

Chairs of the Scrutiny Panels

Councillors Gillian Peet and Mike Glover

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Councillor Bill Fairfoull
Deputy Executive Leader

Ms Kathy Roe
Director of Finance – Section 151 Officer
Tameside MBC

Dear Councillor Fairfoull and Ms Roe,

Consultation with Scrutiny Panels on the 2019/20 Budget

We write in response to the budget consultation meetings held on 28 January 2019, at which an opportunity was provided for all scrutiny members to receive a comprehensive overview of the Council's budget and savings plan for 2019/20.

This letter provides an account of discussions captured from the meetings, with a request that consideration be given towards the points raised prior to a budget report being finalised. We would be grateful if you could share this letter at the joint meeting of Executive Cabinet and Overview (Audit) Panel on 13 February 2019. Please pass our thanks to the Assistant Director of Finance for the helpful summary of both the Council and CCG financial positions and future priorities for the Strategic Commission.

During 2018/19 the Scrutiny Panels have continued to review the ability of services to improve outcomes for residents while at the same time deliver value for money. An example of such activity includes the monitoring of STAR procurement and the aim of this partnership to improve standards and provide financial benefits to the Council.

Panel members recognise the unprecedented challenges that our Children's Services continue to face and scrutiny is supportive of the short-term need to allocate additional financial resource. Improving outcomes for our children must remain a priority, however there is a growing need to establish a medium to long-term strategy for the service to achieve financial sustainability. When considering the number of children looked after, Tameside is currently much higher than statistical neighbours and concerns were raised by members as to the potential impacts this will have on future outcomes for children.

Members discussed the positive impact that preventative services and partnerships can have in promoting the wellbeing of children and families in Tameside. It is accepted that funding for early intervention services have been under pressure, which may be a contributing factor to the rise in demand for statutory interventions. It feels that there is a future need to address this deficit where possible through greater short-term investment to reduce long-term demand.

The Executive has supported a new reporting method to ensure that scrutiny is able to relay the most appropriate concerns without delay. This has proved useful during recent months with the submission of formal response letters for Children's Services improvement, Community Safety and Procurement. This has been further supported by the introduction of a monthly Scrutiny Update email aimed to raise member awareness and participation in a range of open consultations. The

December update included details on the recent Budget Conversation, with members identifying the benefits to this public engagement.

The four year financial settlement agreed in 2016/17 has helped to provide a level of certainty when it comes to funding decisions and saving plans. It was reported that 2019/20 is the final year of this agreement and reassurance was sought in relation to future decision making. Mr Wilkinson advised members that a greater degree of financial oversight had been incorporated, with 2019/20 spending proposals having been subject to a 'Star Chamber' approach.

It was encouraging to hear that all decisions made through the Strategic Commission aim to remove duplication and promote the effective use of a pooled financial resource. With a combined budget of almost £1 billion, it is important for financial plans to remove the need to separate or transfer costs between organisations.

The £26 million reduction in general Government Grants is also accompanied by cost pressures and inflation associated with capital projects. With income from Council Tax only amounting to around 16% of the Council's total expenditure, this does mean that the authority has limited options for ways to increase revenue in real terms. All members are supportive of the need to address this going forward by means the Executive and Senior Officers looking for new and innovative ways to both save money and increase core spending power beyond 2020.

Mr Wilkinson advised that when compared with funding sources of the CCG, the Council's overall budget is subject to greater uncertainty and external pressures. Based on a varied funding stream and associated risks, it has become increasingly important for the Council to make difficult decisions to ensure that a net increase in funding occurs. As an example, members were informed that if a decision was made not to increase Council Tax the financial gap will increase and additional savings would then need to be allocated to services that remain stretched.

Members appreciate that the Council has limited ability to increase revenue when taking account of the relatively low base levels for Council Tax and Business Rates, which is also further exacerbated by the economic and health needs of residents. It is felt that the strategic direction for growth and investment have an important role to play going forward. The Place and External Relations Scrutiny Panel are soon to revisit the subject of economic strategy and business growth.

With a need to plan past 2020, scrutiny members are fully supportive of the aim to encourage budget conversations at a much earlier stage during the next financial year and would like to provide the opportunity to consult from September 2019 onwards. The information presented at the meeting will now be used to inform scrutiny work programme priorities.

Yours sincerely,

Councillor G Peet - Chair to Integrated Care and Wellbeing Scrutiny Panel

Councillor M Glover – Chair to Place and External Relations Scrutiny Panel