

Chairs of the Scrutiny Panels

Councillors Mike Glover and Teresa Smith

Councillor Oliver Ryan
Executive Member
Finance and Economic Growth

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Date	20 October 2021

Dear Councillor Ryan,

Scrutiny mid-year Budget update 2021/22

We write in response to the mid-year budget update presented to Scrutiny Panels on 7 and 9 September 2021. Thank you for the time taken to provide all scrutiny members with the opportunity to receive a comprehensive appraisal, which included an overview of financial impacts and projections related to Covid-19 and the current financial pressures placed on a range of statutory services.

The budget monitoring information continues to inform future work priorities for the Scrutiny Panels. Regular updates also enable members to seek assurances on the Council's approach to managing and mitigating both the direct and indirect impacts that Covid-19 will continue to have on residents, communities and the local economy.

Scrutiny forms part of the Council's governance and decision-making process, underpinned by principles that aim to provide constructive 'critical friend' challenge, to amplify the voice and concerns of residents, and to drive improvement in public services. Scrutiny activity remains aligned with the Council's Corporate Plan priorities and relies on insight of the Council's budget and medium-term financial plan.

This letter provides an account of discussions captured from the meetings and subsequent feedback received. It is hoped that the collective points can assist with planning for 2022 and beyond. Please pass our thanks to the Director of Finance and we will ensure the Council's Overview Panel receive a suitable update on this activity at the next meeting on 8 November 2021.

Scrutiny Panels have continued to review the ability of services to improve outcomes for residents while at the same time deliver value for money. What appear as significant and relentless budget savings are further exacerbated by limited options available to the Council to increase income and revenue, outside of a rise to Council Tax.

Having reviewed the data presented on budget savings, service overspend to-date and financial sustainability, members are keen to ensure the budget, in the simplest of terms, remains firmly aligned to priorities set within the Council's Corporate Plan. This could have been clearer in the update.

Members agree with the key risk factors identified, with the budget appearing fragile in places and the heightened level of risk and emerging pressures. It is appreciated that a single year financial

settlement does create a level of uncertainty. It was pleasing to hear of the commitment to achieve a balanced budget going forward without the use of reserves. There appears a need to assess and communicate how the past use of reserves has helped to underpin financial sustainability rather than this having been one off transfers with limited long-term gain.

Future challenges are likely to be profound and far-reaching on the resilience of households and communities. This includes factors such as the uncertainty of future employment, homelessness, housing, education and access to a range of health services. Members are conscious of the need to effectively plan for challenges that residents are likely to face going forward, and the impact this will have on the demand for services and budgets.

It does feel as though the Council could be looking at a wider range of options and solutions. Panel members do not want services to be left behind and would recommend that a local appraisal is undertaken to measure the level of support, advice and funding available in order to find practical alternatives and enabling services to adapt and innovate. This may be something that can align with invest to save initiatives and cost benefit analysis.

Members are keen to ensure the Council is making the best use of existing partnerships, links within Greater Manchester and beyond. This could be to ensure all available data and intelligence is used effectively in order to benchmark the authority against others. With a possibility to review best practice, key developments, service spend and unit costs.

The process in which directorates identify achievable savings was unclear in parts. This includes a need for clarity as to how the financial efficiency of a service is assessed prior to decisions being made. For example, members feel that a service judged as less financially efficient may have more ability to find achievable savings. This includes a further point to reflect on how comprehensive the current financial planning model is to ensure the right services are contributing the right savings, without jeopardising service quality and to mitigate risk and under-delivery of agreed targets.

Panel members are pleased to see the creation of a transformation team and the range of work planned. There was a level of concern as to the reliance and dependency on such a team to deliver outcomes that have not yet been achieved by the Council despite work undertaken to date. It was discussed that additional spend on external support or consultancy must only be made where the achievable savings largely outweigh the expenditure.

The Council continues to face high levels of demand on statutory services and members are supportive of a short-term need to allocate additional financial resource to Children's Services. However, concerns were raised on the Council's ability to sustain budget increases of this nature in future years. Improving outcomes for children and vulnerable residents remains a pressure and Scrutiny will continue to work with services to review the impact of sustainability projects.

It is felt that the strategic direction for growth and investment has an important role to play going forward. This may include the Council's ability to bid for and access key funding pots available at a regional and national level. Points were raised on resources that could be made available to support the bidding for external funding sources and to coordinate a programme of work to maximise such opportunities.

The Executive has remained engaged and supportive of Scrutiny activity and reporting methods. Scrutiny will continue to seek assurances and identify suitable opportunities to inform local, regional and national decision-making.

The Council will undoubtedly achieve a greater level of confidence and assurance if a long-term funding package is to be granted. With a need to confidently plan past 2022, scrutiny members welcome and encourage transparency in budget conversations and request that bi-annual engagement with Scrutiny Panels remain in place going forward.

Yours sincerely,

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

Councillor T Smith - Chair to Integrated Care and Wellbeing Scrutiny Panel