

## Finance Sub-Committee

18 October 2017

Present: Councillor A McMullen (Chair)  
Councillors D Cox, N Craven, L Miller, and J O'Shea

### **F22/10/17 Apologies**

Apologies were received from Cllrs Lee and Weetman.

### **F23/10/17 Substitute Members**

There were no substitute members.

### **F24/10/17 Declarations of Interest and Dispensations**

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

### **F25/10/17 Minutes**

It was noted that the information set out on page 5 would be provided to future meetings as stated.

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

### **F26/10/17 Welfare Reform**

The Sub-Committee considered the report which set out a quarterly update on the three schemes that are being implemented or revised as a consequence of ongoing welfare reform.

- Discretionary Housing Payment Fund

It was noted that at the end of quarter two, 55% of the fund remained. However officers are confident that there won't be an underspend on this budget by the end of the year.

There was some discussion about the impact of the roll out of Universal Credit. It was noted that the fund was currently providing assistance to those moving on to Universal Credit with the first few weeks of housing costs where needed. However, officers were expecting to see an increase in claims in the next financial year and it may then not be possible to provide support to all Universal Credit claimants in the first few weeks.

- Local Council Tax Support Scheme

It was noted that the maximum amount of support provided to working age claimants for the financial year 2017/18 is 87.5% of the claimants Council Tax liability. Despite the burden on claimants of changes to the scheme, the in-year collection rates continue to hold up, and although the total impact on the in-year collection rate won't be known until the end of the year, it is expected that the long term collection rate will be unaffected at 98.5%. A consultation is currently underway on reducing support to either 80%, 82.5% or 85% for 2018-19 and this consultation will end at the beginning of November.

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- Local Welfare Provision Scheme (LWPS)

The sub-committee noted the information on applications to the LWPS. During the period of 1 July 2017 to 30 September 2017 there were 436 applications for Local Welfare Support. All applications received a full screening and further advice and information was offered where appropriate and 207 applications were eligible for further practical support (47%). It was noted that applications were expected to increase following the roll out of universal credit.

The sub-committee was informed that 9 applications were ineligible for immediate practical support because the team were able to get benefit into payment for the customer. There was some discussion about the need for implicit consent in these cases to allow the Council to speak to the DWP on behalf of the individual. Members were reassured that this was not generally an issue.

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

### **F27/10/17 Energy Costs – Street Lighting PFI**

The sub-committee considered the report which provided information on recent investment leading to a reduction in energy usage.

It was noted that when the Street Lighting PFI scheme commenced in 2004 it was projected that an increase in the number of lighting columns and an improvement in lighting levels would culminate in an increased electricity consumption of 17.612m KWH per annum from 2009/10 to the end of the contract in 2029/30. Any energy consumption over this amount would be the responsibility of the service provider to fund. It was noted that, as part of the contract, energy savings resulting from a service provider investment or initiative are shared 50/50 between the service provider and the Authority, and energy savings resulting from an Authority investment or initiative are fully retained by the Authority. Since 2012/13, there have been a number of initiatives that have reduced energy consumption to current levels.

The sub-committee noted the energy saving projects that have been implemented, including: de-illumination of traffic bollards; traffic signs LEDs; GE Streetwise/ Trimming and Dimming; Part Night Switch Off; SOX to Cosmo lamps; dimming on Coast Road; Sensor changes; SOX to LED lamps; and replacement LED lamps. These electricity reduction projects have contributed to an overall reduction in electricity consumption below the contractual cap of 21% and have helped to reduce the carbon footprint of the street lighting portfolio by 3,873 tonnes, or 40%. However, although the projects have significantly reduced the electricity consumption, the electricity rate has increased from 0.038p per kwh at the start of the contract to 0.11385p per kwh at current rate.

The sub-committee noted that the projects have led to a notional reduction of £837,000 in electricity costs. However, the budget was initially set based on the costs at the time of the contract and the actual costs have increased by 3 times this amount. The electricity budget has not increased sufficiently to meet the increased energy price, despite the reductions in energy usage. Unfortunately this means there have been no savings against the budget, although the overspend has been mitigated by the reduction in Kwhs.

It was noted that the current overspend is around £220,000 which is half due to electricity costs and half relates to the unitary charge. However, this would have been over £1million without the energy reduction projects.

Members asked about the carbon reduction charges and where this is recorded in the budget management report. It was highlighted that this is part of a central pot within Environment, Housing and Leisure and this is showing an underspend.

There was some discussion about the unitary charge and how this is linked to the number of street lighting columns. Members requested information on the total number of columns in the borough by type.

A question was raised about maintenance charges for new lights and whether reduced maintenance charges would be reflected in the budget. It was noted that this was not clear from the information in the report but the decision to invest in new lights would have been based on a significant saving overall.

It was **AGREED** that:

- the report be noted;
- Officers to provide the information requested on the number and type of street lighting columns.

#### **F28/10/17 Exclusion of the Press and Public**

**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.

#### **F29/10/17 Business and Technical Partnerships Risks**

The sub-committee considered the 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 **AGREED** that report be noted.

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

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

Cllr A McMullen, Chair of the Finance Sub-committee

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