

## **Scrutiny Committee**

**30 November 2016**

### **Pre-Cabinet Decision Scrutiny of the 2017/18 Revenue and Capital Budget**

#### **Summary**

1. This report provides an introduction to the budget setting process for 2017/18 and outlines the strategy that has been developed to manage the financial challenges facing Suffolk County Council.

#### **Objective of the Scrutiny**

2. The objectives of this scrutiny are to provide the Committee with an opportunity to consider:-
  - a) the financial position of the County Council in the context of the current national political and economic landscape;
  - b) the County Council's financial strategy and options available to ensure services remain sustainable in 2017/18 and beyond;
  - c) the impact of budget proposals on residents and on other services.

#### **Scrutiny Focus**

3. The scope of this scrutiny has been developed to provide the Committee with information to come to a view on the following key questions:

##### Corporate

- a) What is the impact of the national economic situation upon the County Council's budget?
- b) How does the current budget compare with previous years, in gross terms?
- c) What is the forecast budget gap to 2020?
- d) What assumptions about levels of funding and financial pressures have been relied upon in this forecast?
- e) What is the corporate process for developing budget proposals?
- f) What has been the corporate approach taken to consulting the public?
- g) From 2011/12 to date, what level of reserves has been forecast, what was the actual balance, and what are the plans for reserves in 2017/18?
- h) To what extent has the capital programme set in previous years been spent, and what is the draft programme for 2017-2020?

In relation to each service area:

- i) What is the current budget, how is this allocated across the Directorate, what is the forecast outturn for 2016/17, and how is the budget expected to change in 2017-18?
- j) What are the current and future budget pressures for this service?
- k) What difference have transformation programmes made to date and how is the impact measured?
- l) What are the proposals for the service to set a balanced budget for 2017/18?
- m) What consultation and engagement has taken place with stakeholders (including public sector partners, local communities, the voluntary and community sector and service users)?
- n) What is the assessment of the impact of proposed changes on:-
  - i) residents, particularly those most vulnerable in the community?
  - ii) partner organisations?
  - iii) the quality and quantity of services available to meet need?
- o) What are the uncertainties/risks associated with the proposals, including risk to the delivery of the Council's statutory responsibilities and the ability to provide sustainable services?

**How does this relate to County Council priorities?**

4. This scrutiny is linked to the County Council's corporate priorities as indicated below. All scrutiny items should consider how well they are delivering against the County Council priorities and Suffolk's Community Strategy.

<b>Suffolk County Council's Corporate Priorities</b>	<b>Link to this Scrutiny</b>
Raise educational attainment and skill levels	✓
Support the Local Enterprise Partnerships (LEPs) to increase economic growth	✓
Maintain roads and develop Suffolk's infrastructure	✓
Support those most vulnerable in our communities	✓
Empower local communities	✓

5. Having considered the information, the Committee may wish to:
- a) make recommendations to the Cabinet, which will consider the County Council's budget on 24 January 2017 before making its final recommendations to the County Council on 9 February 2017;
  - b) make recommendations to the relevant Cabinet Member and/or Director;
  - c) seek to influence partner organisations;
  - d) identify topics which may warrant further scrutiny or request further information.

Contact details:

Theresa Harden, Business Manager (Democratic Services), Scrutiny and Monitoring  
Email: [theresa.harden@suffolk.gov.uk](mailto:theresa.harden@suffolk.gov.uk); Tel: 01473 260855

## **Background**

6. Suffolk County Council has a statutory responsibility to set a balanced budget. This report provides information about the budget setting process for 2017-18 and outlines the strategy that has been developed to manage the financial challenges facing the Council.
7. The Chancellor's Autumn Statement will be delivered on 23 November 2016. Following on from this it is expected that the Provisional Local Government Finance Settlement will be announced in mid-December. Until then, the draft budget remains based on the four year grant settlement that the Government announced in 2015, and local assumptions about the council tax base and business rates.
8. An update on the Autumn Statement will be presented to the Scrutiny Committee at its meeting on 30 November 2016.
9. The budget for 2017/18 will be presented to Cabinet for approval on 24 January 2017, prior to presentation to County Council on 9 February 2017.
10. This scrutiny item provides the Committee with an opportunity to provide 'critical friend' challenge to decision makers by reflecting the voice and concerns of the public, prior to the budget being agreed in early 2017. The recommendations made by the Committee will be taken into consideration as part of the budget setting process.
11. All county councillors and statutory co-opted scrutiny members are invited to attend the meeting and, subject to the Chairman's discretion, to raise questions on the day.

## **Main body of evidence**

The Committee will receive a presentation and verbal update on the Chancellor's Autumn Statement, due to be delivered on 23 November 2016.

Evidence Set 1 has been provided in response to the key areas for investigation set out at paragraph 3 above, and is attached to this report.

## **Glossary**

ACS – Adult and Community Services

CCGs – Clinical Commissioning Groups

CPI – Consumer Price Index

DIY – Do It Yourself

DSG – Dedicated Schools Grant

EU – European Union

FTE – Full Time Equivalent

HIAMP – Highways Infrastructure Asset Management Plan

HMOP – Highways Management Operational Plan

HRS – Housing Related Support

IRMP – Integrated Risk Management Plan

IT – Information Technology  
LGPS – Local Government Pension Scheme  
MASH – Multi-Agency Safeguarding Hub  
MEIC – Making Every Intervention Count  
NALEP – New Anglia Local Enterprise Partnership  
NHS – National Health Service  
PH&P – Public Health and Protection  
PFI – Private Finance Initiative  
PRU – Pupil Referral Unit  
RM – Resource Management  
SAICP – Suffolk Association of Independent Care Providers  
SCC – Suffolk County Council  
SEN – Special Educational Needs  
SLCC – Supporting Lives Connecting Communities  
TBC – To be confirmed

### **Additional and Supporting Information**

Cabinet (15 November 2016); Agenda Item 6: Forecast Capital and Revenue Spending;  
Available from:

[http://committeeminutes.suffolk.gov.uk/LoadDocument.aspx?rID=0900271181e2112c&qry=c\\_committee%7e%7eThe+Cabinet](http://committeeminutes.suffolk.gov.uk/LoadDocument.aspx?rID=0900271181e2112c&qry=c_committee%7e%7eThe+Cabinet)

Minutes of Scrutiny Committee (26 November 2015); Pre Cabinet Decision Scrutiny of the 2016/17 Revenue and Capital Budget: Available from:

[http://committeeminutes.suffolk.gov.uk/LoadDocument.aspx?rID=0900271181b0ad90&qry=c\\_committee%7e%7eScrutiny+Committee](http://committeeminutes.suffolk.gov.uk/LoadDocument.aspx?rID=0900271181b0ad90&qry=c_committee%7e%7eScrutiny+Committee)

Additional detail on strategic risks, reserves and contingencies can be found in Appendix B of the 2016/17 Revenue Budget and Capital Programme report to Cabinet and Council at:

[http://committeeminutes.suffolk.gov.uk/LoadDocument.aspx?rID=0900271181af0cf9&qry=c\\_committee%7e%7eCounty+Council](http://committeeminutes.suffolk.gov.uk/LoadDocument.aspx?rID=0900271181af0cf9&qry=c_committee%7e%7eCounty+Council)

Information about contracts and orders over £5,000 are published monthly on the County Council's website at: <https://www.suffolk.gov.uk/council-and-democracy/council-data-and-transparency/council-expenditure-and-contracts/contracts-and-orders-over-5000/>

The "State of Suffolk" provides an overview of strategic health and wellbeing related needs in Suffolk, including the wider issues that affect local people, such as housing and education; A copy of the report is available from: <http://www.healthysuffolk.org.uk/joint-strategic-needs-assessment-jsna/reports/reports/state-of-suffolk/>