

## Appendix A. Q3 Budget Report 2016/17

### 1 REVENUE MONITORING

#### 1.1 The Budget – what is the current budget?

- 1.1.1 The current budget is that approved by Council/Cabinet as shown in the Quarter 2 Financial Management Report on 15<sup>th</sup> November 2016 (report No. 191/2016) and subsequently amended following changes made by Cabinet/Council as set out in Appendix B and summarised in the table below.

<b>Reconciliation of approved budget to current budget</b>	<b>£000</b>	<b>£000</b>
<b>Approved Net Cost of Services (191/2016)</b>		<b>35,039</b>
Changes already approved (as listed in Appendix B) (£35,039k to £35,055k)		16
<i>Changes in this quarter (as listed in Appendix B)</i>		
Transfers from Earmarked Reserve and use of new grant received as listed in Appendix B		36
<b>Current Net Cost of Services</b>		<b>35,091</b>
<b>Approved (Surplus)/Deficit (133/2016)</b>	<b>(775)</b>	
<i>Changes already approved</i>	0	
Changes in this quarter – Budget increases do not impact on overall surplus as they are proposed to be funded from earmarked reserve and new grant.	0	
<b>Current (Surplus)/Deficit</b>	<b>(775)</b>	

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

- 1.2.1 The table in para 1.2.2 sets out the Council's forecast revenue outturn for 31 March 2017 as at the end of December (Quarter 3). Against the surplus budget of £775k, the Council is in overall terms £339k over budget. The Council's forecast is a surplus of £436k. The forecast has changed by £9k since Q2.

1.2.2 The Revenue budget position at Q3 is as follows:

	Approved Budget	Revised Budget	Q2 Forecast Outturn	Q3 Forecast Outturn	Latest Forecast Year End Variance
	£000	£000	£000	£000	£000
People	15,907	16,497	16,896	16,460	(37)
Places	12,318	12,575	12,594	12,518	(58)
Resources	5,247	5,904	5,666	5,635	(269)
<b>Directorate Totals</b>	<b>33,472</b>	<b>34,976</b>	<b>35,156</b>	<b>34,612</b>	<b>(364)</b>
Fire Authority	75	0	0	0	0
Pay Inflation	331	0	0	0	0
Contract Inflation	150	150	0	0	(150)
Social Care Contingency	200	200	0	0	(200)
People First Saving	(235)	(235)	0	0	235
<b>Net Cost of Services</b>	<b>33,993</b>	<b>35,091</b>	<b>35,156</b>	<b>34,612</b>	<b>(479)</b>
Capital Financing	1,931	1,931	1,931	1,931	0
Interest Receivable	(220)	(220)	(235)	(254)	(34)
<b>Net Operating Expenditure</b>	<b>35,704</b>	<b>36,802</b>	<b>36,852</b>	<b>36,289</b>	<b>(513)</b>
Financing	(34,066)	(34,143)	(34,122)	(34,151)	(8)
Transfers to/(from) reserves	(553)	(1,723)	(1,446)	(863)	860
Revenue contributions to capital	180	186	186	186	0
Appropriations	(1,897)	(1,897)	(1,897)	(1,897)	0
<b>(Surplus)/Deficit</b>	<b>(632)</b>	<b>(775)</b>	<b>(427)</b>	<b>(436)</b>	<b>339</b>
<b>General Fund 1 April 2016</b>	<b>(10,089)</b>	<b>(10,144)</b>	<b>(10,144)</b>	<b>(10,144)</b>	<b>0</b>
<b>General Fund 31 March 2017</b>	<b>(10,721)</b>	<b>(10,919)</b>	<b>(10,571)</b>	<b>(10,580)</b>	<b>339</b>

1.2.3 The key points to note are:

- The overall overspend has remained broadly the same as that reported at Q2, with a slight decrease of £9k;
- Despite the increase in budget to cover new expenditure, Directorates are forecasting to spend less than forecast at Q2 - the predicted

overspend of £117k (as reported at Q2) to an underspend of £364k at Q3;

- As reported at Q2, the People Directorate has continued to experience three key pressures in relation to management costs (see Appendix H3), fostering and adoption (Appendix H1) and disabled children (Appendix H2). In these three areas forecasts have increased by a further £182k. At the same time, there are some one off cost reductions in adults social care costs of £363k (para 1.3.4 note (iii) for information) and underspends on ring fenced budgets for Public Health and Better Care Fund (£225k) (para 1.3.4 note (i) and (ii));
- The Places Directorate has continued to experience two key pressures in relation to waste management costs (see Appendix H5) and commercial and industrial properties. Whilst the forecast overspend on waste management has remained the same as that reported at Q2, the spend on commercial and industrial properties has increased by £41k (see para 1.3.7 note (iv) and Appendix H6). Roads maintenance is also now forecasting to be over budget by £47k (see para 1.3.7 note (iii)). However, despite these increases, the overall forecast for the Directorate has reduced by £76k due to increased income in highways, reduction in street lighting costs, staff vacancies and reductions in transport management costs (see para 1.3.7 notes (i), (ii), (v) and (vi));
- In Resources Directorate the increase in forecast underspend is mainly as a result of increases in staffing vacancies and increased income from housing benefit overpayment recovery (see para 1.3.5);
- Whilst, as reported above, Directorate budgets have reduced spend by c£550k, the Council is planning to transfer some of the underspends into earmarked reserves for future use. This explains why the net transfer from earmarked reserves has reduced by c£580k. Some of the underspend relates to unspent ring fenced grants which have to be transferred to reserves, whilst other underspends will be requested to be carried forward to future years as officers still need or wish to spend those budgets but not in this year. Cabinet will be asked to approve those requests as part of the outturn report (see para 1.6 for more information); and
- Outside the General Fund, there is an overspend on the Dedicated Schools Grant (DSG) of £286k arising from High Needs funding and Early Years placements. This pressure has been discussed at Schools Forum and options for recovering this position agreed.

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

- 1.3.1 Directorate budgets do not include any support service budgets. The support service recharge budgets will be allocated to services at the year-end in line with the actual costs for support services. This enables Members to monitor

any over or under spends on support services throughout the year.

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

[http://www.rutland.gov.uk/council\\_and\\_democracy/council\\_budgets\\_and\\_spending.aspx](http://www.rutland.gov.uk/council_and_democracy/council_budgets_and_spending.aspx)

### ***People Directorate***

- 1.3.3 In overall terms, the People Directorate budget is forecast to be underspent by £37k, a reduction in forecast from that reported at Quarter 2 of £452k. The key overspends to note are:

- (i) Whilst the Directorate Management Costs are still forecasting a significant overspend of £233k, the successful recruitment of 3 out of 4 team managers within children's social care (who should be in post by the end of the financial year) has resulted in only a slight increase in forecast at Q3 of £5k. This successful recruitment means that the Directorate will be close to full employment at team manager level and above for the first time in 2 years.
- (ii) The fostering service has continued to see increases in demand since that reported at Q2. The team continue to work on reducing the numbers of young people in high cost residential or independent fostering placements. However, there continues to be difficulties with securing suitable alternative placements and this, along with increased demand, has resulted in a further increase in forecast spend of £123k (total forecast overspend is £510k).
- (iii) The Children with Disabilities service (within the Early Intervention – Targeted functional budget) has seen an increase in forecast spend as a result of two additional high cost placements since that reported at Q2. This has resulted in an additional overspend of £54k on the functional budget.
- (iv) Children's Duty Social Care function has seen an increase in forecast spend of £29k since that reported at Q2 which takes the overall forecast to £74k over budget. This budget is predominantly staffing costs and there has been difficulties in recruiting and retaining staff in this area resulting in the increased use of agency staff (see Appendix H4 for more information)

- 1.3.4 As well as the four areas of overspend discussed above, there are some under spends within the Directorate forecast. The main underspends in forecast are as follows:

- (i) An underspend on the Public Health budget of £80k. Public Health has been asked to identify savings of £200k by 2017/18 by reviewing

contracts and services. This underspend is due to changes in contracts already implemented;

(ii) An underspend on the Better Care Fund of £272k. The Better Care Fund is a ring fenced grant and any under spend will be transferred to reserves at year end for use in future years. The forecast under spend is due to delays in the start of some schemes but this has not impacted on performance;

(iii) On Adult Social Care budgets, there has been a favourable movement of £363k since the forecast at Q2 made up of a number of overs and unders as follows:

- An underspend of £32k in Non BCF Contract and Procurement service (a reduction in costs of £47k since Q2). The budget includes the use of £60k from the Invest to Save Reserve for the review of external placement costs. It is anticipated that not all of this reserve will be required in 2016/17 and this along with staff vacancies has resulted in the reduction in costs;
- An underspend of £44k on Direct Payments services (but an increase in spend of £35k since Q2). The forecast is based on the number of service users currently receiving Direct Payments for Learning Disabilities, Physical Disabilities and Older People. Although overall numbers of service users has decreased, the complexity and cost of support has increased leading to an increase in spend since that reported at Q2;
- An underspend of £30k on Homecare services (a reduction in spend of £70k since Q2). Since Q2 there has been an increase in the number of service users accessing homecare. However, these additional costs have been offset by an increase in income as a result of service users attracting Continuing Health Care (CHC) funding and an increase in fee income from the assessment of the new service users;
- An underspend of £254k on Residential and Nursing services (a reduction in cost of £233k since Q2). The under spend is due to more older people accessing homecare rather than being permanently admitted to residential care settings in line with the Adult Social Care strategy of keeping people well, independent and in the community. Also the block contract at Rutland Care Village has been reduced by 6 beds which leads to a saving in contract costs. Added to this reduction in cost is increased income from CHC funding for service users and outstanding historic income now forecast to be recovered;
- An underspend of £66k on Hospital and Reablement services (a reduction in costs of £77k since Q2). At Q2, the function was forecasting spend on the Integrated Community Equipment Services (ICES) contract which for 2016/17 is now being

supported by the Disabled Facilities Grant (capital funding) which has reduced the pressure on the General Fund for one year; and

- An underspend of £57k on Adult Social Care Other Services (an increase of £23k since Q2). The reduced under spend is as a result of the inclusion of the care act advocacy contract to support anyone requiring help and advice when requesting an assessment for social care.

### ***Resources Directorate***

1.3.5 The Resources Directorate is forecast to be £269k under budget, an increase in underspend since that reported at Q2 of £31k. The key points to note are:

- (i) As part of the service review of Revenues and Benefits which identified long term savings in staffing costs (included in the 2017/18 budget), short term costs on redundancies and pension costs of £23k have been incurred. Subject to approval within this report, these costs will be funded from the Invest to Save earmarked reserve;
- (ii) A review of the Council's bad debt provision has been undertaken and this has resulted in an additional corporate cost included in the Accountancy and Finance service of £25k;
- (iii) There are increases in staffing underspends in Revenues & Benefits, Finance, and Corporate Support of £37k. Moving forward, under spends in these areas have been submitted and incorporated into the 2017/18 budget;
- (iv) The Internal Audit service is being delegated to LGSS and there have been some one off underspends arising from vacancies and delivering work differently of £25k; and
- (v) The Housing Benefit overpayment provision has been reviewed which has resulted in an increase in income of £16k.

1.3.6 No formal request for budget changes are being made as small overspends can be contained within the overall Directorate budget.

### ***Places Directorate***

1.3.7 In overall terms, the Places Directorate is under budget by £58k, a decrease in spend since that reported at Q2 of £76k. The key movements in forecast are as follows:

- (i) Highways Management service is forecasting an increase in S38 income receipts of £43k (income from developers requesting adoption of roads). As part of the Outturn report, approval will be sought to transfer this income to the earmarked reserve for use in future years;

- (ii) The forecast spend on Light Barriers and Traffic Signals has reduced by £55k as a result of the introduction of the new LED street lights;
- (iii) The forecast spend on Road Maintenance has increased by £47k due to an increase in the need for carriageway patching and insurance excesses on third party claims;
- (iv) The forecast overspend on Commercial & Industrial Properties has increased by £41k to £92k over budget. A detailed explanation of the £92k overspend is attached at Appendix H6;
- (v) There are increased staffing underspends being forecast of £51k in Development Control and Sports & Leisure services due to vacancies. The Sports and Leisure post saving has been submitted and incorporated in the 2017/18 budget; and
- (vi) The forecast on Transport Management has reduced by £21k. The reduction is due to the receipt of Bike Ability grant funding of £13k and a reduction in forecast spend on the Total Transport Fund project.

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

#### ***Dedicated Schools Grant (DSG)***

1.3.9 The Dedicated Schools Grant for 2016/17 is currently forecasting an overspend of £285k split between High Needs (£221k) and Early Years (£64k).

1.3.10 High Needs costs are driven by both number and complexity of cases and how the needs of children are met whether in or out of county. In light of the current position, the challenge of meeting the needs of children within the current financial position has been discussed with Schools Forum. The Forum have approved that any overspend at year end will be charged to individual schools based on percentage share of overall allocation.

1.3.11 The overspend on Early Years results from the DfE revising the amount of funding available based on the January 2016 census data and a forecast increase in pupil numbers for the remainder of the year. The final funding settlement for Early Years will not be finalised until after the end of the financial year when the January 2017 census data is confirmed (usually around June). Once finalised, the Council will receive any additional entitlement to funding in 2017/18. Therefore, any overspend at year end will be carried forward to be offset against income.

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

1.4.1 In line with the Financial Procedure Rules para 4.10, Appendix D includes a full list of budget virements between functional budgets undertaken by

Directors. None of these change the net budget.

1.4.2 Where Directors wish to increase a functional budget by over £100k or a budget is expected to be £25k overspent or they anticipate that the overall Directorate budget is likely to be overspent (there is no de-minimis level) they must seek approval in advance from Cabinet or Council for a virement to cover any increase or report retrospectively. This is particularly relevant for demand-led budgets or where the Council has a statutory responsibility to provide a service.

1.4.3 The table below summarises the overall position at the end of Q3:

Directorate	Within budget?	Ceilings > £25k overspent?	Requests for budget changes?
Places	Yes	Yes	No
Resources	Yes	Yes	No
People	Yes	Yes	No

1.4.4 Where functional forecasts are projected to be more than £25k over budget, a detailed explanation can be found within the functional workbooks. Where forecasts are projecting to be overspent by more than £50k (listed in the table below) a detailed explanation of the current position is included in Appendix H.

Function	Amount Overspent	Further Detail Appendix H
<b>Peoples</b>		
Fostering and Adoption	£510,300	H1
Early Intervention - Targeted	£285,900	H2
Directorate Senior Management Cost	£233,400	H3
Children's Duty Social Care	£74,400	H4
<b>Places</b>		
Waste Management	£260,900	H5
Commercial and Industrial Properties	£91,800	H6
Environmental Maintenance	£51,200	H7



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

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

<b>Income Description</b>	<b>Current Budget £000</b>	<b>Q2 Forecast £000</b>	<b>Q3 Forecast £000</b>	<b>Variance £000</b>
Charging for Residential Accommodation	1,019	955	1,038	19
Parking Income	486	483	483	(3)
Rents from Business Units and Business Park	500	472	450	(50)
Planning Fees	328	368	370	42
Fairer Charging Income	260	265	291	31
Building Regulations	188	188	141	(47)
Waste Management - Sale of Recyclables	120	31	29	(91)
Registrars - Births, Marriages etc.	118	159	159	41
Licensing - Premises, Traders, Events etc.	76	93	82	6
<b>Total</b>	<b>3,095</b>	<b>3,014</b>	<b>3,043</b>	<b>(52)</b>

1.5.2 Residential care charging income and the Homecare fairer charging income forecasts are now being taken from the new automated system reporting (Controcc). The number of people accessing homecare has increased from 65 to 76 thereby resulting in increased fee income. The increased income on residential care is due to some outstanding historic income being recovered.

1.5.3 Rental income from Business Units and Business Parks is forecast to be down by £50k as a result of the requirement for compliance works at Oakham Enterprise Park prior to re-letting vacant properties.

1.5.4 Building Regulations income has reduced due to reductions in demand and increased competition from external providers.

1.5.5 Sale of recyclables has reduced significantly due to Dry Mixed Recycling that used to generate income now incurring costs. The change in market prices is a contributory factor to the overall overspend in waste as noted in Appendix H5.

## 1.6 Earmarked Reserves – how are we using reserves?

- 1.6.1 The transfers from Earmarked Reserves include transfers specifically to cover service expenditure that would otherwise be funded from the General Fund.
- 1.6.2 At Q3, Resources Directorate has identified the need to spend £23k of the Invest to Save reserve to support redundancy and pension costs as a result of the Revenues and Benefits service review. Therefore, approval is being sought to transfer this amount from reserves.
- 1.6.3 Whilst (subject to Cabinet approval) the use of earmarked reserves has increased by £23k, less funding is being taken from some earmarked reserves as the forecast indicates that not all of the funding will be required in 2016/17. The net reduction in use of reserves of £583k is made up as follows:
- underspends on ring fenced grants of £226k (e.g. Public Health and Better Care Fund);
  - reduced expenditure on functions supported by earmarked reserves of £153k (e.g. ASC Winter Pressures, Welfare reserve, Digital Rutland and S38 income); and
  - grants received where expenditure is likely to be incurred next year of £66k (e.g. Total Transport project, Warm Homes, DCLG Frontrunners, Bike Ability and Transparency Code);
  - the return of subscriptions to the Road Safety Partnership of £57k which will be used to fund future initiatives;
  - budget given to the Chief Executive for additional payments in respect of Human Resources and employment policies that has not been required in 2016/17; and
  - unspent budgets where spend is committed but actual spend has been delayed and will now not be incurred until 2017/18 of £55k (e.g. School Improvement, Channel shift/Website and Welland Market Towns).

<b>Reserve</b>	<b>Ceiling £000</b>	<b>Balance @ 1/4/16 £000</b>	<b>Planned Use 2016/17 £000</b>	<b>Forecast usage Q3 £000</b>	<b>Transfers to Reserve £000</b>	<b>Balance @ 31/3/17 £000</b>
Invest to Save	500	478	(83)	(48)	0	430
Internal Audit (1.6.3)	Unlimited	35	(35)	(35)	10	10
Planning Delivery Grant	74	49	(14)	(14)	0	35
Welfare Reserve	150	153	(48)	(48)	20	125
Public Health Grant	Unlimited	415	(210)	(210)	80	285
Better Care Fund	Unlimited	334	(200)	(200)	272	**258
Training (1.6.3)	80	80	(10)	(10)	0	70
Social Care	750	623	(35)	(35)	47	635
Travel 4 Rutland	50	26	0	0	0	26
Insurance/Legal (1.6.3)	250	250	(80)	(80)	0	170
Highways (1.6.2)	300	309	(22)	(22)	114	401
National Non Domestic Rates	Unlimited	0	0	0	0	0
SEN Grant	Limited*	107	(107)	(107)	0	0
SEND Grant	Limited*	104	22	22	0	126
Digital Rutland	Limited to Funding	276	(228)	(228)	9	57
Tourism	Limited to Funding	49	(14)	(14)	(2)	33
Adoption Reform Grant (1.6.4)	Limited*	57	(57)	(57)	0	0
Budget Carry Forwards (1.6.5)		573	(567)	(567)	277	283
Commutated Sums		286	(36)	(36)	0	250
<b>Total Reserves</b>		<b>4,204</b>	<b>(1,723)</b>	<b>(1,688)</b>	<b>825</b>	<b>3,192</b>
<b>Actual net use</b>					<b>(863)</b>	
*Limited to grant received*						
** The balance is likely to be reduced by £150k to reflect the return of unspent funds to the CCG						

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

## 2 CAPITAL PROGRAMME

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

2.1.1 The following table sets out the position against the Capital Programme as at the end of December 2016, including the total approved project budget, forecasted expenditure to the end of the project and variances against budget.

Portfolio	Total Project Budget	Expenditure (Prior Years)	Budget 2016/17	Estimated Outturn 2016/17	Variance 2016/17	Total Project Expenditure	Total Project Variance
	£000	£000	£000	£000	£000	£000	£000
<b>Approved Projects</b>							
People	896	314	581	581	0	895	(1)
Places	11,038	3,228	6,951	6,951	0	11,039	1
Resources	45	0	45	45	0	45	0
<b>Total Approved</b>	<b>11,979**</b>	<b>3,542</b>	<b>7,577</b>	<b>7,577</b>	<b>0</b>	<b>11,979</b>	<b>0</b>

Portfolio	Budget 2016/17	Estimated Outturn 2016/17	Variance 2016/17
	£000	£000	£000
<b>Financed by:</b>			
Grant	(5,035)	(5,035)	0
Prudential Borrowing	(652)	(652)	0
Salix 0% Loan	(420)	(420)	0
Capital Receipts	(806)	(806)	0
Revenue Contribution to Capital Outlay (RCCO)*	(186)	(186)	0
Oakham North Agreement	(257)	(257)	0
S106	(221)	(221)	0
<b>Total Financing</b>	<b>(7,577)</b>	<b>(7,577)</b>	<b>0</b>

\*£186k includes £6k Special Guardianship Order Requirement, and £180k Digital Rutland.

\*\* The Total Project Budget includes prior year expenditure, the budget for 16/17 and future year's budget of £860k

## 2.2 Approved programme – are there changes to the approved programme?

2.2.1 The table below shows that the programme during the third quarter of 2016/17 has decreased by £714k, giving a revised capital programme of £7.578m. The changes in the programme are as follows:

- Approvals since Q2 Finance Report – these are projects which have been approved by Members/Officers through Delegated Authority since the quarter 2 budget was reported. Further details of the approval can be found using the report numbers associated with the projects; and
- Budget Carry Forward – these are projects that have been delayed and will continue in future years.

Portfolio	Project	Amount £000	Amount £000
<b>Approved Capital Programme (Q2 Finance Report: <u>191/2016</u>)</b>			<b>8,292</b>
<b>Approvals Since Q2</b>			
Places	Highways - Clipsham (Report <u>202/2016</u> )	(98)	
Places	Highways – The Drift, Ryhall (Report <u>202/2016</u> )	98	
<b>Total Approvals Since Q2</b>			<b>0</b>
<b>Budget Carry Forward</b>			
Places	Sports Grant - S106	(177)	
Places	Digital Rutland – Prudential Borrowing	(458)	
Places	CAPB (North Luffenham)	(55)	
Places	Highways – Bridges	(70)	
<b>Total Budget Carry Forward</b>			<b>(760)</b>
<b>New capital Programme – Requesting Approval</b>			
Places	Oakham Town Centre Design (Approval Required)	46	
<b>Total New capital Programme – Requesting Approval</b>			<b>46</b>
<b>Total Adjustments to Capital Programme</b>			<b>(714)</b>
<b>Revised Capital Programme 2016/17</b>			<b>7,578</b>

2.2.2 On 17th November, 2015, Cabinet approved the use of £50k for the design of integrated transports schemes, including Oakham Town Centre. It is proposed to continue with further design work to ensure the project remains on programme for delivery of Phase 1 by autumn 2018 (subject to design approval), in accordance with the Council's Corporate Plan. The additional spend will be up to £46k. It is proposed to fund this from the remaining unallocated Integrated Transport capital budget of £373k carried forward to 2016/17.

2.2.3 On the 20<sup>th</sup> December 2016 cabinet approved a number of projects (report 216/2016) to increase school places in the county. The projects included the following and are in the capital programme from 2017/18 – 2019/20:

- £651k Oakham CofE school (90 Places)
- £262k Catmose College Phase 1 & 2 (150 Places)
- £200k Uppingahm CofE (30 Places)
- £200k Financial Support to Free School
- £1,950k Catmose College Phase 3 (150 Places)

2.2.4 The Budget Report (08/2017) gives full details of the capital programme for 17/18.

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

2.3.1 Appendix I includes a detailed breakdown of the capital projects and current forecast. Some highlights are given below.

2.3.2 Highways – Report 01/2016 detailed the Highways Capital Programme. The majority of capital works for street lighting, resurfacing, slurry sealing and surface dressing have been completed.

2.3.3 Oakham Castle – following the update in the Quarter 1 report (133/2016) all capital works on the castle have been completed.

2.3.4 Liquid Logic - The implementation process for the Case Management Transformation Programme (CMTP) is now complete as all of the four major Liquidlogic modules LAS (Adults), LCS (Children's), EHM (Early Help) and ContrOCC (Community Finance) have been implemented and are being used. The final purchase of hardware is expected by March/April 2017.

2.3.5 Capital Allocation Project Board (CAPB) – These are a series of projects to improve the condition of schools within Rutland. The CAPB have approved a number of schemes that will be completed during 2016/17. This includes works to the following schools.

School Project	Budget (£000)	Details
Empingham CE Primary School	85	Works started in 2015/16 for safeguarding elements – Mechanical & Electrical (M&E) works Glazing, Barrier gate, replacement of roof lights, boundary fencing and front entrance lobby.
Exton CE Primary School	24	Scope has been agreed and specifications prepared. Includes electrical, mechanical and safeguarding works

School Project	Budget (£000)	Details
Uppingham C of E Primary School	42	Some work completed in 2015/16. Further works to include roof repairs, mechanical and electrical replacements and fire doors
Cottesmore Primary School	76	Academy transfer preparation works – Funds to be transferred to school on completion of works – M&E, Drainage and perimeter fencing. This was agreed with the school when agreeing the lease.
North Luffenham	69	Scope being finalised – M&E, Soffit and Facia Replacements, External Exit Ramp, Timber Posts to footpath, replacement Disabled Harness and a Fire Exit door set. A carry forward of £55k has been requested
Edith Weston	28	Academy transfer preparation works: Window Upgrades and M&E. This was agreed with the school when agreeing the lease.
Great Casterton C of E Primary	25	Upgrade to reception being scoped in addition to safeguarding works.
Oakham C of E Primary	20	A safeguarding issue has been identified at Oakham C of E Primary. Following an internal review it has been noted that the fence height needs to be increased.
Unallocated	78	Budget not yet allocated to a project.
<b>Total CAPB</b>	<b>392</b>	

2.3.6 Digital Rutland – Phases 1 and 2 of Digital Rutland are complete. A further Phase (Phase 3) and the options to deliver are currently under consideration and will be reported to cabinet shortly. It is recommended that the budget for Phase 3 to be carried forward into the 2017/18 (£458k).

2.3.7 Oakham Enterprise Park (OEP) – for the Central Site Development (Phase 2) a direct tendering exercise is underway. The works for the cooking school has been completed and the school is now open.

## 2.4 Projects to be continued in 17/18 – Budget Carry Forward requests

2.4.1 Budgets are requested to be carried forward into 2017/18 for some projects. The amounts to carry forward are known as no further work is expected on projects in 2016/17. In cases where budgets are carried forward, the overall value of the approved project is not increased.

2.4.2 Sports Grant – The approved grant contributions of £74k for Royce Ranger has been postponed. Currently the club is looking at alternative options and a decision is expected in 2017/18. The remaining £103k unallocated funding will be carried forward into 2017/18. A decision will be made in due course as to whether a further call for bids will be made.

2.4.3 Digital Rutland – Phase 3 of the capital project is under consideration and a

decision on the schedule of works will be made in 2017/18 (see para 2.3.6)

2.4.4 Capital Allocation Project Board (CAPB) – delays to the capital programme for North Luffenham School have been identified, works are now expected to be completed in 2017/18. A meeting with the school has been planned to discuss the schedule of works.

2.4.5 Highways Bridges – We are waiting for design works on the Ryhall bridge, works on the bridge are expected in 2017/18

## 2.5 Unallocated funds – what are we planning?

2.5.1 The Budget Report (08/2017) gives full details of the capital programme for 17/18 and sets out available funding which has not yet been allocated.

## 3 MEDIUM TERM FINANCIAL PLAN (MTFP)

### 3.1 Overview - have there been changes since the budget?

3.1.1 The MTFP has been updated as part of the budget setting process for 17/18. The Budget Report (08/2017) gives full details of the changes since that presented in Quarter 2 (2016/17) and the impact of the Comprehensive Spending Review and Local Government Finance Settlement.

### 3.2 Business Rates Retention – what is the latest position?

3.2.1 Under the RBR scheme the Council retains a proportion of the total RBR received. RCC share is 49% with the remainder paid to Central Government (50% share) and the Leicestershire Fire Authority (1% share).

3.2.2 The Council's budgeted position on Business Rates is £4.770m. The amount of rates budgeted comprises actual rates retained net of an estimated levy of £112k (payable because the Council has achieved an actual outturn above its baseline) and a tariff of £796k. The rates retained figure also includes compensation from DCLG (in the form of section 31 grants) for rates foregone (c£337k Budgeted C£345k forecasted as at q3) due to implementation of Government policy e.g. small business rate relief. The current position is outturn of £4.762m which is in line with budget. Any over/under performance against Business Rates will be paid in 2017/18, with the exception of Section 31 grants and any levy payable.

### 3.3 New Homes Bonus – what is the latest position?

3.3.1 The NHB is a scheme aimed at encouraging local authorities to grant



planning permission for the building of new houses, in return for additional revenue. The NHB Scheme for 17/18 has changed since that in operation in 16/17 following changes made by Government (these are not repeated here but more information can be found in Budget Report (08/2017)).

- 3.3.2 The Scheme is based on the net increase (after applying a baseline of 0.4% on prior year dwellings) in the number of dwellings (additions less demolitions), with extra bonus for affordable homes, empty homes brought back into use and local authority owned and managed gypsy site pitches. Each additional property attracts a grant equivalent to the national average council tax for that Band (approx. £1,530 for a Band D property). An additional £350 is received for each affordable home.
- 3.3.3 In terms of latest performance, the NHB allocation for 2017/18 is based on performance achieved between October 2016 and September 2017. Any underperformance or negative change in banding profile of the growth against the MTFP target will result in a loss in the MTFP.

	<b>Numbers</b>
Dwellings @ 30 Sept 2016	16,903
Baseline (0.4% of dwellings)	(68)
Dwellings @ 31 December 2016	16,995
MTFP target (274 in year)	17,177
Amount still to deliver	182

- 3.3.4 The current number of properties delivered (95) is above the average quarterly increase required to deliver the 274 growth required. The current banding of the properties delivered is lower than the current profile within the MTFP i.e. the band of the properties being built is less than a Band D. This will be factored into the final budget report.

## 3.4 Council Tax and Council Tax Benefit – are we on budget?

- 3.4.1 Council Tax represents 60% of the total income the Council receives, and even slight fluctuations can have a significant impact on the General Fund balance. For that reason the position on Council Tax is monitored closely. There are a variety of movements that can affect the Council Tax Collection Fund Balance, including additional Council Tax Support claims; fluctuations in the council tax base (e.g. number of properties the Council bills); and write offs. The table below shows the expected outturn on council tax taking into account known changes.
- 3.4.2 The table below shows the performance of the Collection Fund is outperforming the MTFP position, this will result in the Council being able to

declare a surplus to be shared in 2016/17. The main reason for the increase is that the Council has more properties being billed for council than it predicted. The spend on Council tax support is in line with budget.

Area	Annual Billing £000	Q2 Forecast £000	Q3 Forecast £000
Annual Debit	27,669	27,669	27,669
Adjustments to Annual Debit	-	167	179
Council Tax Support	(1,366)	(1,347)	(1,348)
<b>Gross Income from Council Tax</b>	<b>26,303</b>	<b>26,489</b>	<b>26,500</b>
Total Demands and Precepts	(26,136)	(26,136)	(26,136)
Bad Debt Provision and Write Offs	(140)	(140)	(140)
<b>Total expenditure</b>	<b>(26,276)</b>	<b>(26,276)</b>	<b>(26,276)</b>
<b>Estimated surplus/(deficit) for 15/16</b>	27	213	224
Actual Surplus/(Deficit) Brought Forward from 14/15	(27)	(27)	(27)
<b>Estimated Surplus/(Deficit) 31/03/2016</b>	<b>0</b>	<b>186</b>	<b>197</b>
<b>RCC share*</b> (based on Council's share of total demands and precepts)	<b>0</b>	<b>161</b>	<b>170</b>

3.4.3 The Council put £50k into a Discretionary Hardship Fund to support those who need additional support paying their council tax. The latest position is shown below. The number of awards is slightly lower than this time last year.

Hardship Fund	2015/16 Outturn	Q2 Actual	Q3 Actual
Number of applications	191	86	109
Number awarded	144	79	93
Number of appeals (won)	1	0	1
Value of awards (£000)	26	23	24
Budget remaining (£000)	24	27	26

## 4 FINANCIAL PERFORMANCE

### 4.1 Debtors – are we recovering our debts?

- 4.1.1 The Council's aged debt position shows a slight decrease in debts outstanding from the previous quarter. At Quarter 2 it was highlighted that a public sector organisation had c£480k of debt outstanding, the reduction in debt in the >91 days category is largely down to this debt being reduced but some of the debt is now showing in the 31-60 day category.

Aged debt	Q4 2015/16 £000	Q2 £000	Q3 £000
0-30 days	831	856	882
31-60 days	194	111	220
61-90 days	17	175	59
> 91 days	252	532	393
Deferred Payments	286	303	256
<b>Total</b>	<b>1,580</b>	<b>1,977</b>	<b>1,810</b>
<b>By Directorate</b>			
People	968	968	1,156
Places	344	941	622
Resources	268	68	32
<b>Total</b>	<b>1,580</b>	<b>1,977</b>	<b>1,810</b>
<b>By Recovery Rating</b>			
Red	32	85	85
Amber	237	622	367
Green	1,311	1,270	1,358
<b>Total</b>	<b>1,580</b>	<b>1,977</b>	<b>1,810</b>

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

- 4.2.1 In the third quarter, the Council's average interest rate received on investments has been 0.72% on an average investment balance of £32.438m which is a decrease from the average of 0.79% in quarter 2. The main reason is down to the uncertainty in the markets as a result of Brexit which has pushed interest rates lower.
- 4.2.2 The budgeted interest for 2016/17 is £220k. The Council is currently forecasting investment income at being £254k. The table overleaf shows the investments held as at 31 December 2016.

Investment Number	Amount Invested	Interest Rate	Date Invested	Maturity Date	Number of Days
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<b>Banks - UK</b>					
1	4,016,021	0.45%	120 Day Notice Account		
2	1,000,000	1.05%	30-Mar-16	29-Mar-17	364
3	1,000,000	1.05%	30-Mar-16	29-Mar-17	364
4	3,000,000	1.05%	01-Apr-16	31-Mar-17	364
5	2,000,000	1.05%	12-Apr-16	11-Apr-17	364
6	1,000,000	1.05%	13-Apr-16	12-Apr-17	364
7	2,000,000	0.97%	29-Apr-16	28-Apr-17	364
8	1,000,000	1.05%	27-Jul-16	26-Jul-17	364
9	1,000,000	1.05%	27-Jul-16	26-Jul-17	364
10	2,000,000	0.60%	12-Sep-16	14-Mar-17	183
11	1,000,000	0.45%	12-Oct-16	12-Apr-17	182
12	1,000,000	0.46%	21-Oct-16	21-Apr-17	182
13	1,000,000	0.46%	27-Oct-16	27-Apr-17	182
14	3,000,000	0.60%	06-Dec-16	06-Jun-17	182
<b>Building Societies</b>					
15	1,000,000	0.55%	08-Jul-16	10-Jan-17	186
16	1,000,000	0.60%	14-Jul-16	17-Jan-17	187
17	1,000,000	0.57%	02-Aug-16	02-Feb-17	184
18	1,000,000	0.45%	04-Oct-16	04-Apr-17	182
19	1,000,000	0.42%	03-Nov-16	03-May-17	181
20	1,000,000	0.53%	24-Nov-16	24-May-17	181
<b>Money Market Funds</b>					
21	481	0.20%	Instant Access		
22	455,763	0.25%	Instant Access		
23	1,000	0.22%	Instant Access		
<b>Total</b>	<b>30,473,265</b>				

### 4.3 VAT Partial Exemption – are the Council within the 5% Limit?

- 4.3.1 Within the Q2 Finance report it was reported that the calculation is close to the 5% limit. Finance continue to monitor this closely and as at the end of December the Council were still within the limit in line with the Q2 position.

## Appendix B. Approved Budget Changes

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

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

Description	Source of Funding	Net Cost of Services £000	Capital Financing £000	Funding £000	Transfer to/(from) Reserves £000	Spend on Capital £'000	(Surplus)/ Deficit £000	Cabinet* £500k Limit £000	Cabinet Other £000	Council £000	Ch Exec. s151 Officer £000
<b>Changes already made</b>											
Approved Budget (39/2016)		33,993	1,711	(35,963)	(553)	180	(632)				
Approved Budget at Q1 (133/2016)		34,807	1,711	(36,011)	(1,468)	186	(775)	0	1,000	0	117
Approved Budget at Q2 (191/2016)		35,039	1,711	(36,011)	(1,700)	186	(775)	0	1,232	0	117
High Needs Strategy (22/2017) (i)	Grant	16		(16)			0			16	
		35,055	1,711	(36,027)	(1,700)	186	(775)	0	1,232	16	117
<b>Changes Awaiting Approval</b>											
Transparency Code (ii)	Grant	13		(13)			0			13	
Revenue & Benefits Redundancies (iii)	ER	23			(23)		0		23		
		35,091	1,711	(36,040)	(1,723)	186	(775)	0	1,255	29	117

- (i) Members have approved the use of the High Needs Strategy Grant of £15.5k to support the delivery of the Action Plan for the Placement of Pupils with Special Education Needs or Disabilities (22/2017).
- (ii) The Council has received a grant to fund the work carried out in relation to the Transparency Code of £13k. Cabinet are being asked to recommend to Council the use of this grant for its intended purpose.
- (iii) A review of the Revenues & Benefits team has been undertaken and Cabinet are being asked to approve the use of £23k from the Invest to Save earmarked reserve to fund redundancy and other termination costs.

## Appendix C. Reconciliation of Directorate budgets

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

	Approved Budget 2016/17 £'000	Budget At Q1 2016/17 £000	Budget At Q2 2016/17 £000	High Needs Strategy  £000 (i)	Transparency Code  £000 (ii)	Revenues & Benefits Redundancies £000 (iii)	Budget At Q3 2016/17 £000
People	16,424	16,424	16,481	16			16,497
Places	12,524	12,558	12,575				12,575
Resources	5,743	5,743	5,868		13	23	5,904
Pay Inflation	0	0	0				0
Contract Inflation	150	150	150				150
Fire Authority	0	0	0				0
Social Care Contingency	200	200	200				200
People First Savings	(235)	(235)	(235)				(235)
<b>Net Cost of Services</b>	<b>34,807</b>	<b>34,840</b>	<b>35,039</b>	<b>16</b>	<b>13</b>	<b>23</b>	<b>35,091</b>

(i) to (iii) Refer to Appendix B for Detail on notes

## Appendix D. Virements

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

Function	Current Ceiling	Revised	Movement	Reason
Resources Directorate Management	£231,300	£246,300	£15,000	Virement of vacancy management surplus due to Head of Corporate Governance vacancy, for use on the Business Support Review
Legal and Governance	£449,800	£434,800	(£15,000)	



## Appendix E. People Budget Monitoring Summary

Function	Outturn 2015/16	Budget	Revised Budget	Q2 Forecast	Q3 Forecast	Variance
Directorate Management Costs	1,817,667	1,472,400	1,622,400	1,850,500	1,855,800	233,400
Savings	0	(50,000)	(50,000)	(157,000)	(157,000)	(107,000)
<b>Total Directorate Costs</b>	<b>1,817,667</b>	<b>1,422,400</b>	<b>1,572,400</b>	<b>1,693,500</b>	<b>1,698,800</b>	<b>126,400</b>
Public Health	143,900	210,000	210,000	137,000	130,500	(79,500)
BCF Programme Support	37,320	85,200	85,200	85,200	85,200	0
BCF Community Prevention	182,263	217,000	217,000	217,000	154,500	(62,500)
BCF Supporting Independence	1,351,326	1,634,000	1,634,000	1,610,400	1,538,300	(95,700)
BCF Adult Social Care	158,498	325,000	325,000	296,000	211,700	(113,300)
<b>Adults and Health (Ringfenced)</b>	<b>1,873,306</b>	<b>2,471,200</b>	<b>2,471,200</b>	<b>2,345,600</b>	<b>2,120,200</b>	<b>(351,000)</b>
Non BCF Contract and Procurement	524,586	620,500	642,600	656,300	611,100	(31,500)
ASC Community Inclusion	576,246	648,700	658,600	708,300	702,700	44,100
ASC Prevention and Safeguarding	265,967	269,600	163,600	125,800	141,200	(22,400)
ASC Prevention and Safeguarding - Staffing	463,185	471,600	476,400	461,100	464,200	(12,200)
ASC Support and Review - Daycare	157,986	179,300	198,300	173,400	168,800	(29,500)
ASC Support and Review – Direct Payments	497,300	531,600	657,800	579,000	614,100	(43,700)
ASC Support and Review – Homecare	958,459	1,007,000	1,129,800	1,169,900	1,099,700	(30,100)
ASC Support and Review – Other	308,425	350,400	418,400	338,100	360,900	(57,500)
ASC Support and Review – Residential & Nursing	2,808,207	2,953,600	2,720,600	2,700,000	2,466,500	(254,100)
ASC Support and Review – Staffing	529,128	607,100	612,400	588,900	588,000	(24,400)
ASC Hospital and Reablement	272,563	415,600	421,900	433,900	356,200	(65,700)
<b>Adults and Health (Non Ringfenced)</b>	<b>7,362,052</b>	<b>8,055,000</b>	<b>8,100,400</b>	<b>7,936,700</b>	<b>7,573,400</b>	<b>(527,000)</b>
Safeguarding	160,432	177,700	152,600	136,600	137,200	(15,400)
Childrens Duty Social Care	457,305	229,700	231,300	277,000	305,700	74,400
Long Term Childrens Social Care	567,373	596,300	670,100	666,900	675,100	5,000

<b>Function</b>	<b>Outturn 2015/16</b>	<b>Budget</b>	<b>Revised Budget</b>	<b>Q2 Forecast</b>	<b>Q3 Forecast</b>	<b>Variance</b>
Early Intervention – Targeted Intervention	864,046	898,500	902,700	1,134,500	1,188,600	285,900
Early Intervention – Universal and Partnership	360,845	433,800	435,800	396,600	383,700	(52,100)
Fostering and Adoption	1,215,718	1,179,100	1,192,100	1,580,000	1,702,400	510,300
<b>Childrens</b>	<b>3,625,718</b>	<b>3,515,100</b>	<b>3,584,600</b>	<b>4,191,600</b>	<b>4,392,700</b>	<b>808,100</b>
Schools and Early Years	863,357	651,400	757,700	742,000	687,400	(70,300)
Rutland Adult Learning and Skills Service (RALSS)	12,372	7,200	10,500	(13,000)	(12,700)	(23,200)
<b>Learning and Skills</b>	<b>875,730</b>	<b>658,600</b>	<b>768,200</b>	<b>729,000</b>	<b>674,700</b>	<b>(93,500)</b>
<b>Total People - GF (Ringfenced)</b>	<b>1,873,306</b>	<b>2,471,200</b>	<b>2,471,200</b>	<b>2,345,600</b>	<b>2,120,200</b>	<b>(351,000)</b>
<b>Total People - GF (Non Ringfenced)</b>	<b>13,681,167</b>	<b>13,651,100</b>	<b>14,025,600</b>	<b>14,550,800</b>	<b>14,339,600</b>	<b>314,000</b>
<b>Total People – GF</b>	<b>15,554,473</b>	<b>16,122,300</b>	<b>16,496,800</b>	<b>16,896,400</b>	<b>16,459,800</b>	<b>(37,000)</b>
Dedicated Schools Grant (DSG)	226,546	0	0	201,300	285,700	285,700
<b>Total People (Including DSG)</b>	<b>15,781,018</b>	<b>16,122,300</b>	<b>16,496,800</b>	<b>17,097,700</b>	<b>16,745,500</b>	<b>248,700</b>

## Appendix F. Places Budget Monitoring Summary

Function	Outturn 2015/16	Budget 2016/17	Revised Budget	Q2 Forecast	Q3 Forecast	Variance
Directorate Management Costs	187,828	187,800	190,200	193,000	193,000	2,800
Development Control	(80,628)	210,100	215,200	175,100	155,900	(59,300)
Drainage & Structures	164,550	122,100	193,100	193,800	194,300	1,200
Emergency Planning	28,191	29,100	29,100	28,100	28,100	(1,000)
Environmental Maintenance	1,183,778	1,140,400	1,117,100	1,156,700	1,168,300	51,200
Forestry Maintenance	106,289	128,700	128,700	128,700	128,700	0
Highways Capital Charges	1,158,600	1,332,300	1,332,300	1,332,300	1,332,300	0
Highways Management	162,499	227,000	228,000	136,600	93,400	(134,600)
Home to School Transport	1,320,901	1,343,900	1,347,200	1,293,200	1,318,000	(29,200)
Lights Barriers Traffic Signals	269,102	271,200	271,200	267,400	212,800	(58,400)
Parking	(285,050)	(230,900)	(230,100)	(246,600)	(233,500)	(3,400)
Pool Cars & Car Hire	89,325	94,400	94,400	98,600	99,400	5,000
Public Protection	375,238	397,900	421,200	401,600	388,000	(33,200)
Public Rights of Way	111,956	119,700	108,000	105,700	99,300	(8,700)
Public Transport	804,019	819,200	819,200	827,400	804,600	(14,600)
Road Maintenance	1,038,174	927,500	883,500	883,500	930,100	46,600
Transport Management	412,821	382,000	464,300	437,700	416,700	(47,600)
Waste Management	2,226,556	2,124,900	2,124,900	2,384,700	2,385,800	260,900
Winter Maintenance	213,353	267,500	267,500	267,500	267,500	0
Crime Prevention	151,309	152,100	152,100	136,600	136,600	(15,500)
<b>Environment, Planning and Transport</b>	<b>9,450,983</b>	<b>9,859,100</b>	<b>9,966,900</b>	<b>10,008,600</b>	<b>9,926,300</b>	<b>(40,600)</b>

Function	Outturn 2015/16	Budget 2016/17	Revised Budget	Q2 Forecast	Q3 Forecast	Variance
Planning Policy	397,233	356,500	289,300	297,800	298,900	9,600
Housing	88,305	108,400	232,000	218,800	218,800	(13,200)
Tourism	19,376	13,900	14,100	14,700	16,200	2,100
Health & Safety	35,144	37,000	37,400	37,400	37,400	0
Property Services	901,339	955,800	963,100	938,600	932,000	(31,100)
Building Control	3,944	(47,100)	(47,100)	(46,100)	(31,400)	15,700
Commercial & Industrial Properties	(143,690)	(212,900)	(212,000)	(161,000)	(120,200)	91,800
Economic Development	98,936	146,400	214,000	178,100	173,000	(41,000)
Culture & Registration Services	83,949	78,100	85,500	77,300	74,700	(10,800)
Libraries	425,397	444,500	448,000	434,000	424,100	(23,900)
Museum Services	340,572	358,600	360,500	366,000	370,300	9,800
Sports & Leisure Services	13,901	32,100	33,300	36,800	4,600	(28,700)
<b>Development and Economy</b>	<b>2,264,406</b>	<b>2,271,300</b>	<b>2,418,100</b>	<b>2,392,400</b>	<b>2,398,400</b>	<b>(19,700)</b>
<b>Total Places</b>	<b>11,903,217</b>	<b>12,318,200</b>	<b>12,575,200</b>	<b>12,594,000</b>	<b>12,517,700</b>	<b>(57,500)</b>

## Appendix G. Resources Budget Monitoring Summary

Function	Outturn 2015/16	Budget 2016/17	Revised Budget	Q2 Forecast	Q3 Forecast	Variance
Chief Executives Office	268,254	263,400	332,400	282,400	282,400	(50,000)
Directorate Management Costs	194,488	170,500	246,300	259,200	274,300	28,000
Corporate Costs	145,190	158,800	158,800	157,000	158,700	(100)
Pensions	221,692	220,000	232,000	219,200	236,000	4,000
Audit Services	134,610	160,000	196,700	183,200	171,700	(25,000)
Insurance	195,912	210,300	210,300	208,700	208,700	(1,600)
Accountancy & Finance	643,150	624,700	651,600	635,800	664,800	13,200
Information Technology	1,093,082	1,229,900	1,396,400	1,402,900	1,396,300	(100)
Corporate Support Services	772,678	515,800	593,900	557,900	544,500	(49,400)
Members Services	189,222	206,700	206,700	201,500	196,100	(10,600)
Customer Services Team	202,098	230,400	247,500	217,300	207,400	(40,100)
Elections	16,064	16,900	36,900	7,500	8,700	(28,200)
Legal & Governance	368,659	354,400	434,800	433,200	408,200	(26,600)
Human Resources	428,154	426,200	438,500	453,200	448,500	10,000
Revenues & Benefits	265,842	383,700	446,000	402,100	386,200	(59,800)
Financial Support	27,214	75,000	75,000	44,700	42,200	(32,800)
<b>Total Resources</b>	<b>5,166,309</b>	<b>5,246,700</b>	<b>5,903,800</b>	<b>5,665,800</b>	<b>5,634,700</b>	<b>(269,100)</b>

## Appendix H. Adverse variances over £50k

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

Reference	H1
Directorate	People
Function	Fostering and Adoption
Budget	£1,192,100 (including £57k Adoption reform reserve)
Forecast	£1,702,400
Amount requested	N/A
Source of funding requested	N/A
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17 (except for the use of the earmarked reserve) but has been revisited as part of 2017/18 budget setting process.
Explain why existing budget can/cannot accommodate cost	<p>The Council started the financial year with 40 looked after children, this was reduced to 38 by June but now stands at 41.</p> <p>The Council is in the process of trying to find a suitable alternative placement for a child placed short term in a high cost residential placement that was agreed in 2015/16. Whilst this placement is not suitable or appropriate in the long term, it is proving difficult to find a suitable foster placement as an alternative and therefore the residential placement has continued (currently in its 13th month and likely to continue for at least another 6 months).</p> <p>Since Q2 the forecast has increased by £123k owing to the situation described above and as a result of a further large family group requiring support.</p>

Reference	H2
Directorate	People
Function	Early Intervention - Targeted
Budget	£902,700
Forecast	£1,188,600
Amount requested	N/A
Source of funding requested	N/A
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17 but has been revisited as part of 2017/18 budget setting process.
explain why existing budget can/cannot accommodate cost	<p>The Children With Disabilities (CWD) service has additional pressures with the need to meet the costs of further specialist placement provision for children with disabilities.</p> <p>The service is a statutory demand led function and the response provided by the Council is based on a detailed assessment of need, this can be a Children in Need (CiN) assessment and/or an Education Health and Care (EHC) assessment. Future demand and level of funding required remains unknown and projections are based on existing known children.</p> <p>Pressures have developed in year due to two new children assessed as needing social care support and requiring specialist placements, one of which moved in County.</p> <p>However, as the cost of the placement cannot be met by the Dedicated Schools Grant (DSG) in full, the social care aspects of the placement requires funding by the People Directorate, CWD has been identified as the correct general fund budget for these costs.</p> <p>There has been an increase of £54k since Q2 as a result of two additional high cost placements impacting on the budget.</p>

Reference	H3
Directorate	People
Function	Directorate Senior Management Costs
Budget	£1,622,400
Forecast	£1,855,800
Amount requested	N/A
Source of funding requested	N/A
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17.
Please explain why existing directorate budget can/cannot accommodate cost	<p>This budget covers costs associated with the senior management team for the People Directorate including the Director, Assistant Director, Heads of Service and team manager salaries.</p> <p>At the start of the year, the People Directorate had two vacant Head of Service positions (Head of Safeguarding and Head of Learning and Skills). In both cases permanent members of staff are now in place.</p> <p>There are also a number of vacancies at team manager level across children's services – safeguarding, children's social care, and lifelong learning. These vacancies are currently being covered by interim managers. The role of fostering team manager was removed from the 16/17 structure in line with planned changes to the fostering service but given the level of demand the post is still needed in the short term and is being filled by an interim.</p> <p>The successful recruitment of 3 out of 4 posts within children's social care means that the forecast overspend has not increased significantly from that reported at Q2.</p>



Reference	H4
Directorate	People
Function	Children's Duty Social Care
Budget	£231,300
Forecast	£305,700
Amount requested	N/A
Source of funding requested	N/A
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17.
Please explain why existing directorate budget can/cannot accommodate cost	<p>This budget covers the cost of running the children's social care duty service and consists predominantly of staffing costs.</p> <p>We have not been able to fully recruit to permanent posts therefore agency staff are required to ensure core business and statutory duties are upheld.</p> <p>There are 4 social worker posts in this service, being 1 principal social worker and 3 social worker posts. Until recently only 1 post was filled on a permanent basis, however this post holder has now left.</p> <p>The forecast overspend has increased by £29k since Q2 as there are still issues in recruiting to these posts which are notoriously harder to fill. The forecast is based on the likelihood that agency Social Workers will still be required until the end of the financial year.</p>

Reference	H5
Directorate	Places
Function	Waste Management
Budget	£2,124,900
Forecast	£2,385,800
Amount requested	£Nil
Source of funding requested	N/A
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17.
Explain why existing budget can/cannot accommodate cost	<p>The service budget set for 2016/17 allowed for 2% inflation and a further £150k was set aside in a contingency for contract inflation. The service budget did not directly take into account continuing adverse pricing changes or potential increases in tonnages over and above those anticipated due to housing growth.</p> <p>At Q4 and Q1 it was reported that there was likely to be a £200k overspend in 16/17 based on known changes in pricing/rates for Dry Mixed Recycling and Green Waste, including Dry Mixed Recycling moving from generating an income to incurring a cost and some increases in waste tonnages in the latter part of 2015/16.</p> <p>The latest data for April to December 2016 indicates some continued increases in waste. Detailed analysis compared with the same months in 2015, indicates:</p> <ul style="list-style-type: none"> <li>• An increase of approx. 600tonnes (20%) of Green Waste, at a cost of £19.85 per tonne.</li> <li>• An increase of approx. 380tonnes (13%) of Residual Waste, at a cost of £89.97 per tonne.</li> </ul> <p>The most significant change though, is Dry Mixed Recycling treatment now being a cost, at c £10/t in quarter 1 and c£15/t in quarter 2, compared with a budgeted income generation of approx. £20/t. This accounts for £141k of the forecast overspend.</p> <p>In addition, £21k of forecast overspend is due to continued increase in compactor and container repairs at the Civic Amenity Sites.</p> <p>The remainder of the overspend relates to £24k additional green waste tonnage, £35k additional residual tonnage, and £11k loss of recycling income on glass, wood and other recyclables. There is little movement between Q2 and Q3 as a result, at Quarter 3 the Waste Management functional budget is forecast to be £260,900 overspent. Management continue to review ways in which waste generation can be minimised.</p>

Reference	H6
Directorate	Places
Function	Commercial & Industrial Properties
Budget	(£212,000)
Forecast	(£120,200)
Amount requested	£Nil
Source of funding requested	N/A
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17.
Please explain why existing directorate budget can/cannot accommodate cost	<p>This overspend is being driven by the need to undertake certain works to ensure assets are compliant with building regulations at Oakham Enterprise Park (OEP). Failure to undertake these works will lead to a situation where certain assets cannot be let and therefore have an impact on the anticipated revenue stream. These works included site wide fire compliance works (improve road access, installation of water tanks, additional fire hydrants and re-commissioning of the fire main) and specific works to units e.g. fire alarms, razor wire removal etc.</p> <p>This expenditure should be viewed as 'spend to save' as these works will improve the overall income levels from OEP over the short and medium term.</p> <p>The spend on these properties has increased by £41k since that reported at Q2 due to increased compliance works required at OEP and work required to be completed on residential garages.</p>

Reference	H7
Directorate	Places
Function	Environmental Maintenance
Budget	£1,117,100
Forecast	£1,168,300
Amount requested	£Nil
Source of funding requested	N/A
Rationale	In order to maintain transparency it is not proposed that the budget is altered for 2016/17.
Please explain why existing directorate budget can/cannot accommodate cost	The overspend (£48k) is due to no budget having been allocated to the Cemetery as it had been assumed a transfer to Oakham Town Council would take place prior to this financial year. As well as running costs the forecast includes one off costs: £15,370 for headstone repairs, £14,112 for path refurbishments and £3,700 for replacement litter bins, plus a small contingency to facilitate the handover to Oakham Town Council which is still under discussion.

## Appendix I. Detailed Capital Programme

Directorate	Project Description	Total Project Budget	Total Project Expenditure	Variance	Total Budget 2016/17	Committed Expenditure	Estimated Outturn	Variance 2016/17
People	Devolved Formula	32,000	32,000	0	32,000	22,534	32,000	0
People	Disabled Facilities Grants	195,300	195,300	0	195,300	68,300	195,300	0
People	Autism Innovation	18,500	18,179	(321)	3,500	0	3,500	0
People	ASC System Replace	590,000	589,978	(22)	344,900	311,875	344,900	0
People	Special Guardianship	60,000	60,000	0	5,789	5,789	5,789	0
<b>Total People Capital Programme</b>		<b>895,800</b>	<b>895,457</b>	<b>(343)</b>	<b>581,489</b>	<b>408,498</b>	<b>581,489</b>	<b>0</b>
Places	Digital Rutland	2,670,000	2,670,233	233	1,012,200	868,342	1,012,200	0
Places	Oakham Enterprise Park	670,000	670,000	0	570,000	48,198	570,000	0
Places	Uppingham College	74,000	74,000	0	74,000	33,749	74,000	0
Places	Capital Allocation Project Board	480,550	483,254	2,704	391,950	176,173	391,950	0
Places	CAPB-Increase Capacity	132,580	132,580	0	25,000	16,002	25,000	0
Places	Highways 2016/17	2,489,500	2,489,500	0	2,419,500	1,728,552	2,419,500	0
Places	Highways Capital Project	34,300	34,300	0	34,300	17,000	34,300	0
Places	Integrated Transport Block	138,100	137,241	(859)	131,200	104,369	131,200	0
Places	Active Rutland Hub	769,000	768,476	(524)	4,000	0	4,000	0
Places	Sports Grants	500,000	499,914	(86)	25,500	21,000	25,500	0
Places	Oakham Castle Restoration	2,400,100	2,400,096	(4)	1,583,700	899,271	1,583,700	0
Places	Oakham Library	680,000	680,000	0	680,000	63,527	680,000	0
<b>Total Places Capital Programme</b>		<b>11,038,130</b>	<b>11,039,594</b>	<b>1,464</b>	<b>6,951,350</b>	<b>3,976,184</b>	<b>6,951,350</b>	<b>0</b>
Resources	Agresso Upgrade	45,000	45,000	0	45,000	45,000	45,000	0
<b>Total Resources Capital Programme</b>		<b>45,000</b>	<b>45,000</b>	<b>0</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>0</b>
<b>Total Capital Programme</b>		<b>11,978,930</b>	<b>11,980,051</b>	<b>1,121</b>	<b>7,577,839</b>	<b>4,429,682</b>	<b>7,577,839</b>	<b>0</b>