

# **APPENDIX 2**

## **BUDGET PRESSURES**

Tameside MBC Budget 2023/24



## Budget Pressures 23/24

Pressures by Directorate	£000s	Budget Detail
Adults	12,481	Appendix 7
Children's	5,731	Appendix 8
Population Health	286	Appendix 9
Quality & Safeguarding	16	
Place	5,253	Appendix 10
Finance & IT	611	Appendix 11
Governance	815	Appendix 12
Corporate	14,884	Appendix 13
<b>Total</b>	<b>40,077</b>	

The Council continues to face significant cost pressures from demographic growth and increased costs, including significant inflationary pressures in some areas and increases in staffing costs due to general pay inflation and a commitment to move to the real living wage. Many of these pressures are being managed and mitigated by budget reduction proposals which are summarised in **Appendix 3**.

	Adults	Children's	Population Health	Quality & Safeguarding	Place	Finance & IT	Governance	Corporate	Total
Staffing related cost pressure	3,760	1,841	52	16	1,801	594	815	3,926	<b>12,805</b>
Demographic Pressures	2,000	1,716	0	0	0	0	0	1,534	<b>5,250</b>
Inflationary Pressures	6,721	0	234	0	297	0	0	6,968	<b>14,220</b>
Other service pressures	0	2,174	0	0	2,165	17	0	2,456	<b>6,812</b>
Reduction in other fees/charges/income	0	0	0	0	990	0	0	0	<b>990</b>
<b>Total</b>	<b>12,481</b>	<b>5,731</b>	<b>286</b>	<b>16</b>	<b>5,253</b>	<b>611</b>	<b>815</b>	<b>14,884</b>	<b>40,077</b>

## **Budget Pressures 23/24**

### **£12.481m Adults**

Pressures reflect a combination of demographic changes resulting in increased demand for services, and cost increases in some areas. Key factors driving increased costs include:

- Increasing numbers and complexity of Adults clients, resulting in greater assessed hours and more expensive packages of care;
- Significant cost pressures facing external providers, resulting in increases in care home fees;
- Difficulties with workforce recruitment, sustainability and retention;
- Increases in national living wage, which disproportionately impact on the social care workforce;
- Commitment to move to the real living wage in 2023/24, funded from the Adult Social Care Precept; and
- Housing and accommodation pressures.

### **£5.253m Place**

The 2022/23 Place budgets are forecasting significant overspends due to cost pressures and difficulties with the delivery of existing budget reduction plans. These pressures are presenting significant pressures for 23/24 which are being mitigated in part by alternative budget reduction proposals.

### **Other Directorate Budgets**

Pressures reflect pay inflation forecasts of 2%.

### **£5.731m Children's Services**

Children's social care services continue to face significant financial pressures due to the number and cost of placements for looked after children. The 2022/23 budget assumed a significant reduction in the cost and number of cared for children placements which has not been achievable, resulting in pressures for 23/24 which are being mitigated in part by new budget reduction proposals.

In Education, budgets are facing significant cost pressures on Home to School Transport due to a combination of rising cost and increased demand.

### **£14.884m Corporate**

Pressures reflect significant risks facing the Council in respect of utility cost increases where inflation in excess of 100% has been experienced in 22/23 with further excess inflation forecast for 23/24. In addition, allowances are set aside for fuel and transport cost pressures on fleet, waste and winter gritting.

Included within Corporate budgets is a pressure on Treasury Management budgets due to the advance payment of pension contributions not being undertaken in 2023, offset by a significant and greater increase in investment income forecasts (reflected in Appendix 3).