

# Finance Sub-Committee

**19 July 2018**

Present: Councillor D Cox (Deputy Chair)  
Councillors, J O'Shea, W Samuel, J Stirling,  
J Wallace and F Weetman

## **F01/07/18 Apologies**

Apologies were received from Cllrs A McMullen & N Craven

## **F02/07/18 Substitute Members**

Pursuant to the Council's constitution the appointment of the following substitute Member was reported: - Councillor W Samuel for Councillor N Craven

## **F03/07/18 Declarations of Interest and Dispensations**

There were no Declarations of Interest

## **F04/07/18 Minutes**

**Resolved** that the Minutes of the meeting held on 21 March 2018 be confirmed.

## **F05/07/18 Welfare Reform – Financial update**

The Sub-committee considered the quarterly report that provided an update on the three schemes that were implemented or revised as a consequence of on-gong welfare reform.

Also provided was an overview of the initial rollout of the Full Services Universal Credit that was implemented in North Tyneside on 2 May 2018.

### **Discretionary Housing Payment Fund**

The final spend for 2017/18 showed that of the £570,266 DWP funding only 2% (£13,481) was not allocated and returned to the DWP.

The report detailed claimant data in relation to the number of claims/reason for awards and refusals.

For the first quarter April – 31 June 2018 showed that of the £529,964 of DWP funding, £306,863 has been allocated. This was due to claims being setup for 12 months, where normally they would have been set for 6 months. This was to reduce mid year administration of reclaims.

The report detailed claimant data in relation to the number of claims/reason for awards and refusals.

### **Local Council Tax Support Scheme**

The maximum amount of support provided for working age claimants for the financial year 2018/19 was 85% of the claimant's liability, this was a reduction from 87.5% provided in 19 July 2018

2017/18 provided in 2017/18. Pensionable age claimants continued to receive up to 100% support.

To the end of June 2018 the number of claimants to the scheme was 18,511 and the amount of Council Tax Support since 1 April 2018 totalled £14,711,000.

Due to supports changes and Council Tax increases collection has become more difficult, however, residents were supported through flexible payment arrangements and debt 7 budget management advice through the funding of Citizens Advice Bureau (CAB) outreach sessions.

### **Local Welfare Provision**

For the period 1 April 2017 – 31 March 2018 there had been 1,645 applications for Local Welfare Support, where immediate practical support totalled £8,849.27 in addition to the annual grant to the Food Bank of £26,000.

For the period 1 April – 30 June 2018 there had been 309 applications with immediate practical support of £2,578.86.

A Member questioned how the number of received applications in the first quarter 2018/19 compared to that received in the first quarter of 2017/18. It was stated the comparative information would be provided.

### **Universal Credit**

Universal Credit (UC) was a new benefit that replaced 5 state benefits and the rollout of the Full Service UC in North Tyneside had gone smoothly as possible. The roll out of the Full Service took place on 2 May 2018.

The Sub-committee were provided detailed of the estimated and actual data for both the Assisted Digital Support (ADS) and Personal Budgeting Support (PBS).

Department of Work and Pensions (DWP) had provided 50% funding up front for the delivery of both ADS and PBS.

It was stated that as more people move to UC the number of working aged claimant that received Housing Benefit reduced and a reduction of 500 in the work relating caseload had been realised.

Of the 80 claimants that were due to be paid the week commencing 4 June:

- 73 were paid in full
- 5 partially paid
- 2 received nothing.

The impact of UC on the Housing Department had seen of the 544 tenants on UC , 80% were in arrears, however, the average arrears per tenant had reduced.

The sub-committee heard that the full impact of UC was being monitored through regular performance monitoring.

**AGREED** to (1) continue to receive updates on the three schemes (Discretionary Housing Payment Fund, Local Council Tax Support Scheme and Local Welfare Provision) and note the report; (2) the first quarter comparative data be provided for the number of applications of the Local Welfare Provision for 2017/18 and 2018/19; and (3) receive further updates on Universal Credit Full Service on a quarterly basis.

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## **F06/07/18 2017/18 Provisional Finance Outturn Report**

A report was received a report that provided details on respect of the provisional outturn for the General Fund, Housing Revenue Account, School balances position, the financial and delivery aspects of the Investment Plan and the delivery of the Treasury Management Strategy for the financial year 2017/18.

It was noted that the net General Fund revenue budget had been set at £152,360m including Creating a Brighter Future saving of £18/338m and the final position showed a underspend of £0.722m. It was proposed that 0.200k would be transferred to the General Fund and £0.522 to the Strategic Reserve.

Members were given the opportunity to asked questions on the comprehensive outturn report;

A Member asked that with decreasing school balances, what risk did this have on schools being transferred into academies. In response it was stated that there were a number of factors that could allow the transfer of a school to an academy. If a school receives a poor Ofsted and/or it had a deficits balance this would allow a transfer. It was stated that the Authority needed to be mindful of both aspects and work with schools to reduce this risk.

A Member asked what steps the authority is taking to manage the budget with regards to Corporate Parenting and Placements. In response it was stated that this area was difficult to manage due to the uncertainty of how many placements would be needed in any given year and was therefore an on going pressure. However, the Authority had a policy to try and keep children in the home setting where possible. Where placements were needed the Authority would place individual in facilities in the borough as these were more cost effective than placements out of the borough.

A Member asked and it was confirmed that the £0.479m underspend in Waste Strategy was due to the impact of the operational changes implemented to the recycling centre.

A Member raised that it had been decided to place £0.522m of the 2017/18 underspend into the Reserve and asked the Head of Finance the view of placing funds into the reserve. In response it was stated that there was a need to always ensure the long term financial stability and risk to the Authority. It was stated that the reserve should not be looked at a pot of money that was available for adhoc projects and indicated the information supplied identified the purpose of the reserve and the long term plan for it use.

Member suggested that the amount of reserve in relation with NRA Solar PV Green Fund was growing and suggested that some of the reserve be used for alternative green initiatives.

**AGREED** that the 2017/18 Provisional Finance Outturn Report be noted  
**F07/07/18 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.

## **F08/07/18 Business and Technical Partnership Risks**

The Sub-committee considered the report that 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.

A Member asked and it was agreed that the next meeting, Members would be provided further information to enable a greater understanding to how risks were determined.

**AGREED** that (1) at the meeting scheduled for the 18 September 2018 information to how risks are determined to be presented and (2) Business and Technical Partnership Risks report noted.