

<b>Report to:</b>	People Scrutiny Committee
<b>Date of meeting:</b>	15 September 2020
<b>By:</b>	Chief Executive
<b>Title:</b>	Reconciling Policy, Performance and Resources (RPPR)
<b>Purpose:</b>	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 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) Agree what further information is required for consideration by the Committee at its November meeting; and**

**(3) Establish a scrutiny review board to consider the developing Portfolio Plans, Medium Term Financial Plan and savings proposals as they emerge in December and to submit Scrutiny's final comments on them to Cabinet in January 2021.**

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## **1. Background**

1.1 The *State of the County* report was agreed by Cabinet on 14 July 2020 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 current context and provides an overview of the latest position in preparation for more detailed planning for the 2021/22 financial year and beyond. A copy of the report is available at [State of the County](#).

1.2 The *State of the County* report gives the current understanding of how the Council will need to reset its services to deal with the future, as we learn to live with the reality of a world with COVID-19 and the significant impact this has on people's lives; manage the legacy impacts of the initial wave of infection; and respond to potential new waves of infection for the foreseeable future. The RPPR process, bringing together our policy, business and financial planning and risk management, provides the vehicle for the Council's service and financial recovery and reset.

1.3 The financial uncertainty created by the impact of COVID-19, coupled with continued uncertainty around future levels of Government funding, has made providing a clear picture of the Council's financial position very difficult. Consequently, a revised Medium Term Financial Plan (MTFP) was not included in this year's *State of the County* report and Cabinet agreed to receive further reports in the autumn when there is greater certainty about the impact of the coronavirus pandemic on East Sussex and future resources. Cabinet also agreed to review and reset the Core Offer in light of the current circumstances and to review the Council's priority and delivery outcomes; scrutiny may wish to contribute to this process.

1.4 When the 2020/21 balanced budget was approved by Full Council on 11 February 2020, the deficit on the MTFP to 2022/23 was £9.322m. Updating the MTFP for normal factors (such as inflation and an additional year) prior to the impact of COVID-19, the position would have been a deficit budget position by 2023/24 of £8.123m. This provides a starting point for a revised MTFP which will be presented later in the year.

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

2.1 Scrutiny's contribution to the RPPR process is vitally important and is threaded through all scrutiny work. The insight and evidence gathered through previous and ongoing scrutiny 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 Council Plan, budget and MTFP early in 2021.

2.2 Scrutiny's task this year has been made more difficult due to the levels of financial uncertainty and impact on service delivery as a result of COVID-19.

2.3 The **September 2020 Scrutiny Committees** have a particular focus on reviewing current service and budget information as well as existing savings plans to ensure a full understanding of the current context and future pressures.

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

- **Appendix 1** is an extract from the existing **Savings Plans** that were agreed by Council in February 2020, for the services that are within the remit of the Committee. These will need to be reviewed in the light of the changed circumstances.
- **Appendix 2** contains the **current Portfolio Plans** for the functions within the Committee's remit.
- **Appendix 3** contains extracts from the **Financial Budget Summary 2020/21** for the areas within the remit of this Committee to provide the 'big budget picture' for revenue (the full document is at [Financial Budget Summary](#)) and the latest capital programme 2020/21 - 2022/23 (extract from the *State of the County* report).

2.5 Based on the information in this report, 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. This includes any additional information 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 MTFP, Portfolio Plans and savings proposals in more detail as they emerge.

2.7 The **November 2020 Scrutiny Committees** can consider any additional information which was requested in September and any updated information reported to Cabinet during the autumn. Further additions or refinements to the Committee's ongoing work programme can also be considered.

2.8 The **RPPR scrutiny review boards** meet in December 2020 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 2021 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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