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Finance Sub Committee

Tuesday, 30 November 2021

Present: Councillor D Cox (Chair)
Councillors B Pickard, P Richardson and W Samuel

In attendance:
Councillor L Bones

Apologies: Councillors J Wallace

F16/21 Appointment of Substitute Members

Pursuant to the Council's constitution the appointment of the following substitute Member was reported: - Councillor L Bones for Councillor J Wallace.

F17/21 Declarations of Interest and Notification of any Dispensations Granted

There were no Declarations of Interest reported.

F18/21 Minutes

Resolved that the minutes of the meeting 14 September 2021 be confirmed.

F19/21 Welfare Reform - Financial update

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).

Funding in 2021/22 was to be awarded in two parts with an initial payment of £309,105. The second payment of £123,428 was received in September bringing the total amount to £432,533. The combined total was a 23% reduction to that received in 2020/21.

With respect to the spend against the received funding the sub-committee was informed that of the £432,533, £296,951 had been spent or committed, leaving £135,582 uncommitted at the time of writing of the report. The sub-committee was provided the remaining amount at the 30 November of £98,871. It was highlighted that the amount available to the 31 March 2022.

Local Council Tax Support Scheme

The sub-committee was informed that at the end of quarter 2 the caseload stood at 17,256

(claimants' being 9,864 working age and 7,356 pensionable age).

This was a reduction of 185 claimants reported in July, with the cost of the scheme being £15,601,887.

Local Welfare Provision

There had been 1,446 applications for Local Welfare Support, with all applications being offered a full screening, advice and information including signposting to partner organisations where appropriate.

It was reported that there had been 910 crisis applications eligible for further practical support and the spend for the period in respect of immediate practical support amounted to £9,130. This was in addition to the annual grant to the Food Bank of £40,500.

The sub-committee was informed that the Authority had received a new Housing Support Grant to support vulnerable residents to provide direct support up to 31 March 2022.

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.

A Member asked and assurance was given that further information to the number of people who have been referred to the Credit Union and the rates of interest that are charged for loans would be provided.

Universal Credit

Universal Credit (UC) replaced 5 state benefits, the number of people claiming Universal Credit was 18,847 which was a reduction to the 19,401 in July 2021.

All UC claimants had been notified in July of the reduction to their payments to ensure they checked their statements.

A Member raised that during the pandemic many people were made redundant and were unemployed for long periods. It was understood that employers considered long employment gaps before offering opportunities to attend interviews and it was asked if this issue could be raised with Job Centre plus as it was thought it would impact employment opportunities.

Officers indicated that this would be raised with Job Centre Plus Liaison Officers and the North of Tyne Combined Authority (NTCA) Good Work Pledge.

Housing Department Update

The impact of UC continues to be felt by the housing department and they now have 4,640 tenants on UC at 3 October 2021. 3,282 (70.73%) of these are in arrears although it is worth noting that 62.19% of those on UC were already in arrears when they moved onto UC.

The average arrears for those on UC was £548.40 (this has reduced since last quarter) compared to an average arrears of £553.56 for all tenants and £325.55 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 1,346 of tenants reporting that they had been adversely impacted, with 132 tenants (9.81%) reporting an adverse impact on more than one occasion.

Agreed that (1) the Welfare Reform – Financial update be noted; and (2) information requested be provided to the matters discussed.

F20/21 2021/22 Financial Management Report to 31 July 2021

Agreed that the 2021/22 Financial Management Report to 31 July 2021 be noted.

F21/21 2021/22 Financial Management Report to 30 September 2021

The Director of Resources presented the 2021/22 Financial Management report to 30 September 2021 that had been considered by Cabinet at its meeting 29 November 2021.

The report was the third monitoring to the 2021/22 financial position and provided the first indication of the potential revenue and capital position of the Authority on 31 March 2022.

The projected outturn position, at 30 September was estimated at £5.962m against the approved budget. There was forecast pressure of £1.801m on normal activities and £4.161m relating to Covid-19.

In relation to the impact of Covid-19 a member raised, and it was acknowledged there was a requirement to repay grants not used relating to Business Support Top-up, Local Restrictions Grants and Restart Grants.

The member further questioned if further grants would be allocated to in relation to support losses on Sales, Fees and Charges. In response the Director of Resources informed that grants support was only available in 2021/22 to cover losses incurred in April 2021 to June 2021.

A member questioned and asked for information to the impact on the Council resources in administering the range of grant funding due to Covid-19. The Director of Resources informed that that support was provided with increased digitalisation and staffing to ensure support was available for residents and businesses and the Council accessed the Additional Burden Funding to support the necessary activities. It was stated that the costs of the additional capacity that was required would be provided to the sub-committee for information.

With respect to Adult Services the report details pressure within Commissioned Services – Mental Health, a member requested further information to be provided in relation to the pressure and consequential affect to the wider service provision.

A member requested and in response the Director of Resources indicated that information would be provided to the trends for the differing ranges of increased demand to Adult

Services.

The Director of Resources emphasised that the Financial Management report to 30 September 2021 report was an important position report when consideration is made to the 2022/23 budget planning.

Agreed that (1) the 2021/22 Financial Management report to 30 September 2021 be noted; and (2) information requested be provided to the matters discussed.

F22/21 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.

F23/21 Business and Technical Partnerships Risks

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