>	<b>17,385,400</b>	<b>16,571,500</b>	<b>(813,900)</b>
<b>Total People</b>		<b>18,039,067</b>	<b>20,236,900</b>	<b>20,143,100</b>	<b>19,318,500</b>	<b>(824,600)</b>

Figures shown in brackets denotes surplus position

## B2. PLACES BUDGET MONITORING SUMMARY

The Directorate Summary shows the performance against budget. Where a budget has an underspend then Officers may request a budget is carried forward to be used next year or put into earmarked reserves so it can be used for a specific purpose in the future.

Function	Reference	Outturn 2020/21	Approved Budget	Revised Budget	Q2 Forecast	Q2 Budget	Variance to
Directorate Management	Para 3.6	122,981	228,600	388,200	299,100	(89,100)	
Development Control		179,286	198,900	140,700	56,400	(84,300)	
Drainage & Structures		187,139	169,900	169,900	168,900	(1,000)	
Emergency Planning		33,475	35,900	35,900	33,500	(2,400)	
Crime Prevention		109,665	126,800	115,500	111,400	(4,100)	
Environmental Maintenance		1,360,666	1,353,200	1,418,200	1,409,900	(8,300)	
Forestry Maintenance		104,063	115,500	115,500	115,500	0	
Highways Capital Charges		1,720,200	1,828,400	1,828,400	1,828,400	0	
Highways Management		327,011	325,100	481,200	489,000	7,800	
Commissioned Transport	Para 3.4.7	1,843,783	1,961,300	1,914,600	2,018,300	103,700	
Lights Barriers Traffic Signals		123,025	147,200	147,200	149,700	2,500	
Parking		125,010	(63,400)	(67,600)	(177,000)	(109,400)	
Pool Cars & Car Hire		91,627	109,000	104,000	103,300	(700)	
Public Protection		402,019	402,900	402,900	399,200	(3,700)	
Public Rights of Way		41,860	96,400	32,900	41,900	9,000	
Public Transport	Para 3.4.8	744,988	892,100	766,200	710,700	(55,500)	
Road Maintenance		262,183	366,600	366,600	282,700	(83,900)	
Transport Management		340,253	386,700	368,500	320,900	(47,600)	
Waste Management	Para 3.4.6	2,714,765	3,047,900	3,095,200	3,079,600	(15,600)	
Winter Maintenance		300,770	274,100	274,100	274,100	0	
Planning Policy		404,769	359,000	421,200	440,400	19,200	
Tourism		13,815	17,900	0	0	0	
Health & Safety		37,389	50,200	39,900	39,800	(100)	
Property Services	Para 3.4.9	950,913	1,106,300	1,128,700	1,121,100	(7,600)	
Building Control		(36,539)	(35,700)	17,000	17,000	0	
Commercial & Industrial Properties	Appendix C	(291,286)	(271,900)	(272,600)	(177,600)	95,000	

<b>Function</b>	<b>Reference</b>	<b>Outturn 2020/21</b>	<b>Approved Budget</b>	<b>Revised Budget</b>	<b>Q2 Forecast</b>	<b>Q2 Budget</b>	<b>Variance to</b>
Economic Development		114,434	170,100	128,700	109,400		(19,300)
Culture & Registration Services	Appendix C	179,691	127,800	114,600	141,600		27,000
Libraries		461,639	494,500	456,600	446,200		(10,400)
Museum Services		436,007	424,100	417,400	426,100		8,700
Sports & Leisure Services		271,062	217,300	249,100	249,000		(100)
<b>Total Places</b>		<b>13,676,662</b>	<b>14,662,700</b>	<b>14,798,700</b>	<b>14,528,500</b>		<b>(270,200)</b>

Figures shown in brackets denotes surplus position

### B3. RESOURCES BUDGET MONITORING SUMMARY

The Directorate Summary shows the performance against budget. Where a budget has an underspend then Officers may request a budget is carried forward to be used next year or put into earmarked reserves so it can be used for a specific purpose in the future.

Function	Reference	Outturn 2020/21	Approved Budget	Revised Budget	Q2 Forecast	Q2 Forecast variance to current budget
Chief Executives Office		244,666	252,900	228,500	201,400	(27,100)
Directorate Management	Appendix C	304,492	310,900	307,400	342,000	34,600
Communications		307,387	250,000	192,700	186,200	(6,500)
Corporate Costs		167,037	161,000	161,000	174,000	13,000
Pensions		784,190	826,000	905,900	903,900	(2,000)
Audit Services		192,704	173,000	193,000	186,500	(6,500)
Insurance		247,193	271,000	271,000	237,800	(33,200)
Accountancy & Finance	Para 3.6	630,096	634,800	619,200	583,300	(35,900)
Information Technology		1,576,589	1,538,400	1,524,400	1,509,980	(14,420)
Business Support Services		679,166	804,900	781,500	755,400	(26,100)
Members Services		259,165	277,000	283,900	283,100	(800)
Customer Services Team		255,458	346,000	183,800	187,100	3,300
Elections		75,995	123,400	122,600	131,400	8,800
Legal & Governance	Para 3.4.3	696,739	576,300	573,400	577,000	3,600
Human Resources	Para 3.6	449,401	490,000	463,000	443,300	(19,700)
Revenues & Benefits	Para 3.6	398,105	408,800	332,900	316,370	(16,530)
Financial Support		26,359	40,000	40,000	34,500	(5,500)
<b>Total Resources Directorate</b>		<b>7,294,742</b>	<b>7,484,400</b>	<b>7,184,200</b>	<b>7,053,250</b>	<b>(130,950)</b>

Figures shown in brackets denotes surplus position

## Appendix C. Functions Overspent by £25k and Other Key Risks

Function	Budget	Forecast	Variance	Comment
Cultural & Regulatory	£115k	£142k	£27k	Shortfall in Registrars income due to ongoing impact of Covid on wedding bookings. Details of expected income can be found in Appendix B.
Commercial Properties	(£273k)	(£178k)	£95k	<p>There are 2 main reasons for the shortfall in income in Commercial Properties</p> <ul style="list-style-type: none"> <li>• Shortfall in income £57k mainly due to vacant units</li> <li>• Repairs are forecast at £44k over budget. This could vary depending on the asset review work.</li> </ul> <p>These pressures are partly mitigated by salary savings of £20k</p>
Directorate Management - Resources	£234k	£268k	£34k	Additional costs arising from temporary agency cover for the Monitoring Officer. Transitional arrangements across the Business Support and Governance is forecast to result in a saving of £10k.
BCF Holistic Management of Health and Wellbeing	£909k	£939k	£30k	This is a timing issue around obtaining approval for use of the BCF reserve to purchase a Social Prescribing Case Management platform. Although approval in principle has been received, the 2021/22 programme is yet to be formally submitted. Once this has been formally adopted, budgets will be adjusted to reflect the reserve usage.

The table below shows an update to the key risks identified within the Outturn Report (66/2021) (where risk information is not covered elsewhere) and any other emerging risks.

	Area	Commentary	Update
1	Court Income (Revs & Bens)	Suspension of recovery of debt led to £36k pressure in 2020/21. The Council has resumed normal debt collection operations since May, however access to the courts is still inconsistent which is delaying recovery at present, this is expected to improve as we progress with the government road map and as new procedures at the courts become in bedded.	The Council are only forecasting to receive £24k of the £48k budgeted for this area. The Council has begun recovery action, but the courts are not operating at pre-Covid levels. This has been factored into the forecast for Resources.
2	Norfolk Judicial Review	There has been recent court case around fairer charging which resulted in a judgement that Council's charging was unlawful. Regionally this is being looked at for implications, but initial thoughts from two barristers (Nottinghamshire and Leicestershire) are that the review is unlawful and needs to go back to court.	Initial assessment is that the ruling would not have an impact on RCC policy. The Council are still watching the outcome of the case before fully assessing the impact.
3	Unaccompanied Asylum Seeking Children (UASC)	UASC placements present a risk as placement numbers can increase without warning. The Council has limited options where to place children and no provision within County. The Council no longer volunteer to accept UASC, however, in certain circumstances we may find that we have new UASC identified within the County that we would have responsibility for.	The Council is now part of the national scheme. As a region the number of UASCs allocated to Rutland is 2. This is in addition to UASC who are arrive in Rutland on their own accord. To date this year there have been 2 new arrivals.
4	Highways	Potential pressure includes: a) Council team re-locating and dilapidation costs at station approach may need to be paid, currently with Legal b) Staffing pressures within the team and the cover of Out of Hours services c) Uncertainty around highways income including resourcing pressure to set up a new income policy for street works	a) Still with legal, no update. b) Still looking to options c) Income on target for this year.

	<b>Area</b>	<b>Commentary</b>	<b>Update</b>
5	Local Plan	A new Local Plan is being developed. A budget has been set aside for this as set out in Report 105/2021. This budget will be kept up-to-date as per the recommendation in this report.	An update on this budget will be given in the next quarter.
6	Leisure Income	Rutland Active Hub was significantly impacted by Covid. As it is mainly used by clubs the recovery as with other leisure facilities will rely on consumer confidence and length of time it takes for membership levels to return whilst providing a safe environment. There is also uncertainty about the level of contributions from schools returning to Rutland County Council for School sports provision.	Government funded Holiday Activity Programme has hit the potential to earn income from schools in 2021/22, so there is likely to be a drop in income in this area.
7	Waste Services	The national picture with waste is likely to change in the near future as the Environment bill progresses. These changes could include mandated collection of food waste and changes to how dry recycling is collected amongst other changes.  The Council's waste project is modelling various options as the Council needs to decide what its future arrangements will look like.	At this stage it is difficult to predict the impact of the legislation and the funding that might be made available for local authorities in meeting their new statutory duties.
8	Leisure	The Council is undertaking a Leisure project and is looking at future options. Members will soon decide on the preferred option.	The financial impact of options is different and any impact on the MTFP will be considered.
9	Adult Social care	The Care Quality Commission has indicated that it will be starting Adult Social Care inspection from April 2023.	We are not aware of the preparation required for this and/or if this will impact on resources.

## Appendix D. Covid Position

### Background

The Council has a budget of £218k to support its response to Covid. This position is the net position. The make-up of this budget is as per table 1 below.

**Table 1**

Ref	Contribution	Covid Budget	Earmarked Reserves	Impact on General Fund
Table 2	Reserve – Grants Received in Prior Year	218,100	(218,100)	0
Table 3	Ring Fenced Grants	(1,096,900)	0	(1,096,900)
Table 3	Non-Ringfenced Grant	(724,426)	0	(724,426)
Table 3	Non Ring-Fenced Grant – Expenditure	724,426	0	724,426
Table 3	Ring Fenced Grants – Expenditure	1,096,900	0	1,096,900
<b>Total</b>		<b>218,100</b>	<b>(218,100)</b>	<b>0</b>

The Council has received various grant funds to support the pandemic response. Some of this has been received in previous years and is being drawn down from the earmarked reserve. Table 2 below shows the position on the Earmarked Reserve.

**Table 2**

Funding	Reserve Balance 01/04/2021	Usage included in Budget Report	Balance in Reserve after Usage	Usage 21/22	Top Up	Predicted Reserve Balance 21/22
ASC Rapid Testing Fund	24,500	0	24,500	24,500	0	0
Contain Outbreak Management Fund	109,300	0	109,300	83,300	0	0
Test, Track and Trace	41,900	0	41,900	41,900	0	0
Covid Winter Grant	16,100	0	16,100	16,100	0	0
Infection Control Fund	52,300	0	52,300	52,300	32,200	32,200
Covid-19 LA Support Grant*	1,244,700	848,000	396,700	0	388,100	784,800
Sales, Fees and Charges Compensation	0	0	0	0	130,000	130,000
<b>Total</b>	<b>1,488,800</b>	<b>848,000</b>	<b>640,800</b>	<b>218,100</b>	<b>550,300</b>	<b>947,000</b>

\*Top up includes £58k from the budgeted amount as support for the Social Cre Contingency is no longer required

Table 3 below shows the grant funding the Council will receive in 21/22

**Table 3**

Ref	Funding	Ring fenced	Non ring fenced
1	ASC Rapid Testing Fund	213,200	0
2	Covid -19 LA Support Grant	0	724,436
1	Infection Control Fund	299,800	0
1	Cultural Recovery Fund	93,900	0
2	Contain Funding	187,000	0
1	Covid Winter Grant	21,900	0
1	Self Isolation Payments	39,000	0
1	Workforce Capacity Fund	17,300	0
1	Leisure Recovery Fund	59,200	0
1	Discretionary Income Scheme*	130,000	0
1	Welcome Back Fund	35,600	0
	<b>Total</b>	<b>1,096,900</b>	<b>724,436</b>

\*No expenditure as compensation for loss of income

The grants can be split into 2 categories

- (1) Grants where the Council have little control on how the grant is used and will be repaid to Central Government if not required e.g. Self-Isolation Payments – the Council can only use this funding to support those self-isolating.
- (2) Grants where the Council has some level of control over what the funding can be spent.

As you can see from Table 3 there are 2 grants where the Council has some control over what the funding is spent on. The table below gives a breakdown of what the Council are forecasting to spend from these grants.

Area	Commentary	Amount
<b>Covid-19 LA Support Grant</b>		
SLL Support	Additional financial support provided to the Councils Leisure Operator	56,200
CA Site Management	Cost of road diversion	15,000
Support Remote Working	Funding for returning to the office. This is under review and may not be required. Update will provided in next report	100,000
Governance Staffing	Additional support to manage remote meetings and decision register.	24,200

Business Staffing	Support	Additional support required to help in the Councils Pandemic Response	17,500
Property		Cost of extra measures put in place to ensure safe return to the building e.g. Cleaning	30,000
Mobile Phones		Extra mobile devices to support home working	22,800
Waste		Additional costs in relation to the waste contract extensions	9,500
Finance Staffing		To support with additional workload including returns to Government and grant management	79,100
Revenue & Benefit Service		Additional support from Civica on Demand	35,000
Business Continuity		Refresh of Business Continuity Plans in light of new working arrangements	5,000
<b>Total</b>			<b>394,300</b>
<b>Funding Available</b>			<b>724,400</b>
<b>Unallocated</b>			<b>330,100</b>
<b>Contain Funding</b>			
Additional Staffing		Support across the Pandemic Response including testing and Vulnerable People	124,150
Covid Marshalls		Covid Marshall service to ensure businesses are complying with the rules	16,100
Communications Staffing		Additional support required to assist with the Councils Communication activities	40,500
Testing Officers			9,000
Communications Campaign			10,000
Additional Mortuary Costs		Reflect the additional costs of the coroner services	10,300
CAB Support		Additional Funding to the Citizens Advice Bureau	10,000
Health Protection Team		Additional resourcing of the Public Health team	13,050
Testing Centre		Testing Centre Closed in June but interim cost of holding unit for Vaccination Site	10,000
Identifying Deterioration Equipment		Equipment to aid care workers	11,000
Housing Costs		Costs of supporting the homeless during the pandemic	10,000

<b>Total</b>		<b>264,100</b>
<b>Funding Available</b>		<b>296,300</b>
<b>Unallocated</b>		<b>32,200</b>

## Appendix E. Savings Update

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Localism	The review will consider defining the role of the Council alongside that of parishes in relation to service delivery of certain local services and explore the opportunities and appetite for parishes to take on additional responsibilities within their remit.	Not started	This project has not begun due to capacity issues but there are other strands of work that are picking up elements of it: transfer of public conveniences to Uppingham.	£0	£0
Combined Waste Procurement	<p>The Council has recently secured extensions to its Environmental Services contracts until 31 March 2024, with new contracts due to commence on 1 April of the same year. Many of these contracts are fulfilling statutory duties, whilst some elements, e.g. bulky waste collections, are discretionary.</p> <p>The Council has an ongoing project aimed at developing a waste strategy and then procuring a new waste contract that will allow it to meet local requirements and national policy objectives.</p>	Work in progress	Members will determine an option which will indicate whether a saving can be achieved but ultimately the competitive market process will conclude whether a saving can be achieved.	0	TBC

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Grounds Maintenance Contract Procurement	The Council's grounds maintenance contract expires in March 2022. The review will consider future service needs and alternative delivery options.	Work in progress	Officers are identifying options and there may be some that offer savings. We will also link this work to the Localism project. It will be for Members to determine the options. Project is now underway. Member decision likely for June 2022.	0	£0
Highways Contract Procurement	<p>The Council will be reprocurring its highways maintenance contract, which reaches its maximum allowable contract extension term on 30th November 2023. The Council will be updating its highway strategy for a c£3.5m per annum contract and aiming for between 3% and 6% reduction in cost with income generation opportunities, innovation, efficiencies and environmental focus.</p> <p>The new contract will be flexible and allow for service level review.</p>	Work in progress	Will be completed but savings not certain. Context for this project is that significant revenue savings in highways already delivered in prior years and in July budget savings.	0	0
Cultural Offer	<p>The Council's cultural offer includes libraries, the museum and castle. Whilst the Council has a statutory obligation to provide a library service, there is some flexibility as to how this is delivered. The Council's Museum and Castle are discretionary services.</p> <p>In the above areas, the Council must consider the needs of the community, and what type of cultural offer it may have moving forward including exploring the options of working with other</p>	Not started	Review to begin when leisure project has finished. Small short term savings identified in interim.	£10,000	£10,000

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
	providers including interested parties and community groups.				
Property	<p>The Council, as a corporate landlord, owns a range of properties. A review of corporate property will be undertaken so we can better understand the full life cost of assets, financial performance and the contribution made by assets to the Council's service delivery objectives.</p> <p>This work will help inform the Council's decision-making around whether to hold, dispose or find alternative uses for assets. It will also help the Council budget for future capital expenditure on assets and assess affordability.</p>	Work in progress	Condition survey work ongoing and will inform future decisions on assets	£0	£0
Leisure	The Councils Leisure offer to be cost neutral following the retendering of the service	Work in progress	Members decision due before March. Savings are unlikely as it stands.	£0	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Corporate support services	<p>The Council has a series of corporate support functions including business support, business intelligence, contracting/commissioning, governance and communications where there is an opportunity to make better use of technology, encourage more self-service and reprioritise resources to areas of greatest need.</p> <p>A new type of support service is likely to see a reduction in overall support but more targeted to priorities.</p>	Deferred	Work on service offer across the Council to be completed before support options are reviewed.	0	£0
Community Prevention and Wellness Contract Procurement	<p>The current Community Wellbeing Service contract ends on 31<sup>st</sup> March 2022. Members are currently deciding on whether there will be any extension to the contract.</p> <p>There have been significant changes across health and social care in the past 5 years since the service was first commissioned. A needs assessment will be undertaken to review what services are now needed and how they would best be delivered.</p> <p>This will allow support to be prioritised for the most vulnerable and ease pressure on statutory services.</p>	Work in progress	Decision made at Cabinet to reduce size of contract to be commissioned	£25,000	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Adults End to End Review	<p>The review will be to the timelines of the CCG converting to ICS to ensure we capitalise on maximising available work force and other resources as they become available. This is due to the multiple professions and disciplines involved and is an opportunity to reduce system duplication thus saving money through efficiency. The same timeline fits the WRAP review above where the same considerations apply.</p> <p>The overall review will be examining reducing the burden on needs lead budgets by application of modern practice ethos and ICS aspirations such as strength based and home first. Eligibility in certain parts will be considered as well as the overall ASC offer in its many arms.</p>	Work in progress	Report being prepared for December	£400,000	£0
Children's Services Offer	Review of children's services offer to ensure services are efficient and make best use of partnership working	Work in progress	Children's Strategy being finalised	£300,000	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Redesign CCTV Service	<p>The Council has CCTV provision in Oakham and Uppingham to assist the detection and prevention of crime and to assist the Police, Council and other agencies with the more efficient deployment of resources for the purpose of safeguarding vulnerable persons, deterring crime and apprehending offenders. It provides evidence for the prosecution of criminals and supports the tracking and apprehension of persons who are suspected of having committed a criminal offence.</p> <p>The administration of CCTV takes place within the appropriate regulatory framework. Costs incurred include utilities consumed, repair &amp; maintenance and remote monitoring.</p> <p>A future review will consider Council, Community and other Agency needs and how any CCTV requirement will be delivered and funded.</p>	Not started	Work not started due to workload	£0	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Home to School Transport	Review of Transport contracts based on school admissions from September 2021	Completed	Tendering process underway. This is a demand-led budget. Some savings have been achieved this year through adopting delivery methods. This cannot be turned into a recurring saving without a reduction in demand which is determined by where our schools are in relation to where pupils live (and the fact we are not in control of admissions).	£0	£0
Post 16 Transport Offer	<p>The Council could revise its current offer and policy and alternatives will be explored.</p> <p>Any revised offer would need a policy change timed to be implemented in the summer months before the start of a new academic year. It would also need to include continued support for year 2 of any current learners on the 2nd year of a course.</p>	Not started	Not started due to workload	£0	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Adult Transport Offer	<p>A review of the current transport provision for adults already receiving transport benefits such as personal independence payments or provision of a mobility vehicle will consider if the Council needs to continue this support.</p> <p>The focus of support for this will lie heavily with the adult social care team to feed into the re-write of the 2010 policy and a timeline will need to be produced in conjunction with Adult Social Care.</p>	Not started	Not started due to workload	£0	£0
Bus Service 47 retendered as a commercial service	The Council currently runs bus Service 47 as it is used by students choosing to go out of County. The Council is considering approaching bus operators to assess interest for taking on the route commercially. Consultation will be required.	Deferred	To be considered as part of local bus strategy	£0	£0
Planning Advertisement Online Only	Government is reviewing the use of IT in the Planning Service. The review may provide opportunities for advertising planning applications on line rather than in the press.	Closed	Not permissible under current legislation	£0	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Cleaning Contract Review	The Council has recently extended its cleaning contract until 31 March 2022 to include the entire estate (excluding closed buildings). Previously various providers were used. The Council will reprocure one single contract to cover all assets with the aim of improving cleaning, provide flexibility and have more clear concise specifications of requirements.	Work in progress	Saving will depend on response to contract tender	£0	£0
Garages Option Appraisal	<p>The Council owns 88 garages across 5 locations in Rutland which are rented to private individuals. The garages operate at a small surplus but there may be future costs associated with repairs and maintenance.</p> <p>A review will consider the full life costs of the garages and whether the Council should continue to operate them or look at alternative options.</p>	Amalgamated	To be considered as part of Asset Review	£0	£0
Highways Capitalisati on Review	<p>The review will consider if any highways revenue works would also meet the criteria for capital.</p> <p>A review will also be completed on internal salary costs to ensure that staff time is allocated correctly between capital and revenue.</p>	Completed	Approval of 21/22 capital programme yielded savings of £70k	£70,000	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Highways LED Lighting Upgrade	<p>The review will consider the upgrade of the remaining street lighting, carpark lighting and traffic signalling to LED. The previous LED street lighting project was funded by a Salix loan.</p> <p>The upgrade to LED could reduce the electricity and maintenance cost associated with those assets.</p>	Not started	Scheduled for 23/24	£0	£0
Active Rutland Hub	Active Rutland Hub is not self-financing. The budget for 2021-22 being £11k. The Active Rutland Hub will be reviewed as part of the future leisure provision with the potential that management could be offered as part of any future leisure management contract for the Catmose Sports facilities, with a requirement for cost neutral operation.	Work in progress	Review to complete by March 2022	£0	£11,000
Commercial Property – Service Charge Review	<p>Rutland County Council commercial tenants pay service charges and there are concerns that the service charges set are insufficient to cover costs.</p> <p>A review of all tenant documents is required to assess the respective obligations of the Council and tenant and an agreed Service Charge Budget will ensure correct amount being charged to all tenants.</p>	Work in progress	Review of OEP service charge documentation completed. Other commercial tenants under review.	£0	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Commercial Property – Utility Usage Review	<p>As with service charges commercial tenants pay for their utility usage.</p> <p>A review of utility set ups is required to ensure robust information available on which utilities are supplied by which services/feeds/meters.</p>	Work in progress	Initial work completed	£0	£0
Registrars Fees and Charges Review	Review of Registrars fees and charges for 2022/23 to ensure amount being charged covers all costs of running the service.	Work in progress	Fees and charged to be approved in January 2022.	£5,000	£0
Taxi License Fees Review	Review of taxi licence fees and charges for 2022/23 (including consultation) to ensure amount being charged covers all costs of running the service and in line with other authorities.	Work in progress	Will not be completed until 23/24	£0	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Printers	The Council leases 24 printers with the contract expiring. A key factor on the cost of the contract is the number of printers and as part of a new printer procurement we would expect to radically reduce the total number of printers in the contract.	Not started - timing	Work to start late 2022	£0	£10,000
Mobile phones	Council mobiles are in a corporate contract. When this is renewed there is an opportunity to reduce the annual costs of phones (rental of phones and cost of phones).	Not started	Work to start in March 2022	£18,000	0
Schools Admissions service	The Council has a contract with Capita to provide the IT system for the admissions service. On renewal there may be alternative options for this service.	Not started	Work to start 12 months before contract expires	£0	0
IT Services	There are potential alternatives for the delivery of some IT services which will be linked to new contracts or new ways of delivering IT. These changes will be used to drive the costs down.	Work in progress	Savings anticipated	£25,000	0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Market Supplements (MS)	<p>MS are currently paid to a roles where we have evidence of a recruitment and retention risk to the Council; values are determined by assessment of the local, regional and (if necessary) national market.</p> <p>Conditions are attached to the market supplement and are contractual.</p> <p>All MS are reviewed on an annual basis and the Council maintains the 'right' to cancel and withdraw; there is no guarantee of an extension or any increase. The Council has in the past withdrawn MS where the market conditions have changed.</p> <p>Given these are directly linked to recruitment and retention, a review and assessment needs to reflect the potential risks e.g. removal could lead to staff turnover.</p>	Deferred	Deferred pending outcome of other projects	£0	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Employee subscriptions	<p>These relate to professional fees and should only be paid where a professional qualification and membership is essential to the role and is referenced in the Job Description as essential.</p> <p>Managers and staff are to be reminded of the policy in the first instance and a further review to take place later in 2021. A further option is to restrict to statutory roles only.</p>	Not started	Work to be done in new year	£0	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Overtime and enhancements	<p>Currently part of the National Green Book Terms and Conditions of Employment – we have a local agreement for Sunday payments to reflect a historic practice. Weekend enhancements are primarily paid in Community Support services – this is a delicate employment market and weekend enhancements in the private sector remain an intrinsic part of remuneration package.</p> <p>Any changes to provision would require extensive consultation with the trade unions to try to seek a local variation to the national conditions; consideration would also need to be given to the potential impact on recruitment, retention and hence service delivery.</p>	Deferred	Deferred pending outcome of other projects	£0	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Use of Public Health Funding	<p>The Council receives a ringfenced Public Health Grant which pays for a range of mandated and statutory Public Health services, and is also used to offset General Fund costs of other Council services, including sustainable transport, sports and leisure, and Housing Options.</p> <p>The Grant is annual and the allocation changes each year.</p> <p>A review of all the services currently funded from the Public Health Grant will establish: if they are needed; and if the Grant ends or reduces, whether we would still want to fund those services from other council funding.</p>	Work in progress	Work to be completed internally on impact of end of funding for certain services	£0	£0
Day Care Review	<p>The current contract for Rutland Care Village is £125,000 a year. The building based service supported people to remain in their own homes by providing respite to carers. During Covid, this service was unable to continue and chose not to provide an alternative, as other providers had done, i.e. virtually. Instead we reviewed the people going to the service and have commissioned a more personalised care for them. This service will require a more in depth review following covid as the support prevented people accessing long term residential care.</p>	Amalgamated	Included in end to end Adult social care project	£0	£0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Community Learning Fees and Charges Review	Community Learning charges are checked regionally through The Local Education Authorities' Forum for the Education of Adults (LEAFA) (next review due 25-03-2021) and through HOLEX which represents a network of adult and community learning providers across the country.	Work in progress	Fees being reviewed	0	0
School Improvement and Brokering Grant	<p>We receive £50k pa from the DfE.</p> <p>There are committed expenses associated with this grant of approximately £15,000 to cover statutory duties such as SACRE. A further £10,000 is required for contingency as outlined within the Grant Determination Letter, which may become more evident in post-Covid education recovery.</p>	Closed	Remaining grant being used more widely to improve the overall education offer, with a focus on increasing effective inclusion of children within their local education setting by supporting leaders and teachers to improve the quality of provision for all groups of children and implementing effective early intervention within daily classroom practice.	0	0
Jules House Review Service	The current service offer has not operated out of Jules House since the first lockdown. A review to be undertaken as to how the service could be delivered in the future and whether the physical location of Jules House is required.	Work in progress	Work has been completed to determine how the future service office could be delivered outside of Jules House.	22,900	0

Area	Direction of Travel	Status	Comments	22/23 saving	23/24 savings
Transitions	<p>Project looking at opportunities to enhance integrated working between Children Services and Adult Social Care in order to improve the planning and support arrangements for young people with a range of complex needs.</p> <p>An improved approach to the transition of children into adulthood may identify potential efficiency in care planning and or result in a reduction in high cost interventions, thereby contributing to a Local Authority saving.</p>	Closed	LLR safeguarding adults and children's boards completing work on transitional safeguarding practice model. This is unlikely to result in savings.	£0	£0
<b>Total</b>				<b>£875,900</b>	<b>£31,000</b>

## Appendix F. Adult Social Care Reforms

The Prime Minister has announced significant plans for the future of adult social care ('[Build back better: our plan for health and social care](#)'). The centrepiece of the plan is a new UK-wide 1.25 per cent Health and Social Care Levy (the Levy) based on National Insurance contributions (payable by individuals and employers) that will be ringfenced to fund the plan's range of proposals. For adult social care, these include:

- The introduction of a cap on personal care costs (ie not accommodation costs for people in residential care), set at £86,000, effective from October 2023.
- Changes to the social care financial means test thresholds so that: people will not have to pay towards the cost of their care from their assets if they are less than £20,000 (up from the current threshold of £14,250); people will only be required to pay for the full cost of their own care if their assets are more than £100,000 (up from the current threshold of £23,250). People with assets between £20,000 and £100,000 will likely be required to contribute towards the cost of their care.
- Self-funders will be able to request that their council arranges their care so they can access it at council-funded rates.
- An expectation that councils will use some of the additional funding to pay providers a 'fair price for care'.
- Investment of £500 million for new measures to support the care workforce.
- More support for unpaid carers.
- Investment in Disabled Facilities Grant and supported housing.

The announcements focus primarily on funding with the Government committing to working with councils, the social care sector, the NHS to develop a new white paper for wider social care reforms. It also states that the Government will ensure councils have access to sustainable funding for core budgets at the Spending Review (confirmed today for 27 October). However, the plan also states that the Government's expectation is for demographic and cost pressures to be funded through council tax, the social care precept and long-term efficiencies.

The plan from Government raises many questions but two in particular:

### **How will the proposals impact the work of local authorities?**

As we see it, more people in our community (some of whom already commission and pay for their own care) will ask the Council to commission their care. Whilst people can do this now, very few do. The introduction of the cap gives a greater incentive for people to ask the Council to commission their care and start their "account". The Council will have to maintain "accounts", determine eligible costs (i.e. those that would count against the cap), undertake initial financial assessments (which will need to be maintained) and register a legal charge (against homes) and recover costs in due course. The Council will commission care for those who need it. With more people presenting for care to be commissioned, extra staff resource will be needed to undertake care assessments, follow up assessments and reviews to ensure care commissioned is still appropriate. The subsequent impact on an already

struggling care market is expected to be significant. Currently, self-funders generally pay a higher rate for their care than the Council and it is widely known that self funders subsidise council care rates. It is likely that under new arrangements, Council rates will increase to compensate for the loss of self funder income and to help providers meet staff shortages. So the Council will pay more for care.

### **Will the Council be adequately funded?**

Whilst the Council understands how its work may change, it has no clear view about numbers, demand and workload. Against this backdrop, the Council welcomes assurances about funding but questions whether the Government has a robust view about the potential costs. The Government's current view, which we dispute, is that local authorities are adequately funded to meet needs. We are keen to have more detail on the proportion of the Levy that will come to social care, when it will arrive and the mechanism through which it will be delivered. The distribution methodology will be critical and whilst our preference is for "actual costs" to be reimbursed (an approach used for housing benefits), this mechanism is not employed for other areas often leaving Councils to pick up the shortfall.

From the information currently available (and on a UK-wide basis), of an estimated £36 billion revenue raised from the Levy over the next three years, only £5.4 billion will be made available to social care. And it remains to be seen what social care will receive beyond the next three years. Of further note, the plan makes clear that the Government intends to compensate departments and other public sector employers in England at the Spending Review for the increased cost of the Levy. Contributions will therefore be subtracted. We know too that implementing and administering the proposed new cap on care costs will be a significant undertaking (as set out above). We do not have the current infrastructure to do this. We will be seeking assurances from Government that councils will receive all the support they need to deliver this policy successfully.

Finally, we are keen to have greater clarity on the impact of the proposed reforms for people who receive care at home, and people of working age which we understand will be forthcoming later in the year.

# Appendix G. Business Rates Risks

## Background

Business rates are worked out based on a property's Rateable Value (RV). This is its open market rental value on 1 April 2015 based on an estimate by the Valuation Office Agency (VOA). The rateable value times by the correct 'multiplier' (an amount set by central government) gives a business its total rates bill. The bill can be reduced if the property is eligible for rate relief. There are various types including:

- Small Business Rate Relief
- Retail Discount/ Expanded Retail Discount
- Nursery Discount
- Rural Rate Relief
- Mandatory Rate relief – for charities
- Discretionary rate relief – for non-profit making organisations and sports clubs
- Empty property and partly occupied premises

At an individual authority level, under the current 50% business rates retention system, the amount of business rates income retained by Rutland is determined by the relationship between Baseline Funding Level (BFL) and Business Rates Baseline. Baseline Funding Level is the level of business rates income allocated to meet an authority's need, as determined by the Local Government Finance Settlement. The Business Rates Baseline is the amount of business rates income an authority is predicted to raise. Where a local authority's Business Rates Baseline is greater than its Baseline Funding Level, the authority pays the difference as a tariff and this is redistributed to other local authorities. Where the Business Rates Baseline is less than Baseline Funding Level, the authority receives the difference as a top-up.

The Council is a tariff authority. It has a baseline of £5.524m and tariff of £1.070m. This means that the Council is predicted to raise more income than what the Government believes it needs. So we effectively keep £4.454m plus 49% of any rates collected above the baseline, but these are subject to a levy of 18.9%.

## **Business rate risks**

### 1. Loss of businesses/business failure

If a business goes into administration or leaves the County then the Council's business rates income will go down. In Rutland, there are about 720 businesses that pay rates and there are c20 businesses that account for 47% of total business rates income. The Council's income is therefore heavily reliant on a few businesses. If one of these businesses went into administration for example then under current arrangements, then the Council would have to meet the first 7.5% of the loss c£300k. This is because the Government's safety net is set as 92.5% of Baseline Funding Level. There are lots of factors that will determine whether businesses survive and thrive. The Council has no direct control over these factors but in the context of the pandemic, there is greater volatility and risk.

## 2. Reductions in RV due to appeals

One of the other key risks relates to appeals. Businesses can appeal to the VOA about the amount of rates they pay. If their RV is reduced on appeal (NB: appeals can be backdated for years) then the Council will not only lose income but will have to refund businesses for any “overpayments” they have made. Changes to the RV (including reductions) can also arise as a result of:

- physical changes to property – i.e. new build, demolitions and renovations;
- changes to the mode of occupation of a property – e.g. “splits” and “mergers” and changes to the occupation of other properties in the area.
- changes to the rateable value of property caused by an “error” in the original valuation – often identified as a result of appeals.

To mitigate this risk, the Council has a provision for appeals and losses. The amount set aside represents each Council’s estimate of the sums that may ultimately be repaid to ratepayers. Setting the provision is not straightforward but relies on the various types of information and judgements:

- How many appeals are in the pipeline?
- How many might we get in the future?
- If successful, how much might reductions be?

The Council’s appeals provision is £2.869m and is calculated using data from a ratings consultant as follows:

- Estimated loss on appeals submitted to date
- A forecast element based on a number of factors including past trends, current and future appeals, case law and property classes

The NNDR figures in the MTFP assume c£650k in each year to top up the provision.

### **Business Rate Scenario’s**

To show Members the volatility of business rates income, we have used various scenarios to show the impact that the two above risks could have (for the purposes of these examples and to keep the analysis simple, various technical details have been omitted).

<b>Scenario</b>	<b>Description</b>	<b>Impact</b>
New businesses come into the County (positive for Council)	Total RV would increase, for example a large supermarket could result in additional income of c£250k, of which the Council would receive £123k.	+ £123k per annum
Loss of key business (negative for Council)	Total RV would reduce, if this was one of the top 10 businesses then income could reduce by between £250k to £1.3m, of which the Council would lose between	£123k - £637k per annum

Scenario	Description	Impact
	£123k and £637k albeit the safety net could kick in (i.e. Council receives Government compensation)	
50% of provision not required (positive for Council)	If the provision was reduced by 50% to £1.4m, this would result in £1.4m of the provision being released, of which the Council would receive a one payment of 49% £686k.	£686k one off payment gain
20% losses above provision (negative for Council)	<p>If a loss of £574k occurred in excess of the current balance of the provision, an increased contribution to top-up the provision would be required of which the Council would contribute £281k.</p> <p>An example of a successful appeal- if a company with an RV of £1m wins a 3% reduction in their RV from 2017 this would utilise £75k of the provision.</p>	£574k (one off loss)

The dilemma for the Council is about the level at which to set its provision. If it's too low then the Council may incur costs in the future. If it's too high then the Council could reduce its income in the short term

