

Finance Sub-Committee

24 January 2018

Present: Councillor A McMullen (Chair)
Councillors D Cox, N Craven, L Miller, J O'Shea and
F Weetman

F35/01/18 Apologies

There were no apologies.

F36/01/18 Substitute Members

There were no substitute members.

F37/01/18 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations reported for this meeting.

F38/01/18 Minutes

Resolved that the Minutes of the meeting held on 29 November 2017 be confirmed and signed by the Chair.

F39/01/18 Financial Management Report to 30 November 2017

The Sub-Committee considered the report which set out the Council's financial position as at 30 November 2017, including the forecast outturn positions for 2017/18 for the General Fund, the Housing Revenue Account, School Finances and the Investment Plan.

The Sub-committee noted that there had been an improvement of over £2.353m in the financial position since the last report and the forecast overall outturn position is now an estimated surplus of £0.286m. It was noted that this forecast outturn is after taking into account the potential impact of the crystallisation of the deficit of Seaton burn College of £0.668m on the transfer to an academy on 1 January 2018. In addition, the inclusion of the Improved Better Care Fund (IBCF) of £4.579m has had a significant impact on the outturn position. However, Members noted that there is a continued pressure in Health, Education, Care and Safeguarding (HECS) of £3.572m after the allocation of the IBCF.

The Sub-committee was informed that there has been some marginal underlying improvement in most areas of the risks associated with the delivery of the 2017-18 budget. Updated Treasury Management savings are forecast at just over £3.346m which has contributed to the overall improved forecast outturn position. In addition, the Council received a dividend from the airport of £0.886m.

Members noted that, in relation to school funding, there has been an increase this year in the number of schools requesting deficit approval and ten schools have made requests compared to eight schools in 2016/17. Further deficit clinics took place during September 2017 to agree actions with schools to manage and improve those deficit positions.

Members had questions in relation to the following:

1. P10. In relation to proportion of rent collected for 2016/17. It was noted that the proportion won't be known until the end of the financial year, but assumption have been made on the basis of a worse position in 2017/18 due to universal credit.
2. P11. Investment Plan. It was noted that the investment plan spend is on track to be achieved by the end of the year.
3. P29. Funding of 2 Band 4 roles in the Locality Team by Sunderland CCG. Officers to provide further information on these posts and the reasons for this funding from Sunderland CCG.
4. P44 School Deficits. It was noted that the Council had been working with schools to address issues and identify any long term issues and whether these can be addressed.
5. It was highlighted that there were some consistencies throughout the report in relation to the use of brackets and minus signs and it was requested that this was addressed in future reports to avoid any confusion.

Members thanked officers for the report.

It was **AGREED** that:

1. The report be noted;
2. Officers would provide the following additional information requested by the sub-committee:
 - More detailed information on the two posts within the Locality Team that are being funded by Sunderland CCG.

F40/01/18 Financial Update on Welfare Reform

The Sub-committee considered the quarterly report which provided an update on the three schemes that were implemented or revised as a consequence of on-gong welfare reform. The schemes being reported on in this report are:

- Discretionary Housing Payment Fund;
- Local Council Tax Support Scheme; and
- Local Welfare Provision Scheme.

Discretionary Housing Payment Fund (DHP):

Members noted that the report set out that 71% of the DHP fund has been spent and allocated during the first three quarters of the financial year, and that a total of £128,000 was currently remaining for the final quarter. This is a much better position than last year when a greater proportion of the fund was unspent at this point in the financial year.

It was noted that officers have taken a more pro-active approach this year and have been working closely with the homeless service and with partners included the CAB to help more people access the fund and to help prevent homelessness. The Sub-committee was

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advised that changes were being made to the scheme so that payments would be agreed for a 12 month period, subject to any change of circumstances, rather than a 6 month basis, and this would give greater certainty to claimants.

Local Council Tax Support Scheme

The Sub-committee was advised that the number of claimants had been reducing, but that this reduction had mainly been seen in the pensioner age group.

It was noted that it is proposed to reduce the maximum amount of support provided for working age claimants from 87.5% to 85% from April 2018. This is the same level as Newcastle City Council but less than some other authorities in the region. It is unclear what impact this will have on the collection rate.

Members sought clarification of how easy it was for claimants to inform the Council about any change of circumstances. It was noted that it was very easy and the Council could be informed in a number of ways via the same routes as making the original claim.

Local Welfare Provision

It was noted that this service continues to be provided by the Adult Social Care Gateway Team.

F41/01/18 Exclusion Resolution

Resolved that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

F42/01/18 Business and Technical Partnership Risks

The Sub-committee considered the report which set out the latest monitoring update on risks which are rated high within the Strategic and Operational Risk Registers of the Business and Technical Partnerships with Engie and Capita.

Members raised a question about a potential back-log in relation to the processing of benefit claims. Officers responded that they were not aware of any issues and that performance monitoring takes place with partners on a weekly basis.

In the light of the recent issues in relation to the collapse of Carillion, there was some discussion about the prompt payment code and whether partners were covered by requirements to pay contractors promptly. It was noted that the Council is covered by the target of 95% of payments being made within 30 days, but in practice pay sub-contractors more quickly than that.

Members asked whether officers reviewed the overall profitability of the business of partner organisations. It was noted that there is close monitoring of partnership arrangements via the strategic partnering board but that overall profitability of the company's involved was not generally considered.

It was AGREED that Officers will obtain copies of the latest published accounts for both partners in the light of the Carillion collapse.

Signed by: _____

Date: _____

Cllr A McMullen, Chair of the Finance Sub-committee