

Report to: **Transport and Environment Scrutiny Committee**

Date: **9 March 2011**

By: **Director of Governance and Community Services**

Title of report: **Reconciling Policy and Resources 2010/11**

Purpose of report: **To review scrutiny input into the Reconciling Policy and Resources (RPR) process during 2010/11.**

RECOMMENDATION:

The Committee is recommended to review its input into the Reconciling Policy and Resources process to establish whether there are lessons for improvement for the process in future.

1. Financial Appraisal

1.1 There are no specific financial implications associated with this report.

2. Reconciling Policy and Resources (RPR) and scrutiny in East Sussex

2.1 Reconciling Policy and Resources (ie. aligning the Council's budget setting process with service delivery plans) is now firmly established as an effective and transparent business planning process in East Sussex. The 2010/11 round began earlier than usual with a report to Cabinet on 5 July 2010 detailing some £8.3m of in-year grant reductions. This was followed at 27 July Cabinet with the State of the County 2010 report.

2.2 Scrutiny committees actively engaged in the process firstly to allow them to bring the experience they have gained through their work to bear, and secondly to help inform their future work programmes.

2.3 In September 2010 each scrutiny committee considered extracts from the *State of the County* report and made comments to Lead Members on the relevant policy steers and their contribution to the objectives of the whole Council (the County Council Promise) prior to consideration by County Council.

2.4 The scrutiny committees established scrutiny boards to act on their behalf and provide a detailed input into the RPR process. These met in December 2010 and January 2011 to consider detailed budget plans and the emerging savings strategy. In particular the scrutiny boards:

- considered whether the amended policy steers were reflected satisfactorily within the proposed key areas of budget spending for 2011/12;
- considered whether all possible efficiencies had been identified; and
- assessed the potential impact of any savings proposals on services provided to County Council customers.

2.5 This report aims to assist scrutiny to become more effective in future RPR rounds and to enable consideration of the specific commentary relating to each committee.

2.6 Appendix 1 to this report summarises the comments and recommendations made by all the scrutiny committees and boards during the stages outlined above. In addition to making specific recommendations, scrutiny sought and was given assurances, on a range of related matters.

2.7 Each scrutiny committee is requested to focus on the section related to its own remit. The table includes sections for all the scrutiny committees to enable members to compare approaches and help to improve the process in future years.

3. Conclusion and Reason for Recommendation

3.1 The Committee is recommended to review its input into the 2010/11 Reconciling Policy and Resources process and in particular to establish whether there are lessons for improvement for the future.

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Local Members: All

BACKGROUND DOCUMENTS

None

Overview and Scrutiny: Reconciling Policy and Resources (RPR) boards 2010/11

This table is a summary of the outcomes, observations and findings of the scrutiny RPR Boards held in December 2010 and January 2011.

All the scrutiny boards considered draft Portfolio Plans and attempted to understand the impact of the significant budgets cuts facing the County Council over the next four years. Scrutiny boards are largely supportive of the plans being put in place and the means being proposed to protect front line services as far as practicable. As a consequence of this work, they have identified new priorities for scrutiny work programmes in the coming year.

All the RPR boards emphasised the continuing importance of presenting RPR information in an open, clear and understandable way and may provide suggestions in due course on how this might be improved in future.

RPR Board membership	Notes / key outcomes
<p>Adult Social Care</p> <p><u>Board:</u> Councillors Waite (Chairman), Belsey, Healy, Ost and Mrs Tidy.</p> <p><u>Lead Member:</u> Councillor Bentley</p> <p><u>Observer:</u> Councillor Sparks</p>	<p><u>RPR Board on 10 January 2011</u></p> <p>The Board:</p> <ul style="list-style-type: none"> • Supported the approach being taken by the department to maintain funding for <u>preventive and re-ablement services</u>. • Recommended that eligibility <u>criteria remain at 'critical and substantial'</u>. Noted that this would be possible only if the department reaches an agreement with the Primary Care Trusts as to how the additional funding being made available for social care services is to be used. • Recognised the need for flexibility in the use of the <u>community care budget</u>; in particular, where clients have the resources to fund services themselves this should be encouraged. • Considered it needs to gain a better understanding of how the <u>criteria used to assess the level of client need</u> are assessed in practical terms; a session at a future scrutiny committee will be organised.

RPR Board membership	Notes / key outcomes
<p>Audit & Best Value</p> <p><u>Board</u>: Councillors Sparks (Chairman), Bennett and Birch.</p> <p><u>Lead Member</u>: Councillor Reid.</p> <p><u>Observer</u>: Councillor Sylvia Tidy.</p>	<p><u>RPR Board on 5 January 2011</u></p> <p>Board comments and observations:</p> <p><u>Corporate Resources</u></p> <ul style="list-style-type: none"> • There are no specific grants directly affecting Corporate Resources. Assumed savings of 20% over four years are being implemented but with the difficulty that much of the Corporate Resources budget lies with other departments. Staff vacancies have been held where possible and priority given to low impact and efficiency savings. Service reviews will focus on many of the following areas and the outcomes of these will be available to scrutiny in due course. • <u>Building maintenance</u>: ~£380,000 savings need to be made. Officers judge that approximately half this saving can be achieved through low impact savings and efficiencies, and the remainder will have some adverse impact on the condition of our estate (a 'medium' impact). Members' focussed on the nature of any impacts such as the consequences of property being left vacant and unmanaged. There will be a range of activities aimed at mitigation, for example: better procurement; improved prioritisation using better condition data; the impact of the 20% accommodation project (i.e. expectation that overall size of estate would reduce); and, work on mapping the public estate following a pilot in Rother. Noted that the overall maintenance backlog has been reduced progressively over recent years. The Formula Grant reduction for academies is likely to result in further building maintenance savings. • <u>Audit</u>: Discussions have started with other local authorities to explore the possibility of increased collaboration and shared audit services; there are very few other alternatives for this well managed and highly regarded service. • <u>Finance</u>: The current model has finance directors and officers in each service; the service review in this area will examine alternative ways to configure financial services. • <u>Use of reserves</u>: Apart from sums earmarked for waste and certain capital projects, reserves will generally be used in respect of initiatives to achieve a 'smaller organisation', such as funding redundancy payments. Reserves will not be used to compensate services or activities for loss of income. <p><u>Strategic Management and Economic Development</u></p> <ul style="list-style-type: none"> • <u>Policy steers</u>: endorsed revisions. • <u>Economic development</u>: the LEP is still in early development and there will be little clarity about the financial impacts till the summer of 2011. Opportunities for shared (economic development) services are

RPR Board membership	Notes / key outcomes
	<p>being explored.</p> <ul style="list-style-type: none"> • <u>Impact on businesses in East Sussex</u>: The full impact of the forthcoming public sector cuts on local businesses is not well understood in an economy such as that of East Sussex which is dominated by small and medium sized enterprises (SMEs). Analysis of the East Sussex Business Survey will be undertaken to see whether any greater insight can be gleaned into the impact of reduced public sector procurement, and other spending reductions, on the local economy. • <u>Personnel and training</u>: are seeking to take out a layer of management but the demand for these services is increasing. Staff recruitment costs have reduced significantly with electronic advertising and streamlined web based systems in place. Sickness absence levels are still currently improving but levels will be monitored carefully as the current financial pressures impact throughout the organisation over coming months. • <u>Equalities</u>: a minimal corporate capacity will be retained to ensure that equalities impact assessments are carried out effectively; this is essential, amongst other things, to help reduce risks of non compliance with legislation. • <u>Income generation/renewable energy</u>: Members questioned plans for future income generation to ensure that all possible income generation possibilities were being pursued. • <u>Scrutiny and Democratic Services</u>: Members were concerned at potential cuts in service because of the increasing need for Members to pursue the 'localism agenda' by, for example, undertaking scrutiny in consultation with the public. Staff restructuring would remove a management layer.
<p>Children's Services</p> <p><u>10 Jan 2011</u></p> <p><u>Board</u>: Councillors Ensor (Chairman), Field, Webb and Whetstone.</p> <p><u>Lead Members</u>: Councillors Elkin, Glazier and Stroud.</p> <p><u>Observer</u>: Councillor St</p>	<p><u>RPR Board on 10 January 2011</u></p> <p>The Board:</p> <ul style="list-style-type: none"> • Supported the move to <u>amalgamate the Education Welfare Service and the Behaviour and Reintegration Service</u> and thereby reduce staffing costs. (Cllr Webb abstained) • Recognised the added importance that will be placed on <u>CAFs (Common Assessment Frameworks)</u> as they will be a valuable tool in helping to identify early those children and young people who are vulnerable and thereby enable support/intervention to be put in place. • Supported the move to <u>amalgamate the Youth Offending Team, Youth Development Service, Connexions Intensive Personal Advisers, Youth Homelessness, Teenage Pregnancy and Substance Misuse Services into the Youth Justice and Targeted Youth Support Service</u> and thereby reduce staffing

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<p>Community Services</p> <p><u>Board:</u> Councillors Taylor (Chairman), Harris, Howson, Rogers and S. Shing.</p> <p><u>Lead Member:</u> Councillor Bob Tidy</p> <p><u>Observer:</u> Councillor Sylvia Tidy.</p>	<p><u>RPR Board on 7 January 2011:</u></p> <p>Board comments and observations:</p> <ul style="list-style-type: none"> ▪ <u>General comment:</u> The Board is supportive of the overall approach being taken which is to minimise the impact to residents/customers in terms of access to front-line services. ▪ <u>Libraries:</u> The Board supports the proposal to spread savings across the service thus maintaining and developing all libraries within the county as hubs of the local community. Savings would impact on the library stock budget which may mean increased waits for popular items. Staffing reductions would be gradual and would be mitigated to a certain extent by the introduction of self-service facilities. Income from loans of audio-visual items is declining significantly and this impacted on the budget. ▪ <u>ICT/e-government:</u> The Board supports phasing out information kiosks as they reach the end of their life, in conjunction with the introduction of digital TV in the county in 2012. This will result in a £27,000 pa saving to the Council. There are significant potential savings from the adoption of new technology and joint working with other local authorities and partners. £1.3m savings has been identified through technology developments and negotiation on core infrastructure. ▪ <u>Community Safety:</u> There is ongoing uncertainty about some significant community safety grants and this has created service planning difficulties. The Board is supportive of the focus on the most vulnerable and recognises that the level of service which could ultimately be provided would be dependent on national decisions on grant funding. The Community Services Scrutiny Committee will receive further reports on this issue during 2011. ▪ <u>Trading Standards:</u> Savings would be achieved through a team restructure in order to minimise impact on front-line services. The Board clarified that the contribution from the <i>Buy With Confidence</i> scheme relates to increased income, including a contribution from Adult Social Care to running the <i>Support with Confidence</i> scheme. ▪ <u>Travellers:</u> In relation to the proposed increase in rental charges for traveller pitches, benchmarking against other authorities indicates that current charges are below average. ▪ <u>Registration service:</u> A service review is ongoing and proposals on the future service model would be brought forward during 2011. The Committee will consider a report in due course. ▪ <u>Voluntary and Community Sector (VCS) support:</u> The Board welcomed the maintenance of current investment in the VCS during 2011/12, which is the final year of an agreed three year investment plan. The Board also highlighted the ongoing and increasing importance of the VCS, particularly in light of the

RPR Board membership	Notes / key outcomes
	<p>'Big Society' agenda.</p> <ul style="list-style-type: none"> ▪ <u>Archives and records</u>: The service budget would be protected in the run-up to the opening of <i>The Keep</i> due to the additional demands of the transition and ensuring the success of the new facility.
<p>Transport & Environment</p> <p><u>Board</u>: Councillors Stogdon (Chairman), Daniel (14 December) and Freeman.</p> <p><u>Lead Member</u>: Councillor Lock</p> <p><u>Observer</u>: Councillor Sparks (14 December)</p>	<p><u>RPR Boards on 14 December 2010 and 13 January 2011</u></p> <p>Messages to Cabinet:</p> <ul style="list-style-type: none"> ▪ <u>General</u>: Whilst the scale of budget reductions in Transport and Environment is estimated at 20% across the whole service over four years, T&E services other than waste are set to experience something approaching a 36% reduction – a fact which the Board considers should receive greater emphasis in the Portfolio Plan. Transport and Environment Department will continue some level of activity across all the current service areas although not to same level as currently exists. ▪ <u>Departmental staff restructuring</u> has so far focussed on creating a more efficient department; in future there are likely to be cuts to specific activities to meet the required budget reduction. Handling this will require an effective communications plan and the Transport and Environment Scrutiny Committee will consider this in due course. ▪ <u>Highway maintenance</u>: A shift from reactive to planned maintenance has, amongst other benefits, successfully led to reduced complaints about potholes during this winter compared to last. ▪ <u>Winter maintenance</u>: There are no specific service cuts being proposed at this stage. There will be a review to re-evaluate the rationale for selecting gritting routes to ensure that the criteria are applied consistently across the County, and that the operation is carried out as efficiently as possible. T&E Scrutiny Committee will examine the outcome of this as part of its ongoing monitoring of the 2010 scrutiny review of winter maintenance. ▪ <u>Footway maintenance</u>: District/town/parish councils should always be given the option to pay for an 'upgrade' of pavement repair from the default tarmac surfacing to paving slabs or stones. ▪ <u>Passenger Transport</u>: The impact of concessionary bus fares (transferred from District to County control) will be significant but is currently unknown. The current £1m Rural Bus Subsidy Grant has been reduced by £250,000 next year. Members endorsed the recently increased contracting periods with bus companies so as to generate a better competitive tendering position and contract rates for the County Council. The Committee will continue to focus on passenger transport and in particular the outcomes of Community Transport initiatives.

RPR Board membership	Notes / key outcomes
	<ul style="list-style-type: none"><li data-bbox="584 236 2040 437">▪ <u>Road safety</u>: The department is responding proactively to the recent scrutiny review. Funding for the Sussex Safer Roads Partnership (SSRP) is to continue for a further year although at a significantly reduced level to reflect a focus predominantly on safety camera operations. During next year the SSRP is tasked with becoming self-funding if it continues to exist at all; funding will therefore cease from 2012/13. Reviews of all road safety activity, and who provides them, is being undertaken to remove duplication and increase efficiency.