

## **Finance Sub-Committee**

**22 June 2016**

Present: Councillor A McMullen (Chair)  
Councillors D Cox, K Lee, J O'Shea, F Weetman

### **F01/06/16 Apologies**

Apologies were received from Councillor S Day.

### **F02/06/16 Substitute Members**

There were no substitute members.

### **F03/06/16 Declarations of Interest and Dispensations**

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

### **F04/06/16 Minutes**

**Resolved** that the Minutes of the meeting held on 23 March 2016 be confirmed and signed by the Chair.

### **F05/06/16 2015/16 Provisional Finance Outturn Report**

The Sub-Committee considered a report which set out the Authority's 2015-16 financial performance as an outturn report.

The Sub-committee welcomed the overall underspend set out in the report and thanked officers for achieving this.

Members asked questions in relation to the following:

P31 – ICT works – Members asked for additional information to clarify whether the savings achieved from the Network refresh project and service improvements would go directly to the Council or to the Councils partner, Engie.

P31 – Regeneration Works – Members asked for additional information to explain which of these projects were Council projects, and the Council's involvement in any non-Council projects mentioned such as the Ritz bingo refurbishment.

P50 – ICT Overspend – Members requested additional information to provide a breakdown and explanation of this overspend.

P52 – Bad debts – Members asked about the reasons for an increase in bad debt provision. The Sub-committee was advised that provision had been made for an increase in bad debts due to an increase in people experiencing difficulties in paying debts as a result of economic and welfare conditions.

P52 – Reduction in Bailiff fees – it was noted that there had been a reduction in bailiff fees as a result of increased use of external bailiffs by Engie, and that this would be reviewed each year as part of the contract.

Members thanked officers for the report.

### **F06/06/16 Update on the Financial Review of PFI Schemes**

The Sub-committee considered a report which provided an update on the financial review of PFI schemes. It was noted that this report had been requested by the sub-committee at a previous meeting.

The Sub-committee was informed that the authority has five PFI/LIFT schemes currently running. These are the Schools PFI scheme, Housing PFI (North Tyneside Living), Street Lighting PFI, and the LIFT schemes at Dudley/Shiremoor and Whitley Bay. It was noted that a LIFT scheme is similar to a PFI but for smaller buildings.

Members requested an explanation of the table set out on p119. It was noted that some of the outturn variance is accounted for by lower than expected inflation. It was noted that schemes can incur additional costs if there are requests for additional work or services during the life of the scheme. In relation to schools PFIs, the 5 year benchmarking of services can impact on the overall costs, and are designed to share the risk of any increase in costs over the life of the scheme between the Council and the operator.

Members questioned why the Shiremoor scheme was off balance sheet, when all other schemes were on. It was noted that this was due to a change in international financial reporting in 2010 and that, as the majority of the scheme belongs to the NHS, it is on the NHS balance sheet.

Members thanked officers for the report.

### **F07/06/16 Welfare Reform Update**

The Sub-committee considered a quarterly update report on welfare reform which provided information on the following three schemes that were implemented or revised as a consequence of ongoing welfare reform:

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

The Sub-committee noted the information provided on claims made to the Discretionary Housing Payment Fund for 2015/16 at the end of March 2016, and to date for 2016/17. It was noted that demand is expected to increase as continuing welfare reform changes are introduced and this is likely to put pressure on the funding available. It was noted that the Council applied for additional funding in 2013/14.

In relation to the Local Council Tax Support Scheme, the Council has been working well due to staff support and good referral mechanisms with voluntary sector partners, including the Citizens Advice Bureau.

The Sub-committee thanked officers for the report.

### **F08/06/16 Overview and Scrutiny Work Programme 2016/17**

The Sub-committee considered the report which set out the topics identified for inclusion in the work programme for the sub-committee for 2016/17.

Members suggested that the following additional topics be included on the work programme for the year ahead:

- A report on Business Rates, including business rate retention and business rate appeals – possibly in the autumn;
- Fees and Charges Policy – including assumptions made in devising the policy.

It was **AGREED** that the additional items identified be added to the work programme

### **F09/06/16 Time and Date of Meetings**

It was **AGREED** that meetings of the Finance Sub-committee should continue to be held at 6:00 pm.

### **F10/06/16 Training**

Members had a general discussion on the training needs of members of the sub-committee, particularly given that a number of Members were both new Councillors and new to the Sub-committee.

It was noted that a general introduction session to Local Government Finance would be provided as part of the induction programme for all members on 12 July. It was suggested that there may be a need a more detailed session for members of the Finance Sub-committee, but that specific training needs should be discussed once members have been to the introductory session.

It was **AGREED** that additional training needs of Finance Sub-committee Members be discussed at a future meeting.