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Finance Sub Committee

Tuesday, 14 July 2020

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

Apologies: Councillors N Craven

F28/19 Appointment of Substitute Members

There were no substitute members appointed.

F29/19 Declarations of Interest and Notification of any Dispensations Granted

There were no declarations of interest reported.

F30/19 Minutes

Resolved that the minutes of the meeting held on 11 February 2020 be confirmed.

F31/19 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-going welfare reform.

Also provided was an update on the Full Services Universal Credit and an update on the additional support that had been provided through the Hardship Fund, which was introduced as part of the governments package of support due to Covid-19.

Discretionary Housing Payment Fund - DHF

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).

Citizens Advice continued to work well with overall outcomes showed the significant monetary value its advice has on debts written off, income gains and rescheduled payments. Due to the current pandemic Citizens Advice had moved resources to provide telephone advice which was proving very responsive.

Allocated DHP funding for 2020/21 was £558,563, which was an increase of £109,173 from the previous year. The report provided details to the level of spend and unallocated funds, with additional information to the number of claimants.

Local Council Tax Support Scheme

The maximum amount of support provided to working age claimants was 85% for the financial year 2020/21, where pensionable aged claimants continued to receive 100% support.

Due to the current Covid-19 situation, there had been a 7% increase in working age caseload since March 2020, which had placed pressures on the cost of the scheme with 17,701 claimants in receipt of CTS, of which 9,963 were of working age and 7,738 pensionable age. The costs of awards were £15,406,416 with the anticipation of further increases as some employers may not take back furloughed employees.

Council Tax collection would be challenging, however, residents who had difficulty paying, would continue to be supported through flexible payment arrangements and access to debt and budget management advice.

Hardship Fund

As a response to Covid-19, the Government announced in March that provision of grant funding to local authorities in England would be made to support economically vulnerable people and households. North Tyneside received £2,024,000 Hardship Funding allocation, with the use to reduce the Council Tax liability of individuals, using discretionary powers to award £150 to each working age Council Tax Support recipient. It was reported that the hardship payment had made significant difference to working age Council Tax Support claimants with 58% having no Council Tax liability to pay in 2020/21.

Local Welfare Provision

The reported provided statistics for the period 1 April 2020 to the 26 June 2020, which showed an increase in applications for Local Welfare Support.

Of those applicants who were not provided funding by the authority were provided support and assistance by way of referrals and liaising with a number of other agencies detailed in the report.

Covid-19 Update

At the start of the pandemic there was increased worries from residents to the effect to buying food and the receipt of benefits during lockdown measures. The officer team took time to provide reassurance and sign-posted residents to appropriate support and worked with the new services to ensure no one fell through the gaps.

It was reported that most applicants fell within three categories being;

1. Having dependent children in the family or vulnerable adults with significant health needs that were at consultant led level.
2. People without significant health need.
3. Those where discretion could be used to support – typically where employment had been affected and food/utility vouchers were provided until benefit claims were made.

Universal Credit -UC

The number of UC claims had increased dramatically, with figures showing an increase of 37% for North Tyneside.

To ensure that claims were handled staff from across DWP and other government departments were redeployed to do payment related work. Claimants were receiving customer services calls and work coaches were being sign-posted to aid job seeking. The service was a voluntary service and dependent on the claimants need.

The DWP Employer Engagement staff were delivering digital labour market upskilling sessions for staff and it was predicted that another spike of new claims when lockdown arrangements were lifted.

Housing Benefit claimants had reduced as more people moved to UC with 5,960 working age claimants at the end of June 2020.

At 24 June 2020 there were 4000 housing tenants on UC, with 2,952 (73.8%) in arrears, with the average arrears at £609.35.

It was reported that 682 housing tenants on UC had informed the authority that they had been impacted by Covid-19.

AGREED that the Welfare Reform – Financial update be noted.

F32/19 2019/20 Provisional Finance Outturn Report

The Head of Resources presented the 2019/20 Provisional Finance Outturn report that had considered by Cabinet on 29 June 2020.

AGREED that 2019/20 Provisional Finance Outturn Report be noted

F33/19 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.

F34/19 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.

AGREED that Business and Technical Partnership Risks report noted