

Finance Sub-Committee

20 September 2017

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

F16/09/17 Apologies

There were no apologies received.

F17/09/17 Substitute Members

There were no substitute members.

F18/09/17 Declarations of Interest and Dispensations

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

F19/09/17 Minutes

In relation to the query on page 4 – smaller budget savings in 2013/14, officers reported that they would look at this and provide a response to the Sub-committee.

Resolved that the Minutes of the meeting held on 19 July be confirmed and signed by the Chair.

F20/09/17 2017/18 Financial Management Report to 31 July 2017

The Sub-Committee considered the report which was the second monitoring report on the 2017/18 financial position. It was noted that this is the second report in the new format which brings together financial and relevant performance information with the intention of explaining the current financial position in the context of the policy priorities in the Our North Tyneside Plan.

It was noted that the forecast overall pressure is estimated at £7.052m against an approved net budget of £152.360m. This is driven mainly by continued pressure in Health, Education, Care and Safeguarding (HECS) of £7.208m (May 17 £7.625m). Included in this projection is £2.168m of pressures in Corporate Parenting and Placements and £3.361m in social care package provision within Adult Social Care Services.

It was noted that the forecast outturn does not at this stage take into account the additional funding for Adult Social Care announced as part of the Spring Budget on 8 March 2017. For 2017/18 this amounts to £4.579m, and work is currently in progress to determine the appropriate application of this funding.

It was noted that the HRA is forecast to have year-end balances at 31 March 2018 of £4.382m, which is £1.520m higher than budget.

Members noted that the annex to the report included an update in respect of work in progress with regard to school funding, and this shows an increase in the number of schools requesting deficit approval with 10 schools making requests compared to eight in 2016-17.

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Members asked about the likelihood of the budget being achieved by year-end. It was noted that officers were of the view that improvements in the position will be made as the year progresses, but there are challenges. Members also asked about the achievement of savings and it was noted that actions are in place to achieve the savings identified. However, it was acknowledged that if savings are not achieved fully in 2017-18 it will impact on whether the full-year effect can be achieved in the following year.

There was some discussion about the Investment Plan. It was noted that the plan is based on the Council's intentions to invest for the benefit of residents and any re-profiling is based on an assessment of how projects are progressing.

Members highlighted again that they approved of the new format of the financial management reports and found them easier to read and to understand.

In relation to the content of the annex to the report members raised the following questions:

1. Page 28, Table 10 – Changes in average Annual costs of packages for Clients with a Learning Disability or Mental Health Need – to clarify whether it is correct that average residential care costs are cheaper than ISL costs.
2. Page 30 – Looked After Children – it was clarified that table 12 shows a reduction in the total number of Looked After Children, however these can be volatile figures and are dependent on demand.
3. Page 33, Table 15 – Home to School Transport – it was noted that the overspend in this area is expected to increase to £0.450m due to increased pressure on the discretionary schools grant and that actions are being taken to look in detail at all cases and statutory responsibilities to ensure that all decisions are correct.
4. Page 36 – Waste recycling centre – the changes to the waste recycling centre were noted and it was requested that an update be provided to the sub-committee after six months of operation.
5. Page 37 – Street Lighting PFI – it was highlighted that past investments have fed through to reduce energy usage and this has reduced what would have been a much larger pressure in this area. It was requested that report with more information on electricity costs at the next meeting in October 2017.
6. P42 – Schools budgets – It was noted that the Council was working with schools around financial management and is introducing benchmarking tools and peer challenge to try to address the position in the longer term. This has involved the direct involvement of the Head of Finance.
7. P48 – Regeneration Works for 2017-18 – members asked about the development in relation to the Tyne Brand site at the Fish Quay. It was noted that this was not in the plan as such, but the Regeneration Team are working to facilitate development of the site.

It was **AGREED** that:

1. The report be noted;
2. The following information be provided to future meetings:
 - Report on electricity costs (October)
 - Update on the Waste Recycling Centre (6 months)
 - Information on lower savings level 2013/14 (as available)

F21/09/17 Section 106 Payments

The sub-committee considered the report which provided a summary of unspent Section 106 monies and anticipated future Section 106 receipts.

Members highlighted that some records may need to be updated to reflect progress on developments, for example P68 High Point – the work is almost complete.

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

Signed by: _____

Date: _____

Cllr A McMullen, Chair of the Finance Sub-committee