

TRAFFORD COUNCIL

Report to: Executive
Date: 23rd January 2023
Report for: Decision
Report of: Scrutiny Committee Chair
Report Title

OVERVIEW AND SCRUTINY REVIEW OF THE EXECUTIVE'S DRAFT BUDGET PROPOSALS FOR 2023-2024

Summary

The Executive's Draft Budget Proposals for 2023-2024 were agreed at its meeting held on 24th October 2022. The draft proposals were then presented to the Scrutiny Committee at their meeting on the 9th of November, which informed the structure of the budget scrutiny process.

Two Budget Scrutiny Working Group sessions were held on the 29th November and 1st December 2022 with the relevant Executive Members and Senior Officers in attendance to address Members questions. Members were also provided with background information on the budget proposals.

This report reflects the outcome of those discussions, summarises areas, and provides recommendations for the Executive to consider in developing its final budget proposals and response to the Scrutiny Committee.

Recommendation(s)

The Scrutiny Committee are asked to approve the following recommendations for submission to the Executive:

- 1. That the Executive Member for Finance and Governance inform Scrutiny of the Council tax increase following the decision at the GM Level.**
- 2. That a report on expected impact of the cost-of-living crisis on residents and the Council's budget, including details of the mitigating steps the Council is taking, be submitted to the Scrutiny Committee first meeting of the 2023/24 municipal year.**
- 3. That a report be provided to Health Scrutiny if there is a significant increase in the number of residents cancelling care.**

4. That the Executive continue to monitor the rate of inflation closely and the Scrutiny Committee be informed if the level of inflation puts the Council's budget at risk.
5. That the Executive continue to monitor the reserves closely and inform the Scrutiny Committee if a higher level of reserves are to be used than set out within the budget.
6. That a breakdown of the financial implications of changing the loan repayment process be provided to Scrutiny Members.
7. That the Executive includes the full financial implications of changing the Council's repayment of loans as part of the budget consultation.
8. That the Executive closely monitor the wider impact of dimming streetlighting and submit a report to the Scrutiny Committee if a significant increase in accidents or crime is identified.
9. That in-depth reports on income/savings proposals for Strategic Investment Income, Children's Placements, and Home Care be submitted to the relevant Scrutiny Committee in March 2023.
10. That exception reports be submitted to the relevant scrutiny committee if the income/savings proposals for Strategic Investment Income, Children's Placements, and Home Care fail to meet the income/savings targets.
11. That the Children and Young People's Scrutiny Committee be kept up to date on the development of additional residential care within Greater Manchester.
12. That the Health Scrutiny Committee receive a report on the measures being taken by the council to mitigate the impact of volatility within Adult services.

Background Papers: None

Contact person for further information:

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BUDGET SCRUTINY REPORT – 2022/23

Foreword by the Chair of Scrutiny Committee

Trafford Council, like many Councils across the UK, are operating in very uncertain and challenging times. This is due to a long period of Austerity, followed by the Pandemic (which is still rife in the UK), and now the Country is in the grip of a “Cost of Living” crisis. The combined consequence of this has created turmoil which is massively affecting our residents, businesses, and organisations. All of which is also causing pressure on the Council Budget. Scrutiny Members raised a great deal of concern for the vulnerable members of our communities with regard to the adverse effect the “Cost of Living” crises will have on them and expressed the need for the Council to support them as much as we can to help mitigate the financial impact of this crisis. It is recognised that the financial situation for the Council has been, and still is, extremely challenging.

I would like to put on record my thanks to the Executive Members and Corporate Leadership Team for the work they have carried out during this very difficult period in managing the budget. I would also like to thank all the Council Staff, Partners, volunteers, and Council Members for the support and dedication they have all shown to Trafford residents and businesses throughout the Pandemic.

Councillor David Acton

Chair, Scrutiny Committee.

January 2023

Background

1.1 Following the presentation of the budget proposals to the Scrutiny Committee on the 9th November it was decided that Budget Scrutiny would focus upon the Place Directorate, the Council's reserves, the investment strategy, treasury management, Children's Services, Adults Services, and all savings proposals. The first session covered the Place directorate, the reserves, investment strategy, and treasury management with the second session focused upon Children's and Ault's Services. In addition to those areas Scrutiny Members were provided with a list of discretionary services provided by the Council following a request at the Scrutiny Committee meeting on the 9th November.

1.2 A presentation was produced, covering information for both sessions, and circulated to Councillors on the 25th November 2022, which gave Scrutiny Members time to review the documents prior to the sessions and request additional information.

2. Key Messages

2.1 Over the course of Budget Scrutiny process several key themes, detailed below, emerged as being of particular interest to Scrutiny Members.

2.2 Council Tax

2.2.1 With the Council due to raise Council tax by up to 5% and the Greater Manchester rise unknown it is felt that the increase could impact residents living standards and the Council's budget. Scrutiny would like to be informed of the final rise agreed at the GM level in January.

Recommendation: That the Executive Member for Finance and Governance informs Scrutiny of the Council tax increase following the decision at the GM Level.

2.3 Cost of living Crisis

2.3.1 Over the course of both sessions there were many references to the cost-of-living crisis. Concerns were raised about the impact the crisis will have upon residents and the Council's budget. Scrutiny requests that a report be provided to the Scrutiny Committee at the first meeting of the 2023/24 Municipal year outlining the expected impact of the cost-of-living crisis upon residents and the Council's budget, along with details of mitigating steps the Council is taking.

2.3.2 The Corporate Director of Adult Social Services assured Scrutiny Members that the service is monitoring residents who stop receiving care and is checking that finances are not the reason for the stoppage. Scrutiny supports the Executive in monitoring this and ask that a report be provided to the Health Scrutiny Committee if the numbers start to increase significantly. Scrutiny also supports the steps being

taken to increase the welfare rights team to aid residents access the benefits they are entitled to.

Recommendation: That a report on expected impact of the cost-of-living crisis on residents and the Council's budget, including details of the mitigating steps the Council is taking, be submitted to the Scrutiny Committee first meeting of the 2023/24 municipal year.

That a report be provided to Health Scrutiny if there is a significant increase in the number of residents cancelling care.

2.4 High Levels of Inflation

2.4.1 Scrutiny welcomes the Executive Member for Finance and Governance and the Director of Finances diligent approach to monitoring the levels of inflation and to reducing the effect inflation will have on the Council's budget. Scrutiny request that the Executive continue to monitor the rate of inflation and its impact on the Council's budget closely. Scrutiny also requests that the Scrutiny Committee is to be informed if the rate of inflation puts the Council's ability to meet the budget at risk.

Recommendation - That the Executive continue to monitor the rate of inflation closely and the Scrutiny Committee be informed if the level of inflation puts the Council's budget at risk.

2.5 Council's Reserves

2.5.1 Trafford has operated at a low level of reserves for many years and it has been of continued concern for Scrutiny, having been highlighted by the budget scrutiny process for the past five years. Scrutiny requests that the reserves continue to be monitored closely and that the Scrutiny Committee is to be informed if the level of reserves used goes above those detailed within the budget.

Recommendation – That the Executive continue to monitor the reserves closely and inform the Scrutiny Committee the if a higher level of reserves are to be used than set out within the budget.

2.6 Changes to Loan Repayment Process

2.6.1 In the first session Scrutiny Members were told that the £4M savings against treasury management would be delivered through changes to the way the Council repaid loans against assets, which would increase cost to the Council in 10 to 15 years' time. Scrutiny would like the full details of the financial implications of this strategy to be explained within the budget consultation process.

Recommendation – That a breakdown of the financial implications of changing the loan repayment process be provided to Scrutiny Members.

That the executive include the full financial implications of changing the Council's repayment of loans as part of the budget consultation.

2.7 Dimming of Street Lighting

2.7.1 Scrutiny raised concerns that the dimming of streetlighting could lead to an increase in the number of accidents or crime in those areas. Scrutiny request that the impact of the dimming of street lighting be closely monitored to ensure there is no adverse effect on public safety. Scrutiny also requests that a report be provided to the Scrutiny Committee if any significant increase in accidents or crime is identified.

Recommendation – That the Executive closely monitor wider the impact of dimming streetlighting and submit a report to the Scrutiny Committee if a significant increase in accidents or crime is identified.

2.8 Achievement of Savings

2.8.1 Within the presentation there were three areas across Place, Children's, and Adult Services which were to deliver in excess of £1M each in savings or income. Those three areas were Strategic Investment Income (Place), Children's Placements (Children's Services), and Home Care (Adults Services). Those three areas represent more than half of the Council's total savings proposals for 2023/24. Due to the significance of these areas Scrutiny would like an in-depth report on each of these savings or income proposals to come to the relevant Scrutiny Committee in March 2023 with subsequent exception reports delivered over the 2023/24 municipal year if those targets are not going to be achieved.

Of particular interest was the discussions around the possibility of increased complex care provision within GM. Scrutiny has supported the development of this provision is for a number of years and would like to be kept up to date with the developments.

Recommendation – That in-depth reports on income/savings proposals for Strategic Investment Income, Children's Placements, and Home Care be submitted to the relevant Scrutiny Committees in March 2023.

That exception reports be submitted to the relevant scrutiny committee if the income/savings proposals for Strategic Investment Income, Children's Placements, and Home Care fail to meet the income/savings targets.

That the Children and Young People's Scrutiny Committee be kept up to date on the development of additional residential care within Greater Manchester.

2.9 Volatility within Adult Services

2.9.1 Scrutiny Members noted that there had been a large amount of volatility within the 2022/23 and officers confirmed that this volatility was likely to continue going forward due to the wide range of external factors that could impact the services.

Scrutiny would like to receive a report on the measures being taken to mitigate the potential impact of the volatility within Adult Services.

Recommendation – That the Health Scrutiny Committee receive a report on the measures being taken by the council to mitigate the impact of volatility within Adult Services.