

Finance Sub-Committee

29 September 2016

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

F18/09/16 Apologies

There were no apologies received.

F19/09/16 Substitute Members

There were no substitute members.

F20/09/16 Declarations of Interest and Dispensations

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

F21/09/16 Minutes

Resolved that the Minutes of the meeting held on 20 July 2016 be confirmed and signed by the Chair.

F22/09/16 2016/17 Financial Management Report to 31 July 2016

The Sub-Committee considered the report which set out the budget monitoring position as at 31 July 2016, including the forecast outturn positions for 2016/17 for the General Fund, the Housing Revenue Account, School Finances and the Investment Plan, including a summary of projects to be delivered during 2016/17.

The Sub-committee noted that this is the second monitoring report of the year and the forecast pressure has reduced by £0.590m, to £4.987m (from £5.577m reported in May's report). There has been some underlying improvement in the risks associated with the delivery of the 2016/17 budget; however, the headline pressure is only marginally improved. The Sub-committee noted that pressures continue to be forecast in relation to demand in Adult and Children's Social Care, the impact of the Living Wage on care providers (and the price for services the authority then has to pay) and the delivery of some aspects of the Creating a Brighter Future Programme. It was noted that the level of capital spend was £12m and that the programme is largely on track.

The Sub-group noted the significant challenges and pressures facing the Council this year and were advised that an officer sub-group had been set up to focus on these issues. In particular, the sub-group noted the information set out in table 2 of the report which outlined the movement in numbers of Looked After Children which were giving rise to increased costs.

In relation to the changes to the 2016-19 investment plan the sub-group asked for clarification in relation to the Coastal Regeneration project DV054 and the £2.5m loan to Highpoint View Limited. It was noted that the loan had secured the redevelopment of the site of the former Highpoint Hotel in Whitley Bay and was at a commercial rate, and therefore there will be a slight return on this loan.

In relation to the pressure in the Business and Economic Development budget re the Swan Hunter site, it was noted that some rental agreements had been terminated by the Council and this was a requirement to deliver the site.

In relation to the Commissioning and Investment Budget and the pressure relating to Home to School Transport, it was noted that these contracts are re-tendered on a regular basis to ensure value for money.

It was **Agreed** that the report be noted.

F23/09/16 Welfare Reform – Financial update on: Discretionary Housing payments Fund, Local Council Tax Support Scheme, Local Welfare Provision Scheme

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

In relation to Discretionary Housing Payments (DHP) it was noted that the Council has been working closely with the Citizens Advice Bureau and was referring claimants for budgeting and debt advice and support from the offset, with the aim of breaking the cycle and reducing future claims. The sub-committee was advised that this had been working well and, as a result, claims for DHP had been lower than last year. However, it was noted that the Council are expecting an increase in claims following the introduction of a revised benefit cap on 7 November. This revised benefit cap is expected to impact on 200 households in North Tyneside. The Council has been working proactively with these households in advance, with the aim of assisting them into employment of 16 hours a week to avoid the cap. It was noted that the government have made a commitment to provide additional DHP funding but the amount is not known at the moment and there is concern that this will not meet demand.

In relation to the Local Council Tax Support Scheme (LCTSS), it was noted that a consultation exercise has been agreed by Cabinet on whether to keep the current level of support for working age claimants in place or to reduce the maximum amount of support to either 87% or 85% next financial year. The consultation will run until the end of October and the outcomes will be presented back to Cabinet in December 2016.

In relation to the Local Welfare Provision Scheme, the sub-committee noted the information provided. It was noted that separate funding had originally been provided by the government for this scheme, but this was now part of the overall budget.

It was **Agreed** that the report be noted.

F24/09/16 Section 106 Payments

The Sub-committee considered the report which provided a summary of unspent Section 106 (S106) monies and anticipated future grant receipts. It was noted that these payments are not guaranteed, but are a total of all the agreements made on the basis that schemes do go ahead.

Members requested that future reports highlight the relevant ward for each project and that this information could be circulated to all members of the Council.

In relation to the un-invoiced and pipeline income set out from page 76, Members asked how often this money does not come in. It was noted that this was dependent on projects going ahead and can sometimes be performance related e.g. on the basis of a specified number of houses being built, and the Council has no control over this.

It was **Agreed** that the report be noted.

Signed by: _____

Date: _____

Cllr A McMullen, Chair of the Finance Sub-committee