

**Report to:** People Scrutiny Committee

**Date of meeting:** 17 July 2023

**By:** Chief Executive

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

**Purpose:** To begin the committee's input to the Council's business and financial planning process (Reconciling Policy, Performance and Resources) for 2024/25.

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## **RECOMMENDATIONS:**

The scrutiny committee is recommended to:

**(1) Consider information within the 2022/23 end of year Council monitoring report and State of the County 2023 report relevant to the remit of the committee;**

**(2) Agree key areas of interest for scrutiny and to ensure these are reflected in the committee's future work programme, including any further information required for consideration by the committee at its autumn awayday; and**

**(3) Establish a RPPR scrutiny board to consider the developing Portfolio Plans and financial plans and to submit scrutiny's final comments on them to Cabinet in January 2024.**

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### **1. Background**

1.1 On 27 June 2023 Cabinet considered two reports which form important annual milestones in the ongoing Reconciling Policy, Performance and Resources (RPPR) cycle – the Council's integrated business and financial planning process.

1.2 The end of year performance monitoring report for 2022/23 set out the Council's position and year-end projections for the Council Plan targets, Revenue Budget and Capital Programme, together with Risks at the end of March 2023. The State of the County 2023 report set out the current operating context for the Council in preparation for more detailed planning for the 2024/25 financial year and beyond. The report provided an up to date understanding of how the Council will need to continue to respond to the wide range of policy, demographic and financial drivers which influence the outlook for the authority.

1.3 The State of the County report highlighted that uncertainty continues to define the context within which the Council is working. The challenging national economic environment, including the increased cost of living, continues to affect our residents, and to generate ongoing cost and resource pressures on the Council itself. The financial outlook for the Council remains unclear, with a further one year financial settlement anticipated for 2024/25 and any significant national reforms to local government funding unlikely before the next general election, which is expected in 2024. Many of our major, demand-led, services are subject to significant national reforms, with associated service and financial risks, and there is a continuing pressing need to work towards addressing the impacts of climate change.

1.4 Within this uncertain national environment, we continue to experience increased demand for services locally, arising from demographic changes, increased need and the longer term impacts of Covid. There are also challenges securing the skilled workforce we need to respond to the pressures we face and to develop our services for the future. Taken together, these national and local factors make future service and financial planning very challenging. When the 2023/24 balanced budget was approved by Full Council on 7 February 2023, the deficit on the Medium-Term Financial Plan (MTFP) to 2025/26 was £40.672m. Updating the MTFP for normal factors

(such as the latest inflation rates and an additional year), the position would have been a deficit budget position by 2026/27 of £55.499m. The MTFP position does not account for the impact of Adult Social Care reform, and if grant funding for social care, currently announced for two years, continues at the same level after 2024/25, the deficit would reduce by £28.2m.

1.5 In this context, we will need to continue to take action proactively to prepare for the time ahead, to maximise our resilience as an organisation and to best manage growing demand for our services. The report sets out that the Council's relatively stable financial position for 2023/24 presents an opportunity to intensify ongoing work to maximise organisational resilience, make best use of our resources, and to equip our services for future demands, given the significant challenges ahead.

## 2. People scrutiny committee engagement in RPPR

2.1 This committee'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 Medium Term Financial Plan (MTFP) early in 2024. The diagram attached at **Appendix 1** summarises scrutiny involvement throughout the annual RPPR cycle.

2.2 The **July scrutiny committees** have a particular focus on reviewing current service and financial performance information contained in the end of year monitoring report, as well as considering new developments which will impact on services as set out in the forward-looking demographic, policy and financial analysis in the State of the County report. This is to ensure the scrutiny committees have a full understanding of the current context and future pressures for the service areas within the remit of each committee.

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

- **Appendix 2** comprises extracts from the 2022/23 **end of year monitoring report** considered by Cabinet in June and County Council on 11 July – departmental appendices not relevant to this committee's remit have been removed. The Strategic Risk Register (Appendix 7 of the end of year monitoring report) is included for information, however the Audit Committee has a lead role in relation to oversight of risk management and the Strategic Risk Register.
- **Appendix 3** contains the full **State of the County report** as considered by Cabinet in June and County Council on 11 July. The committee is invited to focus on the elements relevant to services within its remit, particularly in Appendix 2 to the report – the national and local policy outlook.

2.4 Based on the information in the attached reports, 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 discussions and/or its wider work programme. This includes any additional information required for the September meeting or autumn awayday to inform the committee's input to the RPPR process.

2.5 Areas of interest to be prioritised for scrutiny may arise from, for example, areas experiencing performance challenges, significant policy changes or new service developments. Careful selection of topics to focus on will enable the committee to be well positioned to comment on the impact of service changes, future service delivery and budget proposals as part of the ongoing RPPR process.

2.6 The **September 2023 and November 2023 scrutiny committee meetings** can consider any additional information which has been requested and any updated information reported to Cabinet during the autumn. Further refinements to the committees' ongoing work programmes can also be considered at each meeting. In addition, the committees' **autumn work planning awaydays** provide an opportunity to receive more detailed information on any specific areas of interest identified by Members, and to review the overall work programme to ensure it is aligned to strategic priorities for the Council and scrutiny.

2.7 The committee is also asked to agree the membership of its **RPPR board**, which will meet in **December 2023** to agree detailed comments and any recommendations on the emerging Portfolio Plans and financial plans to be put to Cabinet on behalf of the scrutiny committee.

2.8 The **March 2024 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 work programme.

2.9 Running alongside the scrutiny 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.

**BECKY SHAW**  
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