

Report to: **People Scrutiny Committee**

Date: **1 October 2018**

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.**

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, core service offer, and savings proposals as they emerge in December and to submit scrutiny's final comments on them to Cabinet in January 2019.

1. Background

1.1 The *State of the County* report was agreed by Cabinet on 17 July 2018 and is an important annual milestone in the Council's integrated business and financial planning process known as *Reconciling Policy, Performance and Resources* (RPPR). It sets out the context and provides an overview of the latest position in preparation for more detailed planning for 2019/20 and beyond. The Council spends over £370m net each year and it is vital that these resources, in partnership with others, are deployed in the most effective way. The report is available at [State of the County](#).

1.2 The next three years will see more reductions in central Government funding together with growth in demand for services, particularly for older people. This means that, notwithstanding the value for money our services offer and the high Council Tax paid by local people, the services the Council can offer will be constrained. The *State of the County* report sets out the Core Offer, which will be funded according to the Council's priority outcomes, and is the best service offer the Council is likely to be able to afford.

1.3 The Core Offer will fulfil the Council's duties, offer support to those most in need, preserve some level of early help and prevention and assist with the economic development of the County. There are many variables, but the Council may reach this level of service by the end of 2020/21 and there is no guarantee that the Council will have sufficient resources to deliver even the Core Offer sustainably beyond that date unless the Government addresses the fundamental funding issues, which the Council shares with much of local government.

1.4 The Local Government Association (LGA) has estimated that there will be a £5.8bn funding gap by 2019/20 in local government nationally and the County Councils Network (CCN) has carried out research which shows that many County Council leaders are not confident that they can deliver balanced budgets beyond 2020/21 without additional cash from the Government. The projection of Government funding, based on what has currently been confirmed in the latest Local Government Financial Settlement, indicates that East Sussex County Council's funding will reduce by a further net £16.9m over 2019/20 – 2021/22.

1.5 The Council's business and financial planning is underpinned by its four priority outcomes, which provide a focus for decisions about spending and savings and will direct activity across the Council. The current four priority outcomes are:

- Driving sustainable economic growth;
- Keeping vulnerable people safe;
- Helping people help themselves; and
- Making best use of resources.

The priority outcome that the Council makes the “best use of resources” is a test that is applied to all activities.

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 has the opportunity to undertake forward looking reviews related to the services within its remit on an ongoing basis to identify opportunities for improved performance, efficiency or alternative delivery options. The new scrutiny arrangements mean that the two committees have a wider remit, which presents opportunities for them to gain an insight 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 2019.

2.3 The **September/October 2018 scrutiny committees** have a particular focus on reviewing current portfolio plans and budget information 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 2018/19 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** is an extract from the *State of the County* report which outlines the **Core Offer** for the services that are within the remit of the committee.

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 for the committee to discuss how 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 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 2018 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 2018 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 2019 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.

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All

Background Documents:

State of the County report – Cabinet 17 July 2018
Financial Budget Summary 2018-2019