

Audit, Best Value and Community Services

Service savings proposal	Scrutiny comment / suggestion / recommendation at Dec 2016 RPPR Board	Response
Capital Programme 2018-2023	<ul style="list-style-type: none"> • The Board noted the lack of clarity with the arrangements for negotiating future Community Infrastructure Levy (CIL) funding for key infrastructure projects such as roads or school places. • The Board wished to see progress towards the planned use of capital for income generation (see Property Investment Strategy below). • The Board noted the use of direct revenue contributions (£6 million) to fund short term assets particularly ICT (£15 million over 5 years) and also as a contribution to £51 million of externally unfunded highways capital works. 	<ul style="list-style-type: none"> • Work is ongoing to establish what funding is expected from CIL contributions and the process that the Council will need to undertake to obtain CIL contributions. The County Council will need to work closely with the Borough and District Councils to ensure basic needs are prioritised effectively and ensure CIL funding is secured where appropriate (Appendix 8 Capital Programme, of the RPPR Cabinet report). • The capital budget agreed does not include a capital allocation for income generation. However, the Committee have previously been informed that a business case will be submitted for any capital needed for the Property Investment Strategy. • The direct revenue contribution was reduced from £6m to £4m pa but the policy that contribution should at minimum provide funding for short term assets remains unchanged.
Treasury Management	The Board welcomed the proposed recalibration of the Minimum Revenue Provision (MRP) for capital repayments. This would reduce revenue payments annually by between £3.5m (straight line method) and £5.2m (annuity method). The Board noted however that annual payments would increase after 20 years and that the consent of the external auditor KPMG would need to be sought.	<ul style="list-style-type: none"> • The recalibration of the Minimum Revenue Provision (MRP) for capital repayments was agreed and the revenue savings used within the revenue Medium Term Financial Plan (MTFP).

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	<ul style="list-style-type: none"> The Board recommended Cabinet to support the proposed recalibration of the Minimum Revenue Provision (MRP) for capital repayments, and that the revenue saving be used within the revenue Medium Term Financial Plan (MTFP) rather than to repay debt. 	<ul style="list-style-type: none"> In total there was a £7.0m reduction in the amount charged to revenue as a result of changes made to the calculation of the MRP and a wider review of the Council's treasury management budgets. This reduction offset other pressures within the budget process and helped to reduce the overall level of required savings.
Income Generation	<p>The Board noted the work of the member and officer consultative group on initiatives for increased income from across the Council of £6.76 million.</p> <ul style="list-style-type: none"> The Board asked that, in setting discretionary pricing for services, attention be given to establishing price / demand elasticity and this should be included in future officer training. 	<ul style="list-style-type: none"> The officer Income Generation Group has been made aware of this proposal and will take it into account in its development of a commercial skills training package for officers.
Apprenticeship Levy	<p>The strategic issues that the Board wished to draw to the Cabinet's attention are:</p> <ul style="list-style-type: none"> £550,000 is to be deducted from the General Fund staffing budget (as the Levy contribution) with no certainty about how much of this will be returned to the budget in 2017-18 in the form of apprenticeship training vouchers; Similarly, £690,000 is to be deducted from (maintained) schools delegated staffing budgets again with no certainty about how much of this will be claimed back to pay for apprenticeship training of, for example, classroom assistants. (For smaller schools in particular this might lead to serious financial pressures); As a matter of urgency, greater effort should be made to: a) allocate additional resources for project leadership; b) establish and set achievable targets for departments and schools to use when implementing the programme; and This project should be included on the Strategic Risk Register. 	<ul style="list-style-type: none"> The ABVCS Scrutiny Committee will receive an update report at its meeting on 14 March 2017, item 12. The Apprenticeship Levy impacts have been added to the Strategic Risk Register (see item 10, appendix 1 on the ABVCS agenda for 14 March 2017).

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Property Investment Strategy	<p>The Board was split on the principle of the Council investing in open market commercial investment projects. However, the Board would wholly support investment in public capital projects that are both financially beneficial and in the public interest; for example, primary care centres and sheltered accommodation.</p>	<ul style="list-style-type: none"> • A progress report on the Property Investment Strategy is planned for the ABVCS Scrutiny Committee meeting on 14 July 2017.
Orbis Public Law	<p>The Board welcomed progress of this project and the projected £1m savings from Orbis Public Law.</p> <ul style="list-style-type: none"> • The Board noted that the tighter regulation of Deprivation of Liberty Safeguards (DoLS), and the pressures from increasing court costs from adult and children's care, may offset some or all of the projected savings. 	<ul style="list-style-type: none"> • Budget Monitoring reports will be presented at the Orbis Public Law Joint Committee meetings. • An update report on the progress of Orbis Public Law will be brought to the ABVCS Scrutiny Committee in due course (date to be agreed).
Senior Management and Organisational Development (SMOD)	<p>Coroners Service:</p> <ul style="list-style-type: none"> • The Board expressed concern that the Medical Examiner service will, from 2018, be required to investigate all deaths not reported to the Coroner without full cost recovery. • Board welcomed the work being undertaken to establish a shared Coroner service with West Sussex County Council and it recommended that this be pursued. • 	