

## **Finance Sub Committee**

**Tuesday, 9 February 2021**

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

In attendance: Councillors R Glindon

### **F50/20 Appointment of Substitute Members**

There were no substitute members appointed.

### **F51/20 Declarations of Interest and Notification of any Dispensations Granted**

There were no declarations of interest reported.

### **F52/20 Minutes of 17 November 2020**

**Resolved** that the minutes of the meeting held on 17 November 2020 be confirmed.

### **F53/20 Welfare Reform - Financial update**

The Sub-committee considered a update report on the three schemes that provide financial support to our residents, that were implemented or revised in April 2013 onwards because of on-going welfare reform, as well as an update on Universal Credit.

#### **Discretionary Housing Payment Fund**

The Discretionary Housing Payment (DHP) fund, administered by Local Authorities on behalf of the Department for Work and Pensions (DWP) with the aim at being a temporary payment, which provides support, just at the right time, to people in financial difficulties who have a shortfall between their rent and Housing Benefit (or Universal Credit including the housing element).

The position of spend against the grant as at 25 January 2021 showed a level of unallocated funding stood at £296,533.

Spend against DHP fund slowed in the first half of the year at the local authority and other landlords did not pursue tenants in arrears during the first Covid-19 lockdown, however, since arrears letters had been issued tenants have engaged and DHP was increasing.

#### **Local Council Tax Support Scheme**

The maximum amount of support provided for working age claimants for the financial year

2020/2021 is 85% of the claimants Council Tax liability. Pensionable age claimants continue to receive up to 100% support.

Demand on the scheme had increased from April to August where the caseload peaked at 17,755 and since then had declined to 17,501 claimants (7,573 pensionable age and 9,928 working age). The cost of the scheme stood at £15,360,394 which is just less than in Novembers update.

### **Local Welfare Provision**

There had been 1,920 applications for Local Welfare Support in comparison to the 1,368 at same period last year.

All applications were offered a full screening, advice and information including signposting to partner organisations where appropriate.

Spend for the period in respect of immediate practical support amounted to £10,998. This was in addition to the annual grant to the Food Bank of £26,500.

There was still funding with North East First Credit Union that allows the Authority to refer people with poor credit history who would be seen as higher risk customers, the opportunity to access reasonably priced loans.

This was a one off funding; customers are charged interest which goes back into the fund to be used by other customers, where four people had taken up loans for household goods.

For applicants who were not provided funded by the authority immediate practical support, a summary of the assistance available was provided.

### **Hardship fund**

As part of the response to COVID-19, the Authority received £2,024,000 for the Hardship Fund from Central Government for households that would struggle to meet Council Tax Payments. All working age claimants received up to £150 from the hardship fund, which meant around 58% had no Council Tax liability for 2020/21 to pay and many only had to pay a small amount.

The remaining Hardship Grant had been used to support other Council Tax payers who were not in receipt of the £150 but had been impacted Covid-19, it was also being used by Welfare Provision to support people and to support financially vulnerable housing tenants who were not entitled to a Discretionary Housing Payment.

A member praised officers for the speed in distributing the support funding to those most in most in need.

### **Universal Credit**

Universal Credit (UC) replaced 5 state benefits, the number of people claiming Universal Credit had increased significantly by just over 8400, which amounted to a 78% increase against the figure in February 2020.

Positive steps taking place to support claimants saw DWP initially deploying staff from other departments to process claims but as the months have progressed and recruited over 800 staff for a new Universal Credit Service Centre to manage the additional claims, as well as 20 new Work Coaches and 2 additional Employment Advisors to support claimants.

Job Centre Plus Offices have remained open for those that are unable to access support digitally/via telephony opening times are currently 10-2 (temporary for current lockdown).

### **Housing Department Update**

The impact of UC continues to be felt by the housing department and they now have 4,324 tenants on UC as at 25th January 2021. 3,141 (72.64%) of these are in arrears although it is worth noting that 64.5% of those on UC were already in arrears when they moved onto UC. The average arrears for those on UC was £599.90 (this has reduced since last quarter despite the impact of COVID-9) compared to an average arrears of £563.78 for all tenants and £335.27 for those not on UC. Other housing providers are also advising of significant arrears with tenants in receipt of UC.

COVID-19 had a large impact on housing tenants with 1,113 of tenants reporting that they had been adversely impacted. This had contributed to the significant increase in the number of tenants claiming UC, with an additional 1,416 UC cases being recorded since 16th March 2020.

**Agreed** that the Welfare Reform – Financial update be noted.

### **F54/20            2020/21 Financial Management Report to 30 September 2020**

The Sub-committee received the 2020/21 Financial Management Report to 30 September 2020. A further updated report was on the agenda and it was suggested that the report be noted.

**Agreed** that the 2020/21 Financial Management Report to 30 September 2020 be noted.

### **F55/20            2020/21 Financial Management Report to 30 November 2020**

The Senior Manager Financial Strategy and Planning presented the 2020/21 Financial Management report to 30 November 2020.

The report was the fourth monitoring report of the 2020/21 financial position and provided the second indication of the potential revenue and capital position of the Authority at 31 March 2021.

North Tyneside Council had felt the ongoing impact of the Covid-19 pandemic. It was noted that when considering 'business as usual' the Council was performing favourably in comparison with previous financial years.

The forecasted overall pressure was estimated at £1.510m against the approved budget, which included forecasted pressure of £0.127m on normal activities and £1.383m relating to the impact of Covid-19. The Authority continued to face financial pressures across areas of

Social Care and demand-led services.

The Authority had received four payments of the Local Authority support Grant funding from Government totalling £16.369m with £0.755m allocated due to Covid-19 pressures arising in March 2020.

The report included details of additional grants received by the Authority since the budget was set and provided the position of the 2020/21 Schools budgets, planning for 2021/22, Schools funding and the forecast outturn for the Housing Revenue Account at 30 November 2020.

The report also included details of the variations and reprofiling of the 2020/21 Investment Plan and an update on Treasury Management.

A Member sought clarification to when covid-19 grant were recorded and was confirmed that grants were recorded on receipt.

A member asked that if no further grants were received from Central Government and at the year end the authority still had a deficit how would the use of reserves be needed to balance the budget. The Head of Resources responded stating that the Authority would capture eligible expenditure against all grants possible but the ultimately any deficit would fall to the use of reserves.

A member asked and clarification was given to the role of Internal Audit in the use of received grants.

A member asked for clarification to the additional cost in bereavement costs. In response the increase was due to two elements of cost in body storage and additional technology to enable socially distanced funeral services.

A member asked for clarification and received an explanation to the understanding of the term under-borrowing.

**Agreed** that the 2020/21 Financial Management report to 30 November 2020 be noted.

#### **F56/20 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 2 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.

#### **F57/20 Business and Technical Partnerships Risks**

The Sub-committee considered the report that set out monitoring to the management and mitigation of high (red) risks contained within the Operational Risk Register.

**Agreed** that the Technical Partnership Risks report be noted.