

Finance Sub Committee

Tuesday, 30 July 2019

Present: Councillor A McMullen (Chair)
Councillors D Cox, N Craven, J O'Shea, J Wallace and
P Richardson

In attendance:
Councillors

Apologies: Councillors J Stirling

F1/19 Appointment of Substitute Members

There were no substitute members

F2/19 Declarations of Interest and Notification of any Dispensations Granted

There were no declarations of interest or dispensations reported.

F3/19 Minutes

Resolved that the minutes of the meeting held on 12 March 2019 be confirmed and signed by the Chair.

F4/19 Welfare Reform - Financial update

The Sub-committee considered the update report on the three schemes that were implemented or revised in April 2013 as a consequence of on-gong welfare reform.

Also provided was an update on the Full Services Universal Credit that was implemented in North Tyneside on 2 May 2018.

Discretionary Housing Payment Fund – (DHP)

The Discretionary Housing Payment Fund provided by the Department of Work and Pensions supports people in financial need who have a shortfall in their rent and housing benefit (or Universal Credit including the housing element).

There was continued work with the Citizens Advice and refer claimants for budgeting and debt advice which was working well and customers are engaging with support offered at the onset of a claim. If issues are dealt with at any earlier stage the need for DHP support may diminish as their financial circumstances improve.

Working with tenancy sustainment officers, housing advice team, other housing providers and the Community and Voluntary Sector, ensures those in most need are identified quickly and helped to claim as soon as possible.

The DHP policy is reviewed on an annual basis to ensure payments were directed to those in most need.

In 2018/19 there was £529, 964 allocated and the whole grant was spent.

Of the claims received 816 claimants received support (74%), with 290 claimants made an unsuccessful claim (26%).

In the financial year 2019/20 £449,390 had been allocated, which was around £80,000 less than we received for the financial year 2018/19.

The reduction of £80,000 means funding will have to be limited to shorter periods of time or less amounts paid to individuals and to date the remaining unallocated was £169,263.

Local Council Tax Support Scheme

The number of claimants to the scheme had continued to reduce and at the end of June 2019 the number of claimants to the scheme was 17,523 split between 9,481 working age and 8,042 pensionable age claimants.

As at end of June 2019 the amount of Council Tax Support awarded since 1 April 2019 was £14,582,442 and due to changes to support the in year collection has been more challenging, however, it was expected that the collection rate to be unaffected at 98.5%. The Committee was assured that residents who had difficulty in paying, were supported through flexible payment arrangements and access to debt advice and budget management where required.

Funding for Citizens Advice continued to provide outreach sessions to ensure residents had easy access to advice on debt and benefit entitlements.

Local Welfare Provision

For the period 1st April 2019 to 30th June 2019, there were 439 applications for Local Welfare Support, with all applications received a full screening.

There had been 214 crisis applications eligible for further practical support (49%). This included applicants receiving food, utility support, baby items or baby food, essential household items, or clothing.

Spend for the period in respect of immediate practical support amounted to £2,311, this was in addition to the annual grant to the Food Bank of £26,500.

Universal Credit

There were 8,153 claimants on UC and of these 3,992 were required to look for work.

Since April 2019 Citizens Advice have been contracted direct by the Department for Work and Pensions to deliver the Help to Claim Service.

The Help to Claim Service replaced the previous support for UC claimants under the Assisted Digital Support which was managed by the Education to Employment team and Personal Budgeting Support managed by Citizens Advice. Although both of these offers had been successful and the DWP took the approach to contract this support to Citizens Advice.

Since Full Service UC was rolled out in North Tyneside there had been a reduction of 3,734 in the number of working age residents claiming Housing Benefit, representing a 34% reduction in working age caseload.

The impact of Full Service UC continued to have an effect on Housing who have 2,527 tenants on Universal Credit as at 15th July 2019, which 1,912 (75.66%) of these were in arrears. It was noted however that 71.27% of those on Universal Credit were already in arrears when they moved onto UC. The average arrears for those on UC was £778.90 compared to an average arrears of £427.84 for all tenants.

AGREED that the Welfare Reform – Financial update be noted

F5/19 2018/19 Provisional Finance Outturn Report

The Head of Resources presented the 2018/19 Provisional Finance Outturn report that had considered by Cabinet on 28 May 2019. It was stated that this was the first scheduled meeting for the report to be received and the next item on the agenda would provide members greater insight to the current financial position of the authority.

AGREED that 2018/19 Provisional Finance Outturn Report be noted

F6/19 2018/19 Financial Management Report to 31 May 2019

The Head of Resources presented the 2018/19 Provisional Financial Management Report to 31 May 2019 that had considered by Cabinet on 29 July 2019.

The report was the first monitoring report for 2019/20 and the initial forecast was that a £5.263m projected overspend. It was brought to the Committee's attention that there were still aspects of the £10.533m 2019/20 savings programme still to be met and as a result £2.8m is included within the £5.263m overall pressure.

The report covers:

- The forecast outturn of the Authority's General Fund and HRA revenue budget including management mitigations where issues have been identified;
- The delivery of 2019/20 approved budget savings plans; and
- An update on the Capital Investment Plan, including details of variations and reprogramming, that is recommended for approval.

A member raised concern to schools that had continued to see their balances reducing and would face continued financial challenges and asked what measures were in place to support schools that were or forecast to be in deficit.

It was stated that approved changes to the Scheme for financing Schools had been made that would improve financial governance for 2019/20. Under the scheme schools would be required to return to financial balance within a maximum timescale of 3 years (previously 5 years).

School budgets were under pressure from rising costs relating to pay awards, pension contributions, apprenticeship levy and inflationary pressures on premises, equipment and materials. This was in line with reduced pupil numbers in many of the schools. Work was underway to analyse school pupil projection against birth rate and to where parents school preference.

A member asked to the position of Norham High School and its continued deficit position. It was stated that work was continuing to look at improvements to the school performance following Ofsted inspection.

A member asked about the position with Monkseaton High following its flooding issue. It was stated that with regards to the flooding issue an insurance claim has been submitted.

A member asked with regards to Commissioning and Asset Management forecasts to if there was a formalised rate charge for services staff that were engaged externally. It was stated that work was underway to have a standardised charges and that further information would be provided.

It was raised in relation to Right to Buy trends that there was a marked difference between the sales assumed by self-financing and those actual RTB sales. It was stated that further information on Right to Buy would be provided.

AGREED that 2019/20 Financial Management Report to 31 May 2019 be noted.

F7/19 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.

F8/19 Business and Technical Partnerships Risks

The Sub-committee considered the report that set out the latest monitoring update on risks which were rated high within the Strategic and Operational Risk Registers of the Business and Technical Partnerships with Engie and Capita.

Members were informed of a number of direction of travel of identified risks, with associated reason and agreed actions.

AGREED that Business and Technical Partnership Risks report noted.