

## **Finance Sub Committee**

**Tuesday, 13 July 2021**

Present:

Councillors N Craven, C Davis, B Pickard, P Richardson,  
W Samuel and J Wallace

Apologies: Councillors D Cox

### **F1/21 Appointment of Substitute Members**

There were no substitute members appointed.

### **F2/21 Declarations of Interest and Notification of any Dispensations Granted**

Councillor B Pickard stated that as a former Cabinet Member and to ensure he followed the principles to the Members Code of Conduct he would only comment on points of accuracy or new areas of interest when they arise on the agenda.

### **F3/21 Minutes**

**Resolved** that the minutes of the meeting 9 February 2021 be confirmed.

### **F4/21 Poverty Intervention Fund Update**

The Assistant Chief Executive and Participation and Advocacy Manager presented an update on the use and spend of the Poverty Intervention Fund (PIF).

The purpose of the PIF was to alleviate the impact of poverty on families and individual across North Tyneside with particular emphasis on children.

The objectives of the PIF were to:

- to address the financial impacts of poverty by targeting support to areas where people are struggling to make ends meet to be able to afford the basics or where they are having to go without certain things which others take for granted.
- to address the social impacts of poverty by targeting support so that people can play a full role in society and for activities which will have a positive impact
- to address the health impacts of poverty by targeting support on relevant areas such as risk-taking behaviour and mental health and well-being

The agreed approach had been agreed by Cabinet on the 21 September with priority being given to:

- for children – focusing on the key impact which living in poverty has in relation to their

experience at school

- for older people – focusing on the key impact of not taking up full benefit entitlement
- for families with children – focusing on the key impact of not being able to afford the essentials of clothing for school and food during school holidays (where they do not have access to free school meals)

The report provided information to the initiatives funded in the 2020/21 financial year, in line with the priorities:

- Poverty Proofing the School Day (for children)
- benefit advice and support for older residents (for older people)
- school appropriate clothing (for families with children)
- holiday food (for families with children)
- Food for older residents (for older people)

The sub-committee heard that additional support had been granted through the Covid Winter grant that was part of the governments support due to Covid-19. The grant was an additional payment made to school aged children who were on free school meals and the Holiday Activity Fund (HAF).

Information to the funding allocated in 2020/21 to each initiative was provided and totalled £726,600, with a remaining balance £273,400 that had been carried forward into 2021/22 budget as agreed by Council.

A member requested the level of extra Government Funding that was received to cover the second week of Easter Holiday. The Head of Resources indicated the amount was £607k.

**Agreed** that the Poverty Intervention Fund update be noted.

## **F5/21 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).

For the end of year financial position for 2020/21 768 applicants had received a payment with less than 1% (£4,772) being returned to Department of Work and Pensions (DWP).

Funding for 2021/22 was being managed differently by DWP and only part of the grant had been received (£309,105), with any remaining grant being given in late September 2021

based on demand and caseload.

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

The demand on the scheme had seen an increase from 17,172 at the end of March 2020 to 17,543 at the end of March 2021 and the cost to the scheme was £15,394,568.

The overall caseload for 2021/22 was 17,441 (claimants' being 9,996 working age and 7,445 pensionable age). The cost of the scheme had increased to £15,757,160.

### **Local Welfare Provision**

There had been 2,803 applications for Local Welfare Support in comparison to the 2,075,368 in 19/20 and 1,607 in 18/19.

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 £12,722. This was in addition to the annual grant to the Food Bank of £40,500.

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 and online applications had been introduced.

### **Covid-19 update**

Additional grants to support applicants caused through the impact of Covid-19 had allowed increased support to assess and process discretionary applications for support with Track and Trace Payments.

### **Universal Credit**

Universal Credit (UC) replaced 5 state benefits, the number of people claiming Universal Credit was 19,401 compared to 10,758 in February 2020.

Additional Work Coaches and Employment Advisors were employed to provide support, with Job Centre Plus Offices remaining open for those that are unable to access support digitally/via telephony.

### **Housing Department Update**

The impact of UC continues to be felt by the housing department and they now have 4,658 tenants on UC as at 20 June 2021. 3,333 (73.26%) of these are in arrears although it is worth noting that 66.7% of those on UC were already in arrears when they moved onto UC. The average arrears for those on UC was £549.75 (this has reduced since last quarter despite the impact of Covid-19) compared to an average arrears of £515.61 for all tenants and £271.22 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 1,248 of tenants reporting that they had been adversely impacted. This had contributed to the significant increase in the number of tenants claiming UC, with 756 tenants on UC stating they have been impacted by Covid-19.

Covid-19 had also impacted arrears levels and since 16 March 2020 arrears increased by £515,962.

A member requested if the level of the Hardship Grant would be the same for 2021/22 that had been received for 2020/21 and if this would be provided in a staged approach for 2021/22. In response the Head of Resources informed the approach for 2021/22 would be confirmed.

A member questioned if data was collected in relation to Domestic abuse/Family breakup resulting into homelessness due to the effect of being placed on Universal Credit. In response the Client Manager Revenues and Benefits stated that they would investigate if this data was collected.

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

#### **F6/21            2020/21 Financial Management Report to 31 January 2021**

The Senior Manager Financial Strategy and Planning presented the 2020/21 Financial Management report to 31 January 2021.

The report was the fifth monitoring report of the 2020/21 financial position and provided the second indication of the potential revenue and capital position of the Authority on 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 £3.041m against the approved budget, which included forecasted pressure of £0.053m on normal activities and £2.988m relating to the impact of Covid-19. The Authority continued to face financial pressures across areas of Social Care and demand-led services.

The Head of Resources acknowledged that the report detailed information report to Cabinet in April 2021 and due circumstances not in the control of the sub-committee or officers this meeting was the first opportunity to present to scrutiny. The Head of Resources informed that the 2020/21 Outturn Position was to be reported to Cabinet at its meeting on the 15 July 2021 and that the report had been published on the Councils website.

**Agreed** that the 2020/21 Financial Management report to 31 January 2021 be noted.

**F7/21 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.

**F8/21 Business and Technical Partnerships Risks**

The Sub-committee considered a report that detailed the monitoring on the risks rated high (red) within the Strategic and Operational Risk Registers of the Business and Technical Partnerships with Engie and Capita.

**Agreed** that the Strategic and Operational Risk Registers of each partnership be noted.