

RESOURCES AND PERFORMANCE SELECT COMMITTEE

FRIDAY, 9 DECEMBER 2022



BUDGET TASK GROUP – BUDGET SCRUTINY 2023/24 – SUMMARY OF ACTIVITY

Purpose of the report: The report provides a summary of the budget scrutiny/Budget Task Group activity undertaken in 2022 at Surrey County Council. Notes of Budget Task Group, 3 November 2022, attached as Annex.

Introduction:

1. This year the Council's budget scrutiny process saw budget briefings and information provided earlier than in previous years in relation to [Draft Budget 2023/24 and Medium Term Financial Strategy \(MTFS\) to 2027/28](#) to all Select Committees and the Budget Task Group.
2. Surrey County Council has four Select Committees, each with responsibility for scrutiny of the budgets set for services in their remit:
 - Adults and Health Select Committee
 - Children, Families, Lifelong Learning and Culture Select Committee
 - Communities, Environment and Highways Select Committee
 - Resources and Performance Select Committee
3. Comprised of Members from all Select Committees, the membership of Budget Task Group is as follows:
 - Robert Evans – Adults and Health Select Committee
 - Buddhi Weerasinghe – Adults and Health Select Committee
 - Liz Bowes – Children, Families, Lifelong Learning & Culture Select Committee

- Jeremy Webster – Children, Families, Lifelong Learning & Culture Select Committee
- Jonathan Hulley – Communities, Environment and Highways Select Committee
- John O'Reilly – Communities, Environment and Highways Select Committee
- Nick Darby (Chair) – Resources & Performance Select Committee
- Will Forster – Resources and Performance Select Committee
- Bob Hughes – Resources and Performance Select Committee

Budget Scrutiny Activity:

4. The Draft Budget 2023/24 and Medium Term Financial Strategy to 2027/28 scrutiny process saw the following budget briefings provided to Select Committees:

Budget Planning Briefings (July 2022)

- Resources and Performance Select Committee on 13 July 2022
 - Adults and Health Select Committee on 20 July 2022
 - Children, Families, Lifelong Learning and Culture on 21 July 2022
 - Communities, Environment and Highways on 25 July 2022
5. The following topics were covered at the above briefings:
- a) Pilot of Enhanced Member Budget Engagement
 - b) Resident and Partner consultation and engagement
 - c) Strategic Framework
 - d) Organisation Strategy
 - e) Core Planning Assumptions
 - f) Budgetary Context
 - g) Medium Term Planning Assumptions
 - h) Updated Budget Gap
 - i) 2023/24 Pressures
 - j) Adult Social Care Reforms
 - k) Cross Cutting Initiatives (Twin Track approach)

- l) Identifying Further Opportunities
- m) Next Steps and a question-and-answer session

Budget Planning Briefings (October 2022)

- Children, Families, Lifelong Learning and Culture on 4 October 2022
 - Communities, Environment and Highways on 6 October 2022
 - Resources and Performance Select Committee on 7 October 2022
 - Adults and Health Select Committee on 26 October 2022
6. The following topics were covered at the October budget briefings:
- a) Financial Management Journey
 - b) Financial Outlook 2023 onwards
 - c) Government Funding Uncertainty
 - d) Updated Budget Gap 2023/24
 - e) Current Directorate Position Summaries
 - f) Question and answer session

Budget Task Group Activity

7. In addition to the aforementioned budget scrutiny activity, the Budget Task Group held its meetings in July, September and November 2022.
8. At its July and September 2022 meeting, the Budget Task Group reviewed the following key areas:

Round 1 (11 July 2022)

- a) Budget Planning 2023-2028
- b) Pilot of Enhanced Member Budget Engagement
- c) Resident and Partner Consultation and engagement
- d) Strategic Framework
- e) Organisation Strategy
- f) Core Planning Assumptions
- g) Budgetary Context
- h) Medium Term Funding Assumptions

- i) Updated Budget Gap
- j) Cross Cutting Initiatives
- k) Identifying Further Opportunities
- l) Question and answer session

Round 2 (8 September 2022)

- a) Pilot of Enhanced Member Budget Engagement
- b) Updated Budget Gap
- c) Government Funding Uncertainty
- d) Cross Cutting Efficiencies
- e) Current Opportunities
- f) Management Layers and Structures
- g) Business Rates and Business Rate Pooling
- h) Agile Office Update
- i) Impact of Inflation on Energy Costs
- j) Borrowing Costs
- k) Question and answer session

9. In response to feedback received from the Chair of Resources and Performance Select Committee and Budget Task Group, the proposed agenda for the Budget Task Group session on 3 November was refreshed by the Finance team to include deep dives into all Directorate budget positions.

Round 3 – (3 November 2022)

The final meeting of Budget Task Group in 2022 focussed on the following areas.

- Home to School Transport
- Adult Social Care
- Environment, Transport & Infrastructure
- Budget for Land and Property maintenance costs

10. A copy of the notes (Annex A), as agreed with the relevant officers, was circulated to Budget Task Group Members and is attached to this report as an aide memoire.

Further Briefings:

11. An update on the Council's Safety Valve negotiations with the Department for Education, regarding the deficit on the High Needs Block, was provided to all Select Committee Chairs on 4 March 2022. A further briefing on the Safety Valve purpose, structure and financials was provided to Budget Task Group on 7 November 2022.
12. There was a Budget Task Group briefing on 13 October 2022 covering the Adults' and Children's diagnostic work as part of the cross-cutting efficiencies.
13. A seminar for all Members on the Draft Budget was held on 24 November 2022, setting out the Medium Term Financial Strategy position to date and the changes from the Autumn Statement.
14. Briefings were also offered to all opposition groups during September 2022 to update on progress on the budget position for 2023/ 24 to date and the Medium Term Financial Strategy position. These were taken up and delivered to three out of four of the groups.
15. Two all Member seminars have been held:
 - a. On 20 June 2022 setting out the Budgetary context, medium term funding assumptions, specific pressures for 2023/24, updated budget gap and Medium Term position, cross cutting efficiencies and the budget setting timeline.
 - b. On 24 November 2022 setting out the Draft Budget, the Medium Term Financial Strategy position to date and an update on the relevant announcements made as part of the recent Autumn Statement by the Chancellor of the Exchequer.

Key Areas

16. The following areas, inter alia, emerged as some of the key highlights at the Budget Task Group meetings and budget scrutiny discussions that took place in 2022:
- a. Impact of Fair Funding Reform on the Council's Draft Budget 2023-24 and Medium Term Financial Strategy to 2027-28;
 - b. Any impact of cross cutting efficiencies on frontline service areas and residents;
 - c. Impact on services and residents of circa.10% inflation and complex decisions expected around the Council Tax increase considering the cost-of-living increases, inflation and affordability;
 - d. Home to School Transport pressures; the arrangements in place for the start of the academic year and reflection of this in the Draft Budget 2023-24, including a clearer idea around efficiencies of £4.6 million in this area;
 - e. The number of red and amber rated efficiencies in the Draft Budget 2023-24, (The Group heard from officers that it was usual to have amber and red rated efficiencies at the pre-Draft Budget stage of the budget setting process when they considered this information); and
 - f. Desire to have detailed Equality Impact Assessments of Draft Budget 2023-24 proposals.

Next Steps:

17. The Resources and Performance Select Committee is invited to:
- a) Note the budget scrutiny activity, as listed in this report, undertaken in 2022;
 - b) Use this report as an aide memoire to inform the budget scrutiny discussion and the Select Committee's recommendation at its 9 December 2022 meeting.

Report contact:

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Annexes:

Annex A – Notes of 3 November Task Group meeting

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