

Finance Sub-Committee

25 January 2017

Present: Councillor A McMullen (Chair)
Councillors D Cox, S Day, J Hunter (Sub),
F Weetman

F41/01/17 Apologies

Apologies were received from Councillors K Lee and J O'Shea.

F42/01/17 Substitute Members

The following substitute Members were reported:

Councillor J Hunter for Councillor J O'Shea

F43/01/17 Declarations of Interest and Dispensations

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

F44/01/17 Minutes

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

F45/01/17 Financial Management Report to 30 November 2016

The Sub-Committee considered the report which set out the budget monitoring position as at 30 November 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, in relation to the General fund, the forecast overall pressure has reduced to £3.817m (from £4.744m reported in September's report), but the projected overspend in relation to HECS has increased by £200K. It was also noted that the main areas of spending pressures remain as reported previously and arise from demanding Adult and Children's Social Care Services, the impact of the Living Wage on care providers and the delivery of some aspects of the Creating a Brighter Future Programme. It was noted that all services continue to develop and deliver actions to mitigate these financial pressures and it is expected that the out-turn forecast will improve. In addition, the Sub-committee was informed that non essential spend continued to be minimised along with on-going reviews of demand-led projections in order to reduce the over-commitment.

The Sub-committee was informed that the 2016/17 budget includes the planned use of reserves of £2.001m, and the current forecast for 2016/17 also assumes use of £2.300m to contribute towards the pressures arising from the National Living Wage. Consideration also needs to be given to the potential impact of a further call on the strategic reserve should there be no improvement in the General Fund revenue position for this financial year.

25 January 2017

Members requested further clarification in relation to the following aspects of the report:

P26 Legal costs linked to disrepair claims – Officers to provide further details.

P31, para 5.6e – Coastal Regeneration – officers were asked to provide further information on why approval of grant funding was received later than anticipated.

P33, para 5.14 – in relation to investment plan budget and expenditure, it was noted that as of 30 November 47% of the total revised capital budget had been spent, but that there would be a higher proportion of spend towards the year end.

Appendix C – ICT costs – in relation to the additional information provided following the last meeting in November, Members requested additional information on the following:

- Recycling of Licences
- Network and Telephony equipment maintenance
- Payment to Durham CC for broadband

P44, Appendix H – Re-ablement Support - Members noted that Cedars had closed but there was some CCG funded support in homes.

Appendix J – Waste Collection – it was noted that in relation to new housing the Council can make a charge for provision of wheeled bins against section 106 but are unable to claim for revenue costs such as additional pressure on bins collections and landfill costs. It was **AGREED** that the report be noted.

F46/01/17 Welfare Reform

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. The schemes being reported on in this report are:

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

In relation to discretionary housing payments, the Sub-committee noted that 45% of the funding provided by the Department of Work and Pensions had been spent by December 2016. It was also noted that the Council had been working closely with the Citizens Advice Bureau (CAB) to support claimants with budgeting and debt advice which it was anticipated would help to reduce the likelihood of future claims.

The Sub-committee was informed that the impact of welfare changes will continue to be monitored, but there is concern that continuing changes in coming years will increase demand and this may outstrip funding available. In particular, the introduction of the new benefit cap which was affective from 7th November 2016 is likely to increase claims, with the number of households affected by the Benefit Cap in North Tyneside increased from 20 to around 150. It was noted that funding has been provided to the Education to Employment Team to partially fund a dedicated post to support those impacted by the Benefit Cap. This will provide claimants affected with budgeting and employment advice to help claimants manage this change and move claimants closer to employment.

In relation to the Local Council Tax Support Scheme, it was noted that a decision had been made by Council to reduce the maximum amount of support for 2016-17 for working age claimants from 90% to 87.5%.

In relation to Local Welfare Provision, the sub-committee noted the information provided. Members requested additional information about when the additional funding to the Shiremoor Credit Union was made available.

F47/01/17 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.

F48/01/17 Business and Technical Partnership Risks

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

It was noted that Risk Op 018 had now been achieved and this risk will drop down and no longer be considered as red.

The sub-committee also noted the new risk Op028.

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

Signed by: _____

Date: _____

Cllr A McMullen, Chair of the Finance Sub-committee