

Chairs of the Scrutiny Panels

Councillors Teresa Smith and Mike Glover

Councillor Oliver Ryan
Executive Member
Finance and Economic Growth

Tom Wilkinson
Assistant Director of Finance

Tameside One
Market Place
Ashton-under-Lyne
OL6 6BH

email:	paul.radcliffe@tameside.gov.uk
Ask for	Paul Radcliffe
Direct Line	0161 342 2199
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Dear Councillor Ryan and Mr Wilkinson,

Scrutiny mid-year Budget update 2020/21

We write in response to the mid-year budget update meetings held on 22 September 2020. 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.

The budget monitoring information continues to inform future work priorities for the Scrutiny Panels. The regular updates also enable members to seek assurances on the Strategic Commission'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.

This letter provides an account of discussions captured from the meetings and it is hoped that the collective points will support the wider Budget Conversation for 2021/22. Please pass our thanks to the Director of Finance and we will ensure that the Council's Overview Panel receive a suitable update on this activity at the next meeting on 23 November 2020.

Uncertainty associated with a single year financial settlement for 2020/21 has unfortunately coincided with the emergence of a global pandemic. The circumstance of which has resulted in an unprecedented and unforeseen level of external pressure on national, regional and local budgets. Members appreciate that the current financial impacts are difficult to measure, given the complexities and unknowns that such a public health emergency will continue to have on Tameside.

The strength of local partnerships and cooperative working has allowed the authority to draw on a wealth of information that will ultimately inform a local financial and economic recovery plan. Tameside continues to face significant challenges related to health outcomes, skill levels and employment, with Covid-19 presenting an unparalleled level of pressure on front line services. Our communities continue to show a level of compassion and determination needed to ensure we can get through this together.

The local transformation and integration programme between the Council and health services has resulted in a number of gains, which have enabled the local response to be focused, fast and flexible. An example of this being the Humanitarian Hub. The progress made in this area has benefited Tameside and the collaboration between health and social care has allowed resources to be both targeted and shared.

Future challenges remain and they 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, housing, education and timely access to healthcare and support. Members are conscious of the need to effectively plan for challenges that residents are likely to face going forward, and the impact that will have on the demand for services and budgets.

Additional concerns include the delayed and long-term impacts of Covid-19, with reference made to the viability of local businesses and future employment levels in the borough. Imminent changes to the furlough scheme are likely to present a number of risks and uncertainties, with the addition of a tiered approach that may result in significant curtailments for Greater Manchester if we are to be placed into Tier 3.

It was reassuring to hear that a number of financial monitoring mechanisms are in place to identify, separate and closely monitor covid and non-covid impacts to the budget. It was reported that to date a sufficient level of funding and support has been received to address in-year financial pressures. Members agree with the key risk factors identified and continued pressures placed on statutory services.

While non-discriminatory, the virus has unfortunately had a disproportionate impact on certain sectors of the local economy and their ability to function under current restrictions. There has also been a notable reduction in projected income for the Council and upcoming challenges associated with a second wave.

It was reported that the collection of Council Tax and Business Rates is below expected levels, which in itself reflects the hardship faced and is a reflection of the tough decisions that households and businesses face. Should tighter restrictions come into force, this may require a review of the Council's collection strategy in the short-term to address the range of issues associated with such arrears.

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 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.

Members felt that the strategic direction for economic growth and recovery has 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.

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 plan past 2021, scrutiny members welcome and encourage transparency in budget conversations and request that bi-annual engagement with Scrutiny Panels remain in place going forward. We confirmed that a future budget session with scrutiny members is planned for 18 January 2021, to form part of formal budget procedures for 2021/22.

Yours sincerely,

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

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