

Appendix 2 Pressures and Growth

Budget Pressures and Growth

The Council continues to face significant cost pressures from demographic growth and increased costs. In addition, some of the savings identified in 2019/20 have proven too difficult to deliver which increases the budget pressures for 2020/21. The key cost pressures for 2020/21 are summarised below, with further analysis in the Directorate **Appendices 7 to 14**.

£3.0m Growth

Pressures include planned investments in the Growth Directorate on staffing costs to provide the required capacity to support projects and development work. Growth investment also includes funding for a number of economic growth and development projects which are to be funded from reserves.

Pressures 2020/21	£000s	Further Detail
Adults	3,109	<i>Appendix 7</i>
Children's Services	10,509	<i>Appendix 8</i>
Children's - Education	402	<i>Appendix 9</i>
Population Health	466	<i>Appendix 10</i>
Growth	3,039	<i>Appendix 11</i>
Operations and Neighbourhoods	3,533	<i>Appendix 12</i>
Governance	842	<i>Appendix 13</i>
Finance & IT	1,743	<i>Appendix 14</i>
Corporate	-359	<i>Appendix 14</i>
Total	23,284	

£1.7m Finance & IT

Pressures relate mainly to necessary investment in the Council's Digital Infrastructure, IT hardware and software, to ensure that the Council's IT services remain fit for purpose and able to support evolving service delivery models.

£3.5m Operations & Neighbourhoods

Pressures funded for 20/21 include budget pressures that have arisen due to shortfalls in income from Markets and Car Parking. Additional budget may also be required for the Transport Levy (payable to Greater Manchester Combined Authority) depending on the outcome of the bus reform consultation.

£3.1m Adults

Continuing demographic pressures and cost pressures on contracts due to the impact of the living wage.

£10.5m Children's Social Care

Following a £9.3m additional investment in the service in 2019/20, Children's Social Care is currently forecasting to spend £8.4m in excess of approved budget due to continued increases in numbers of Looked After Children and increasing placement costs. Further detail on the Children's Services Budget is included in **Appendix 8**.

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Targeted use of reserves

New Pressures 2020/21	£000s
Service Pressures	
Demographic Pressures	10,584
Grant Reduction	205
Inflationary Pressures	1,915
Other Service Pressures	5,326
Reduction in other fees/charges/income	912
Staffing Related Cost Pressure	4,342
Total service pressures	23,284

The Council continues to face significant cost pressures from demographic growth – pressures in this area are concentrated in Adults Services, where the needs of a growing older population continue to become more complex, and in Children's services, where the number of Looked After Children has continued to increase, at the same time as rising placement costs.

Other service pressures include investment required in the Digital Infrastructure of the Council, planned and required investment in the economic infrastructure of the borough, additional financing costs for capital investment, and anticipated contributions to the cost of bus reform in Greater Manchester. Many of these additional investments are to be funded through the targeted application of reserves.

£1.965m Growth

Reserves have been identified to fund a number of required investments across the borough, including Town Centre Master planning, development of the Strategic Asset Management Plan, Ashton Moss, St Petersfield and Godley Green planning, Tameside One incentive costs, and Mottram Bypass impact report .

£0.113m Adults

One-off costs anticipated as part of the transfer of services to the ICFT.

£2.950m Children's Services

Investment is being made into seven 'sustainability projects' which are intended to secure the long term sustainability of Children's Social Care Services. Further detail on the proposals for Children's Services are set out in **Appendix 8**.

Targeted Use of Reserves	£000s
Children's Services	2,950
Growth	1,965
Operations and Neighbourhoods	2,367
Adults	113
Total	7,395

£2.367m Operations and Neighbourhoods

Reserves are being used in 20/21 to support income budget shortfalls in car parking and markets whilst work is undertaken to review the services and determine the most sustainable future delivery model. Investment is also being made from reserves into future events, selective licensing and the expected contribution to the costs of bus reform across Greater Manchester.