

Chair of Overview Panel

Chairs of Scrutiny Panels

Councillor Jacqueline North
First Deputy
Finance, Resources and Transformation

Mr Ashley Hughes
Director of Resources
Section 151 Officer

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Date	24 January 2024

Dear Councillor North and Mr Hughes,

Consultation with Scrutiny Panels regarding the 2024/25 Budget

We write in response to the budget consultation meetings held on 15 January 2024, at which Scrutiny members received an overview of the 2023/24 financial outturn and budget planning for 2024/25. In addition to the mid-year budget monitoring information presented to Scrutiny Panels in November 2023, the sessions enable members to seek assurances on the Council's approach to managing and mitigating financial risk and uncertainty.

Thank you for responding directly to the Scrutiny mid-year budget letter and providing a detailed reply to the questions and comments shared in November 2023. We would also like to thank the Chief Executive and Directors for attending the budget meetings; the ongoing work of officers and the Council's Executive during such challenging financial times.

From your response, it is pleasing to hear that the Council will work towards a unified accommodation sufficiency strategy, with the Director of Place leading a partnership approach. This is an area that Scrutiny activity has picked up on regarding significant pressures across accommodation for care leavers, homelessness and victims of domestic abuse. We therefore fully support any steps that will aim to address both current pressures and long-term planning for accommodation and housing options in the borough. Scrutiny would like to remain updated throughout planning, development and delivery phases.

With significant savings to be achieved prior to the close of the 2023/24 financial year, a level of detail and assurance was provided on targeted recovery planning and monthly financial reporting to Executive Cabinet for both revenue and capital. This is further supported with greater detail and monitoring undertaken by Star Chamber on a bi-monthly basis.

The Period 7 forecast outturn showed a revenue overspend of £13.007m, with the most sizeable variance across the Children's, Adults and Place directorates. It was reported that recovery plans have been submitted, with mitigating actions to the effect of £8.734m, resulting in a residual overspend of £4.274m. The concern of members rests upon the ongoing pressures, risks and fragility of current budgets, given that directorates and services are expected to find compensatory ongoing efficiencies to offset any shortfalls.

The Council continues to face challenging and unavoidable decisions year on year, with a statutory responsibility for budget reductions and revenue expenditure to align. It was explained that since 2018/19 a total of £41m in reserves have been used to support the Council's revenue budget, with a further £2m committed as part of the MTFS in 2024/25.

It was noted that there is no planned use of reserves for 2025/26 onwards, however the level of uncertainty and risk remains high and it feels as though this could present a 'no alternative' approach to ensure future agreed financial outturns can be delivered.

While it pays testament to the Council's past financial management, it also presents a significant worry and concern should further budget reductions and external economic pressures continue past 2024/25. This highlights the wider financial challenges faced when taking account of funding streams and ability of the Council to generate income growth above that already achieved.

A single year financial settlement creates added complexity and limits foresight in the Council's ability to budget and plan accordingly. The overall sustainability of future budgets presents as a genuine concern for members. The efforts made to incorporate a total of £12.69m in budget reduction proposals has enabled the Council to put forward a balanced budget for 2024/25 and the collective efforts to achieve this are commended.

This letter provides an account of discussions captured from the meetings and subsequent feedback received, with a request for consideration to the points raised prior to the budget report being finalised.

The local context provided was extremely useful in allowing members to clearly understand the cumulative impacts that sustained budgetary reductions and economic pressures have placed on residents and communities. Over time the Council has had no reasonable options but to proportionately increase the reliance on Council Tax to generate income growth. Members are particularly concerned of a growing financial burden being placed on households at such a challenging time.

It is asked that the Executive remain vigilant and mindful to how difficult decisions can be perceived by the public and it is important to promote and encourage transparent information and communication between the Council, businesses and residents. Not only to highlight the difficult decisions taken locally, but also the impacts and implications should the decisions not be made.

Members recognise that persistent budget reductions have impacted and impeded the Council's ability and ambitions to invest and innovate. The Council has remained prudent and mindful of the financial decisions it makes and the impression this has on service delivery. This has shaped a prolonged period of the Council taking actions to survive rather than thrive. Members appreciate the avoidance and inability to invest in new technology and IT systems, albeit with decisions upcoming to future-proof services and the Council's fleet moving to electric vehicles, as an example.

Discussion touched on in-year monitoring and the deliverability of savings put forward, separate to the unforeseen and unbudgeted pressures placed on statutory services. It is felt that reducing delay and ensuring issues are flagged at the earliest opportunity is key to the success of recovery plans and options relating to shortfalls in delivery.

Improving outcomes for children and vulnerable residents remains a budget pressure. Costly demand is continuing to outstretch resources and consideration is needed as to how services can respond to demand differently, how we support people earlier, achieve better outcomes in permanence planning and develop appropriate pathways of support across all services and sectors. Questions were asked about the financial contribution of partners such as Health, particularly for eligible cases in which the Council faces the full financial burden of commissioning and facilitating specialist care.

Members are mindful that Tameside Children's Services is awaiting a judgement from the recent Ofsted inspection. There is a concern of additional budgetary and workforce pressures should the outcome be unfavourable, with strategic and operational improvement actions that may follow.

Members asked questions on part of the budget that will support and enable investment and regeneration across the borough, including capital projects. This touched upon the Levelling Up programmes, the Council's current position, skills, expertise and capacity within existing teams to deliver this within set timeframes.

Scrutiny priorities remain aligned with the Council's Corporate Plan and members have continued to keep abreast of more strategic measures for the borough in relation to social and economic issues. Future activity will continue to review and support work of the Executive to improve outcomes for residents while at the same time consider the range of efficiency requirements and delivering value for money.

Going forward Scrutiny will look to incorporate the views and lived experiences of residents, service users and patients within future work programming. We will look to monitor and test the ongoing resilience of communities and partnership with the third sector.

Yours sincerely

Councillor Jim Fitzpatrick - Chair of Overview Panel

Councillor Claire Reid - Chair of Place and External Relations Scrutiny Panel

Councillor Hugh Roderick - Chair of Children's Services Scrutiny Panel

Councillor Naila Sharif - Chair of Health and Adult Social Care Scrutiny Panel