

Report to: People Scrutiny Committee

Date of meeting: 16 September 2021

By: Chief Executive

Title: Reconciling Policy, Performance and Resources (RPPR)

Purpose: 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) 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 and Medium Term Financial Plan and to submit Scrutiny's final comments on them to Cabinet in January 2022.**
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1. Background

1.1 The *State of the County* report was agreed by Cabinet on 13 July 2021 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 set out the current context and provided an overview of the latest position in preparation for more detailed planning for the 2022/23 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 our 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, including the implications of Covid-19, both in the short and longer-term. The RPPR process, bringing together our policy, business and financial planning and risk management, provides the vehicle for the Council's service and financial planning in this changing environment.

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 future financial position difficult. The financial outlook remains unclear with a further one-year financial settlement anticipated for 2022/23 and key national reforms in areas such as the Fair Funding Review, Business Rates Retention and Adult Social Care having been subject to further delay.

1.4 The updated Medium Term Financial Plan (MTFP) for the financial years 2022/23 to 2024/25 has a revised total deficit of £18.415m by 2024/25, with a projected £1.734m deficit in 2022/23. The MTFP will be developed further during the RPPR process as more information becomes available. The savings plans have also been updated to remove some planned savings and take account of slippage in other savings proposals.

1.5 By managing our resources carefully over many years, and with the additional short-term Government Covid support, we have been able to maintain stability in service provision through the period of the pandemic and our current position is secure. However, the financial outlook in the medium term remains very challenging and uncertain. We have a limited window of opportunity now to consider any further preparations we can make for the period ahead. The State of the County report outlined that the impact of Covid-19 had provided the opportunity to reset the 2021/22 budget and release £8.855m as a one-off reserve contribution. Proposals will be brought forward in the autumn for potential areas for one-off investment which would help us better manage future demand for services or support the delivery of priorities in highways, infrastructure and climate change.

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 2022.

2.2 The **September 2021 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 for the areas within the remit of each Committee.

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

- **Appendix 1** is a copy of the updated **savings plans** for the services that are within the remit of the Committee, which were presented as part *State of the County* report.
- **Appendix 2** contains the **current Portfolio Plans** for the functions within the Committee's remit.
- **Appendix 3** contains extracts from the **Financial Budget Summary 2021/22** 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
- **Appendix 4** contains the latest updated **Capital Programme 2021/22 - 2029/30** (from the *State of the County* report).

2.4 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 to inform the Committee's input to the RPPR process.

2.5 The Scrutiny Committee is also asked to agree the membership of its RPPR scrutiny review board, which will then consider the developing MTFP and Portfolio Plans in more detail as they emerge.

2.6 The **November 2021 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.

2.7 The **RPPR scrutiny review boards** meet in December 2021 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.

2.8 The **March 2022 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.

2.9 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.

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