

## Finance Sub-Committee

21 June 2017

Present: Councillor A McMullen (Chair)  
Councillors D Cox, N Craven, K Lee, L Miller, L Spillard

### **F01/06/17 Apologies**

Apologies were received from Councillors J O'Shea and F Weetman.

### **F02/06/17 Substitute Members**

The following substitute members were reported:

Cllr L Spillard for Cllr J O'Shea

### **F03/06/17 Declarations of Interest and Dispensations**

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

### **F04/06/17 Minutes**

**Resolved** that the Minutes of the meeting held on 22 March 2017 be confirmed and signed by the Chair.

### **F05/06/17 2016-17 Provisional Finance Outturn Report**

The Sub-Committee considered a report which set out details in 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 2016/17.

The sub-committee noted that that the forecast outturn reported at 13 March 2017 was an overspend of £2.698m arising mostly from costs due to increased demand for Social Care Services in both Adults and Childrens. However, actions taken to manage this position had resulted in a much improved final outturn position of £0.426m overspend. It was noted that the 2016-17 budget included the planned use of the Strategic Reserve of £2.001m, and the final use of the Strategic Reserve was £4.727m which included the budgeted use of £2.001m and £2.726m to balance the outturn (including the £2.3m to meet the in-year costs of the Living Wage as reported throughout 2016/17).

The sub-committee noted that there had been an under spend on Central items of £5.701m due to a combination of factors, but primarily due to savings in relation to interest charges reflecting 2015/16 reprogramming, the level of temporary borrowing currently held and the continuation of internal borrowing.

The Chair thanked Officers for their work in achieving the final outturn position.

The sub-committee highlighted and raised questions in relation to a number of areas of the report as follows:

P24 – the impact of welfare reform: It was noted that overall current arrears have increased by £0.076m but this is less than expected given recent benefit changes; although it was also noted that the roll out of Universal Credit in North Tyneside has progressed less quickly than expected. It was highlighted that former tenant arrears had also increased and these are considered separately as they are collected differently. The sub-committee was advised that there had not been an increase in evictions.

P47 – Advertising Income Budget: It was stated that the savings target for 2017/18 is not as challenging as 2016/17 but is still challenging.

P60 – Street Lighting PFI: It was noted that officers were not aware of any issues in relation to the change from SSE in relation to the Street Lighting PFI.

P50 Vacancy Targets: Members noted that staffing budgets were currently based on an assumed staffing level of 97%, allowing for staff churn of 3%. There was some discussion around whether this level remained valid given the current climate in relation to voluntary redundancies and reducing public sector employment opportunities.

P33 – Borrowing Levels – it was noted that borrowing levels had remained broadly in line with last year at £436.897m (including HRA borrowing, but not PFI). It was noted that internal borrowing was currently quite high due to the lower cost.

It was agreed that the report be noted.

#### **F06/06/17 Finance Sub-committee Work Programme 2017-18**

The Sub-committee considered the report which provided a draft work programme for the sub-committee for 2017-18 and sought further suggestions from Members for inclusion in the work programme.

Councillor Cox identified an item on whether the expected returns from solar panels was being achieved and requested a report to a future meeting on this.

**Resolved** that the draft work programme, subject to the addition of the above item on solar panel returns, be agreed.

Signed by: \_\_\_\_\_

Date: \_\_\_\_\_

Cllr A McMullen, Chair of the Finance Sub-committee

21 June 2017