Finance Sub-Committee

22 January 2019

Present: Councillor A McMullen (Chair)
Councillors N Craven, D Cox, J O'Shea,
J Stirling and J Wallace.

F24/01/19 Apologies

Apologies for absence were received from Councillor M Thirlaway.

F25/01/19 Substitute Members

There were no substitute members appointed.

F26/01/19 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations reported.

F27/01/19 Minutes

Resolved that the minutes of the meeting held on 27 November 2018 be confirmed and signed by the Chair.

F28/01/19 2018/19 Financial Management Report to 30 November 2018

The sub-committee examined the fourth monitoring report on the Council's 2018/19 financial position. The report set out the Council's current financial position in the context of its policy priorities contained in the Our North Tyneside Plan and it provided an indication of the potential revenue and capital position of the Authority as at 31 March 2019. The report had been submitted to the Cabinet at its meeting on 21 January 2019.

The budget for 2018/19 had been approved by full Council at its meeting on the 15 February 2018. The net General Fund revenue budget had been set at £154.726m including £10.143m of savings to be achieved. The forecast overall outturn position included an estimated pressure against the approved net budget of £2.169m, a £1.430m improvement on the figures reported in November 2018. The improvement had mainly been achieved through the inclusion of North Tyneside's share of the Levy Account Surplus allocation of £0.726m, additional Section 31 grant funding of £0.345m and a dividend received from Kier North Tyneside of £0.250m. However there continued to be financial pressures in Children's Services of £3.697m and Adult Services of £3.142m, partly mitigated by the contingency balances that were created as part of the 2018/19 Budget setting process and are held centrally to reflect the on-going pressures in social care being felt locally and nationally. Service areas had continued to develop further actions to mitigate identified financial pressures. It was anticipated that the outturn forecast would continue to improve over the course of the financial year as planned remedial actions made an impact on both expenditure and income.

The Housing Revenue Account was forecast to have year-end balances at 31 March 2019 of £6.203m, which would be £3.533m higher than budgeted. The higher than forecast balances were partly as a result of higher opening balances, additional income and a reduction in forecast expenditure related to the Construction Options Project.

The first monitoring of schools funding for the 2018/19 year had been completed in October 2018 and the results showed an overall improved position against budget plans of £0.936m. A significant overall deficit position was however still forecast. Furthermore a total cumulative pressure of just over £1m in the High Needs block of the Dedicated Schools Grant (DSG) was forecast by the end of 2018/19.

At the end of November 2018 the Authority had spent £39.657m from its capital investment plan which represented 48.01% of the planned spend in 2018/19.

The sub-committee sought confirmation that the overall amount of waste collected by the authority had fallen over the past four years, whilst the proportions of waste sent to landfill, recycled or sent to energy from waste plants had remained consistent. Members of the sub-committee asked to be provided with a further detailed briefing note on a) any changes in the proportion of waste sent to landfill, recycling or energy from waste plants as a result of the introduction of alternate weekly waste collections; and b) confirmation that the waste that would have been sent to the energy form waste plant, during the plant’s closure in May, June and August, was sent to landfill.

The sub-committee asked a series of questions arising from the monitoring report when particular consideration was given to:

a) there being no provision within the investment plan for works to cladding on multi-storey buildings because the Authority did not own any buildings requiring remedial works;
b) the action to be taken to address savings targets from procurement (£1.592m) and management savings (£1.287m) which were to be carried forward into 2019/20;
c) an increase in financial pressures within the Adult Services relating to placement costs for people with Learning Disabilities which was explained by a time lapse in accounting for procurement savings within the Adult Services budget;
d) joint working with the Clinical Commissioning Group to secure recharges for mental health aftercare; and
e) the longer term financial savings arising from a business rates refund for Segedunum.

It was **AGREED** that the 2018/19 Financial Management Report to 30 November 2018 be noted.