

Chairs of the Scrutiny Panels

Councillors Mike Glover and Teresa Smith

Councillor Oliver Ryan
Executive Member
Finance and Economic Growth

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Ms Kathy Roe
Director of Finance – Section 151 Officer

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Dear Councillor Ryan and Ms Roe,

Consultation with Scrutiny Panels regarding the 2021/22 Budget

We write in response to the budget consultation meetings held on 18 January 2021, at which scrutiny members received a comprehensive overview of the planning process associated with budget setting for 2021/22 and beyond. In addition to the mid-year budget monitoring information presented to Scrutiny Panels in September 2020, the sessions have enabled members to seek assurances on the Strategic Commission's approach to managing and mitigating the adverse impacts that Covid-19 continues to place on residents, communities and the local economy.

At the start of the 2020/21 municipal year, it was important for Scrutiny to review its approach to planned activity in order to consider appropriate matters with a keen eye on recovery, as well as community and economic resilience. The pandemic has therefore resulted in a structured consolidation of the scrutiny role, creating a heightened focus on Covid-19 issues. While it is difficult at this time to look beyond the health crisis, Scrutiny has continued to keep abreast of strategic priorities for the borough. Looking forward, we will start to reintroduce the more in-depth reviews and reporting to support plans of the Executive.

The cooperation of public sector agencies and partners during the past 12 months has been commendable. The hard work must continue in order to ensure Tameside is able to find a sustainable path to recovery. It remains important for the Strategic Commission to continue placing residents and businesses at the heart of financial decision-making.

This letter provides an account of discussions captured from the meetings. We do hope the recent Budget Conversation has been successful in gaining insight on a range of priorities. Please pass our thanks to the Assistant Director of Finance for the helpful summary, with a request for consideration to the points raised in the meetings prior to the budget report being finalised.

The Council is set to receive a single year financial settlement for 2021/22. To some extent, this is understandable when considering the level of uncertainty and crisis management taking place at a national level. At a local level, this does affect our ability to project and plan accordingly. It was pleasing to hear of a commitment to undertake prudent financial modelling in order to forecast budget pressures into 2022/23 and beyond. Members accept that a greater level of confidence and assurance is achievable should the government grant a longer funding plan to local authorities beyond the next financial year.

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, access to healthcare and support. Scrutiny is increasingly concerned about the impact that Covid-19 restrictions place on children and young people, the mental health and wellbeing of residents and prolonged social isolation for the elderly and most vulnerable. 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 the need to close in-year budget gaps.

Budgetary demands and pressures continue to build within statutory services that work to support some of our most vulnerable children and adults. Providing the right financial support is necessary in the short-term. There is however, a growing need to ensure investment in preventative measures reduce the root causes of demand and start to have a positive financial impact. Scrutiny has previously raised concerns on the Council's ability to sustain budget increases of this nature and the use of reserves. Members welcome a refreshed strategy regarding the use of reserves, with no new reliance in 2021/22.

In general, members are aware of the financial fragility across local government. The Council's income has become an increasing proportion of the overall budget, which places significant pressures on a need to grow our Council Tax and Business Rates base. This in itself requires bold decisions and cross-cutting enabling programmes to alleviate additional pressures placed on residents and businesses at this difficult time.

It is felt that the strategic direction for growth and investment have an important role to play going forward. Recent scrutiny activity has focused on the emerging Inclusive Growth Strategy and representation at a regional and national level. Opportunities will continue to arise for the Council to receive recovery grants and it is important that the Council be in a strong position to negotiate on behalf of residents and businesses.

Discussion touched upon the delivery of savings targets identified across individual directorates. It was encouraging to hear of plans to increase the level of monitoring and accountability across Executive Member portfolios to ensure savings are both sustainable and achievable. Members welcome the additional oversight and scrutiny that will aim to keep progress on track and therefore alleviate in-year pressures.

The Executive has remained supportive of Scrutiny reporting methods to ensure findings and recommendations be 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 reviewing shared learning opportunities made available by the Local Government and Social Care Ombudsman. Where necessary, Scrutiny will remain mindful of any associated financial implications.

Scrutiny members support transparency of budget conversations and request that a mid-year financial update remain in place going forward. The information presented will inform work programme priorities where appropriate.

Yours sincerely,

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

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