

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

Date: **14 September 2016**

By: **Chief Executive**

Title of report: **Reconciling Policy, Performance and Resources (RPPR)**

Purpose of report: **To provide an overview of the Council's business and financial planning process (Reconciling Policy, Performance and Resources) and the Committee's ongoing role in this process.**

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## **RECOMMENDATIONS:**

**The Scrutiny Committee is recommended to:**

**(1) agree key areas of interest/lines of enquiry for scrutiny and to ensure these are reflected in the Committee's future work programme;**

**(2) establish a scrutiny review board to consider the developing portfolio plans and savings proposals as they emerge in December and to submit scrutiny's final comments on them to Cabinet in January 2017.**

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## **1. Background**

1.1 The *State of the County* report was agreed by Cabinet on 28 June 2016. The report is an important annual milestone in the Council's ongoing business and financial planning process known as *Reconciling Policy, Performance and Resources* (RPPR). It updated the national and local policy, financial and performance context and provides the background for the development of the updated business and financial plans that will eventually be agreed by the County Council early in 2017. It is available at [State of the County](#).

1.2 The Council is currently in year one (2016/17) of a three year service and financial plan which was agreed by Council in February 2016. This was developed against a background of permanent reduction in the size of the public sector, including councils, and reflects savings of £19.5m in 2016/17, savings of £17.3m in 2017/18 and £27.4m in 2018/19 which are included in the medium term financial plan. This is in addition to savings of £78m over the previous five years, already achieved through a mixture of service change, efficiency and prioritisation. Whilst the County Council still has a net budget of about £369m this year, it was acknowledged that the scale of savings required could not be met without direct impact on front line services for all service areas across the organisation.

1.3 Plans for years two and three (2017/18-2018/19) of the three year programme were less detailed than those for the current year because of the uncertainty about future funding and the need to take account of the effect of current savings plans. The focus for this year is therefore on refining those existing plans, rather than starting from scratch. Cabinet has asked Chief Officers to bring updated savings proposals for 2017/18 - 2018/19 to its meeting in October 2016 for initial consideration. It has also been agreed to extend the planning horizon by an additional two years in order to reflect the planning cycles of our NHS partners (although projections for 2019/20 - 2020/21 will necessarily be indicative only).

## **2. Scrutiny engagement in RPPR**

2.1 Scrutiny's contribution to the RPPR process is vitally important and is threaded through all scrutiny work. Each scrutiny committee, through its regular work programme and specific scrutiny projects, has the opportunity to review the services within its remit on an ongoing basis to identify opportunities for improved performance, efficiency or alternative delivery options. Committees also gain an insight, through all their work, into relative priorities within portfolios, taking into account the Council's overall priority outcomes.

2.2 The insight and evidence gathered through this ongoing work is drawn together and enhanced in specific RPPR sessions which will, ultimately, enable each scrutiny committee to provide commentary and recommendations to be taken into account by Cabinet and Council before a final decision is taken on the updated budget and business plan early in 2017.

2.3 The **September 2016 scrutiny committees** have a particular focus on reviewing current portfolio plans, budget information and existing savings plans to ensure a full understanding of the current context and future pressures.

2.4 The following attachments are provided to support the committee in these tasks:

- **Appendix 1** contains extracts from the Financial Budget Summary 2016/17 for the areas within the remit of this committee to provide the 'big budget picture' (both revenue and capital); the full document is at [Financial Budget Summary](#).
- **Appendix 2** contains the **current portfolio plan(s)** for the functions within the committee's remit.
- **Appendix 3** sets out the **three year savings plans** across all main service areas agreed by Council in February 2016 (also reflecting subsequent revisions to public health savings).
- **Appendix 4** sets out the context in which future savings are being made and summarises areas of search for savings agreed in October 2015.

2.5 Based on this information, and Members' wider accumulated knowledge and evidence, the Committee is invited to identify any key areas of interest or lines of enquiry which it will pursue through subsequent RPPR sessions and/or its wider work programme (recommendation 1). It will be helpful to clarify how existing items on the committee's work programme will inform the ongoing RPPR process, and to identify any necessary additions or changes to the work programme arising from this discussion. This includes any additional information or reports required for the November meeting.

2.6 Finally, the scrutiny committee is asked to agree the membership of its RPPR scrutiny review board which will then consider the developing portfolio plans and savings proposals in more detail as they emerge (recommendation 2).

2.7 The **November 2016 scrutiny committees** can explore the more detailed refined savings proposals which will have been considered by Cabinet in October and consider any additional information which was requested in September. Further additions or refinements to the Committee's ongoing work programme can be considered

2.8 The **RPPR scrutiny review boards** meet in December 2016 to agree detailed comments and any recommendations on the emerging portfolio plans and savings proposals to be put to Cabinet on behalf of their parent scrutiny committees. The Chairs of all the scrutiny committees are invited to attend all the scrutiny review boards.

2.9 The **March 2017 scrutiny committees** review the process and their input into the RPPR process and receive feedback on how scrutiny input has been reflected in final plans. Any issues arising can be reflected in the future committee work programme.

2.10 Running alongside this process, whole-Council Member forums will ensure that Members can keep an overview of the emerging picture across all service areas including the impacts of national announcements on our plans. Chief Officers will also provide any briefings required by group spokespersons to assist them in contributing to the RPPR process and future savings and spending plans.

**BECKY SHAW**  
**Chief Executive**

Contact Officer: Jane Mackney, Head of Policy and Performance (01273 482146)

Local Member: All

Background Documents: None