

# **APPENDIX C**

## **SCRUTINY PANEL BUDGET LETTER**

### **Chairs of the Scrutiny Panels**

**Councillors Teresa Smith and Mike Glover**

**Councillor Oliver Ryan**  
**Executive Member**  
**Finance and Economic Growth**

**Ms Kathy Roe**  
**Director of Finance – Section 151 Officer**

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Date	17 January 2020

Dear Councillor Ryan and Ms Roe,

### **Consultation with Scrutiny Panels regarding the 2020/21 Budget**

We write in response to the budget consultation meetings held on 14 and 15 January 2020, at which an opportunity was provided for all scrutiny members to receive a comprehensive overview of the planning and monitoring process associated with budget setting for 2020/21 and beyond. In addition to mid-year budget monitoring information presented to Scrutiny Panels in September 2019, the sessions have enabled members to seek further assurances on the Strategic Commission's approach to setting a balanced budget and to mitigate risk or exposure to any external or unforeseen financial pressures.

This letter provides an account of discussions captured from the meetings. It is also hoped that the Budget Consultation ending 15 January 2020, has been successful in gaining resident insight on a range of priorities for the Strategic Commission. Please pass our thanks to the Assistant Director of Finance for the helpful summary, with a request that consideration be given to the points raised in the meetings prior to the budget report being finalised.

Having now entered the final months of a four year funding plan, it was reported that the Council has recently received notification of a single year financial settlement for 2020/21. This in itself brings a level of uncertainty and it remains important that a consistent approach is taken to support the long-term aim of system-wide stability. It is accepted that greater levels of confidence and assurance can be achieved should a longer funding plan be granted by the government to local authorities beyond the next financial year.

It was pleasing to hear that a number of financial monitoring mechanisms are in place, with Star Chambers providing a good example of effective in-year challenge. Plans to develop this further are encouraging and members agree with the future approach to align spending priorities to themes set within both the Corporate Plan and NHS Long-Term Plan. It is accepted that financial integration towards a neighbourhood model will provide additional opportunities to tailor a range of spending priorities to local areas and communities. It is important that this work is supported by a robust evidence base which allows for priorities to be shared with, and informed by, a range of stakeholders.

During 2019/20 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. The Council continues to face high levels of demand on statutory services and members are supportive of a short-term need

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to allocate additional financial resource to Children's Services. Concerns were raised on the Council's ability to sustain budget increases of this nature and the use of reserves. 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. Members discussed the positive impact that preventative services and partnerships can have in promoting the wellbeing of children and families in Tameside.

Recent scrutiny activity has focused on improving outcomes for looked after children through good foster placements and the Council's role to improve quality and standards in the private rented sector. Points were made on the resilience of budgets to deal with any additional short-term pressures that may arise in these areas and the approach to improve long-term outcomes with financial sustainability.

A number of questions were asked on health budgets and the need for greater investment in mental health services. Ms Roe informed members that the mental health budget is receiving a greater uplift for 2020/21 when compared with other services. The impact of poor mental health is now widely acknowledged, with high prevalence when assessing the demand on services. Conversations are also ongoing with school leaders to consider how combined services can best support the mental health and wellbeing needs of young people. Members agreed that this may require a change in funding options and to consider the impact of commissioned services. It is hoped that greater opportunities will arise during the coming year to broaden and strengthen the provision of mental health services across each neighbourhood.

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. Mr Wilkinson advised that the Growth directorate has received additional investment to progress strategic priorities. The development of separate housing and estate strategies is welcomed and it was viewed that work in related areas needs to deliver inclusive growth across all communities.

The Executive has remained supportive of Scrutiny reporting methods which ensure findings and recommendations are shared in a timely manner and to prevent delay. Scrutiny will continue to seek assurances and identify suitable opportunities to inform local, regional and national decision making. Examples of this include responding to consultations and to review shared learning opportunities made available by the Local Government and Social Care Ombudsman. Where necessary, Scrutiny will remain mindful of any associated financial implications.

It was encouraging to hear that all decisions made through the Strategic Commission continue to remove duplication and promote the effective use of pooled resources. With a need to plan past 2021, scrutiny members are supportive of the aim to encourage transparency in budget conversations and request that a future mid-year financial update be arranged at the panel meetings. The information presented will also be used to inform scrutiny work programme priorities where appropriate.

Yours sincerely,

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

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