

**NORTHAMPTON BOROUGH COUNCIL
AUDIT COMMITTEE**

Your attendance is requested at a meeting to be held in
The Jeffrey Room, St. Giles Square, Northampton, NN1 1DE.
on Monday, 5 November 2012
at 6:00 pm.

**D Kennedy
Chief Executive**

AGENDA

1. APOLOGIES

Please contact Peter Storey on 01604 837356 or pstorey@northampton.gov.uk when submitting apologies for absence.

2. MINUTES

To approve the minutes of the meeting held on 24th September 2012 and adjourned to 26th September 2012.

3. DEPUTATIONS / PUBLIC ADDRESSES

4. DECLARATIONS OF INTEREST

5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED

6. TREASURY MANAGEMENT MID YEAR REPORT 2012-13 Bev Dixon Ext 7401

(Copy herewith)

An addendum is attached at the end of this item, of information tabled at the meeting which updated 2 pages in the report.

7. ABSENCE MANAGEMENT PERFORMANCE INDICATOR

Catherine Wilson Ext 7377

(Copy herewith)

8. PERFORMANCE MONITORING TO END SEPTEMBER 2012

Catherine Wilson Ext 7377

(Copy herewith)

9. CAR PARKING USAGE AND INCOME - UPDATE REPORT

Marion Goodman Ext 8273

(Copy herewith)

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|---|-----------------------------------|
| <p>10. FINANCIAL MONITORING REPORT</p> <p>Regular update of financial data to end September 2012.
(Copy herewith)</p> | <p>Phil Morrison Ext
7194</p> |
| <p>11. THE WELFARE REFORM BILL - FURTHER UPDATE</p> <p>(Copy herewith)</p> | <p>Robin Bates Ext 7119</p> |
| <p>12. INTERNAL AUDIT PROGRESS REPORT 2012/13</p> <p>(Copy herewith)</p> | <p>Chris Dickens (PWC)</p> |
| <p>13. ANNUAL AUDIT LETTER 2011/12</p> <p>(Copy herewith)</p> | <p>Neil Bellamy (KPMG)</p> |
| <p>14. EXCLUSION OF PUBLIC AND PRESS</p> <p>THE CHAIR TO MOVE:
"THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE REMAINDER OF THE MEETING ON THE GROUNDS THAT THERE IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH CATEGORIES OF EXEMPT INFORMATION AS DEFINED BY SECTION 100(1) OF THE LOCAL GOVERNMENT ACT 1972 AS LISTED AGAINST SUCH ITEMS OF BUSINESS BY REFERENCE TO THE APPROPRIATE PARAGRAPH OF SCHEDULE 12A TO SUCH ACT."</p> | |

Public Participation

Members of the public may address the Committee on any non-procedural matter listed on this agenda. Addresses shall not last longer than three minutes. Committee members may then ask questions of the speaker. No prior notice is required prior to the commencement of the meeting of a request to address the Committee.

AUDIT COMMITTEE

**Monday, 24 September 2012
(adjourned to Wednesday, 26 September 2012)**

PRESENT: Councillor Larratt (Chair); Councillor Oldham (Deputy Chair); Councillors Beardsworth, Lynch, Nunn, Palethorpe and Subbarayan

1. APOLOGIES

Apologies were received from Councillor N Choudary and C Dickens (PWC).

The Chair proposed that due to the lateness of the hour following the Overview and Scrutiny Call-in meeting earlier in the evening that the meeting be adjourned to 13.30 hours on 26 September 2012. The motion was carried.

The meeting reconvened at 13.30 hours on 26 September 2012.

2. MINUTES

The Minutes of the meeting held on 23rd July 2012 were confirmed and signed by the Chair as a true record.

3. DEPUTATIONS / PUBLIC ADDRESSES

There were none.

4. DECLARATIONS OF INTEREST

There were none.

5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED

There were none.

6. ONE STOP SHOP PERFORMANCE

The Director of Customers and Communities presented a report giving further information in relation to waiting times at the One Stop Shop, as requested at the previous meeting (held on 23rd July 2012), including commentary and explanation on the change of performance levels between 2011-11 and 2011-12.

It was noted that the definition of indicator CS14 had been changed in 2011/12 and this had reduced performance, particularly as quick visits were not recorded by staff. Quick visits were now being recorded and the definition made clearer that the target applies to seated face-to-face transactions only. Performance was back on target as from July 2012.

In answer to Members' questions it was stated that:

- It would be very challenging to maintain performance in light of the changes to Council Tax Benefits and other welfare changes. A Needs Focus was being undertaken and mechanisms were in place. Consideration was being given to the feasibility of opening the One Stop Shop on Saturday mornings, where the self-service terminals had proved successful. Government were aware of the impact of creating a local Council Tax base and would be making some funding available for this issue;

- Consideration was given to timing when letters were sent out if they were to be sent to a large number of people to seek to manage demands on the One Stop Shop in terms of queries;
- Getting the information right and clear when writing to residents would reduce some of the demands made on the One Stop Shop from residents seeking clarification;
- The Council had chosen to take part in consultation on LGA pilots in these areas to seek to effectively manage customer expectations.

RESOLVED:

That the report be noted.

7. ABSENCE MANAGEMENT PERFORMANCE

The HR Service and Quality Manager presented a report providing a summary of the absence performance indicator BV12 and the current actions being taken to move closer to the target.

In answer to Members' questions it was stated that:

- The outturn figure of ten days average sickness absence per employee was unlikely to be reached without some significant changes in approach and measures were being put in place, including manager training on issues such as stress and return to work processes;
- The numbers of staff on long term sickness absence (four weeks or more) was between 15 and 20. The exact number could be supplied if required;
- Firstcare and the Wellbeing team would liaise with managers and staff, and their GPs where appropriate, regarding sickness absence and return to work;
- Medical suspension was where a member of staff had been signed off as fit to work by his/her GP but measures needed to be put in place at work before the employee could return. Staff on medical suspension received full pay during that period. Officers stated that medical suspensions were rare and there were currently none;
- There had been no significant increase in sickness absence during the recent office moves;
- Comparison figures of sickness absence at other local authorities was available and would be provided to Members;
- Information on sickness levels across departments and vacancies which had not been filled would be provided to a future meeting, at Members' request.

RESOLVED:

That the report be noted.

8. PERFORMANCE REPORT TO END OF JUNE 2012

The HR Service and Quality Manager presented a report on the Council's key performance exceptions (under and over performance) for the 2012/12 year to date.

Members stated that the report covered the first quarter of 2012/12, to 31st July 2012, and that the Committee needed more up to date information to consider performance. The Director of Resources stated that the report was the one which had been reported to Cabinet and was a little out of date in being reported to the Committee. The Committee would receive the latest reports to future meetings for consideration. The next meeting of the Committee (on 5th November 2012) should receive performance information to 30th September.

In answer to Members' queries officers stated that:

- The two Environment indicators (ESC01 and ESC02) had improved since the report was written but remained red at 31st August 2012 and there were still issues to be resolved;
- There had been some serious issues regarding grounds maintenance (ESC11). Improvements had been made and officers were working hard to make further improvements.
- Footfall in the town centre (TC005) was measured outside Milletts in the Market Square and by Marks and Spencers in Abington Street. Officers looked at the change in footfall between years rather than the actual numbers when looking at increases/declines;
- Homelessness (HI09) is an increasing issue in the town. There is no significant indication of where people are presenting themselves from and no signs yet that people are presenting themselves from the private sector as a result of welfare changes. A report would be made to a future meeting of the Committee on welfare reforms.

RESOLVED:

That the report be noted.

9. FINANCE MONITORING

The Assistant Head of Finance presented a report giving the Committee the position as at 31st July 2012 in respect of the Council's financial position, car parking income and usage, and the Council's outstanding debts. It was noted that there were significant variances to date and that officers were working with service areas to address that.

In answer to Members' queries officers stated that:

- Car parking income was always volatile and was always near the top of any risk assessment. Assets had been set aside to cover the shortfall if required. Car park usage had increased but were parking for shorter periods. The poor summer had adversely impacted on car park use. Officers were looking into all day parking to support businesses in the town;
- It was not possible to correlate car park income with business performance in the town;
- The new car parking policy had come into effect in October 2011 and it was too soon to have trend data. Officers did receive parking information on a monthly basis;
- Bed and breakfast accommodation had increased and this was another high risk area;
- Considerable work had been undertaken in reducing the corporate debt. The biggest area was Housing and forwarding addresses were being obtained from tenants before they moved. Figures on debt write offs for tenants would be provided for the Committee.

RESOLVED:

1. That the contents of the Finance Reports be noted as below:
 - General Fund Revenue (Appendix 1 of the report);
 - General Fund Capital (Appendix 2 of the report);
 - HRA Revenue (Appendix 3 of the report);
 - HRA Capital (Appendix 4 of the report).

2. That the position on car parking income and usage as at 31st July 2012 be noted.
3. That the latest position in relation to the Council's outstanding debts as at 31st July 2012 be noted.
4. That no additional information is required by the Committee to perform its governance role.

10. SCHEDULE OF RESERVES AND RISK ASSESSMENT

The Assistant Head of Finance presented the schedule of earmarked reserves and risk assessment of reserves for information.

In answer to a Member's question, the Assistant Head of Finance stated that the reserves kept for redundancy were held at a high level as it was not possible to predict how many staff might be affected.

RESOLVED:

That the report be noted.

11. ANNUAL GOVERNANCE STATEMENT

The Assistant Head of Finance presented the amended Annual Governance Statement 2011/12. The statement had been updated following comments and returns received since the last meeting of the Committee on 23rd July, which had considered the draft statement in detail.

RESOLVED:

That the Annual Governance Statement 2011/12 be approved for publication alongside the Statement of Accounts.

12. STATEMENT OF ACCOUNTS 2011/12

The Assistant Head of Finance presented the audited and amended Statement of Accounts 2011/12.

It was noted that an uncorrected error was included in the accounts and a note had been included in the accounts to that effect (minute 13 below also refers).

A typographical error was corrected on page 79 of the accounts by the insertion of a minus sign in front of the figure £5,661 for the Less Impairment Allowance.

RESOLVED:

1. That the Statement of Accounts (Appendix 1 of the report) be approved, subject to any changes arising from the consideration of the report of the external auditor.
2. That the Council's Letter of Representation (Appendix 2 to the report) be approved.

13. ANNUAL GOVERNANCE REPORT

The District Auditor gave a verbal update on the 2011/12 Statement of Accounts and presented the Annual Governance Report for 2011/12. He stated that there had been a number of errors in the accounts, which was not unusual, and these had been corrected. One error remained uncorrected, which was a national issue and likely to affect a number of local authorities and was not material. He proposed to give an unqualified statement to the

Statement of Accounts.

In answer to a Member's question, the District Auditor stated that embedded leases (referred to in the financial statement) were where a local authority specified criteria in a contract which then effectively constituted a lease. The Council had some of these embedded leases, which had been tested and they were not material either individually or in aggregate.

RESOLVED:

That the Annual Governance Report (ISA 260) (Appendix 1) of the Audit Commission be accepted and the adjustments to the accounts detailed therein be noted.

14. INTERNAL AUDIT PROGRESS REPORT

The Director of Resources presented a report summarising the progress made against the approved internal audit plan for 2012/13. It was noted that this was a high level report of the activity of Internal Audit.

RESOLVED:

That the report be received.

15. EXTERNAL AUDIT PROGRESS REPORT

The District Auditor presented the 2011/12 latest progress report.

It was noted that the Annual Governance Report and the opinion on financial statements were now complete and the annual audit letter was on track.

The Audit Commission would be wound up in October/November 2012 and KPMG would take up the role of the Council's external auditors.

The Committee thanked the Audit Commission representatives for their work with the Council over the last three years and wished them well for the future.

RESOLVED:

That the progress of external audit plans as presented by the Council's external auditors be noted.

The meeting concluded at 3.17pm.

Appendices
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AUDIT COMMITTEE REPORT

Report Title	TREASURY MANAGEMENT MID YEAR REPORT 2012-13
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	5 November 2012
Policy Document:	No
Directorate:	Resources
Accountable Cabinet Member:	Councillor Alan Bottwood

1. Purpose

1.1 To put the draft Treasury Management Mid Year Report for 2012-13 before Audit Committee for review prior to it going to Cabinet in November and to Council in December.

2. Recommendations

2.1 That Audit Committee review the draft Treasury Management Mid Year Report for 2012-13 and put forward recommendations as they think appropriate.

3. Issues and Choices

3.1 Report Background

3.1.1 The CIPFA Treasury Management Code of Practice requires the Council to nominate the body (such as an audit or scrutiny committee) responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. The Audit Committee has been nominated for this role, which includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and for making recommendations to Council.

3.2 Issues

Treasury Management Mid Year Report 2012-13

3.2.1 The Council's draft Treasury Management Mid Year Report for 2012-13 is attached at **Appendix A**. This comprises a covering report and annexes (A to J). This report is timetabled to go to Cabinet on 14 November 2012 and Council on 03 December 2012.

3.2.2 Audit Committee are asked to review the report and to put forward recommendations to Cabinet and Council as they think appropriate.

3.3 Choices (Options)

3.3.1 Audit Committee have the option to comment on the areas considered in the report and to make recommendations to Officers and to Cabinet and Council.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Council is required to adopt the latest CIPFA Treasury Management Code of Practice, and to set and agree the following policy and strategy documents:

- a) A Treasury Management Policy Statement
- b) Treasury Management Practices (TMPs) and TMP Schedules
- c) An annual Treasury Strategy incorporating:
 - (i) The Capital Financing and Borrowing Strategy for the year including:
 - The Council's policy on the making of Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008.
 - The Affordable Borrowing Limit for the year as required by the Local Government Act 2003.
 - (ii) The Investment Strategy for the year as required by the CLG Guidance on Local Government Investments issued in 2004, and updated in 2010.
- d) A mid-year review report and an annual review report of the previous year.

Items (a) to (c) are reported to Cabinet and Council as part of the budget setting process. The Council's Treasury Strategy for 2012-13 was approved by Council at its meeting on 29 February 2012.

4.1.2 The updated CIPFA Treasury Management Code of Practice requires the Council to nominate the body (such as an audit or scrutiny committee) responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. The Audit Committee has been nominated for this role, which includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and for making recommendations to Council.

4.2 Resources and Risk

4.2.1 The resources required for the Council's debt management and debt financing budgets are agreed annually through the Council's budget setting process.

4.2.2 The risk management of the treasury function is an integral part of day-to-day treasury activities. It is also specifically covered in the Council's Treasury Management Practices (TMPs), which are reviewed annually.

4.3 Legal

4.3.1 The Council is obliged to carry out its treasury management activities in line with statutory requirements and associated regulations and professional guidance. The relevant legislative and regulatory documents are referred to within the report and listed in the background papers.

Equality

4.4.1 An Equalities Impact Assessment (EIA) has been carried out on the Council's Treasury Management Strategy for 2012-13, and the associated Treasury Management Practices (TMPs) and Schedules to the TMPs.

4.4.2 The EIA assessment is that a full impact assessment is not necessary, as no direct or indirect relevance to equality and diversity duties has been identified.

4.5 Consultees (Internal and External)

4.5.1 Consultation on treasury management matters is undertaken as appropriate with the Council's treasury management advisor, Sector, and with the Portfolio holder for Finance.

4.5.2 The Audit Committee has been nominated by Council as the body responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. This role includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and the making of recommendations to Council.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Management of performance in relation to treasury management activities supports the Council's priority of providing quality services.

4.7 Other Implications

4.7.1 No other implications have been identified

5. Background Papers

The Treasury Management Mid Year Report at Appendix A contains:

- A full list of current statute, regulation and guidance relating to treasury management.
- A full list of relevant reports to Audit Committee, Cabinet and Council.

Report Author: Bev Dixon, Finance Manager – Treasury, ext 7401

Appendices

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NORTHAMPTON
BOROUGH COUNCIL

Item No.

CABINET REPORT

Report Title

TREASURY MANAGEMENT MID YEAR REPORT 2012-13

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	14 November 2012
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Finance and Support
Accountable Cabinet Member:	Alan Bottwood
Ward(s)	Not Applicable

1. Purpose

1.1 To inform the Cabinet of

- a) The Council's performance in relation to its treasury management activities, including its borrowing and investment strategy, for the period 1 April to 30 September 2012.
- b) Changes to investment and counterparty lending limits, to enable the effective management of risk in relation to investments, approved by the Chief Finance Officer under discretions set out in the Council's Schedules to Treasury Management Practices and Treasury Strategy for 2012-13.

2. Recommendations

- 2.1 That Cabinet recommend to Council that they note
- a) The Council's treasury management activities and performance for the period 1 April to 30 September 2012.
 - b) The increase in maximum value for any single investment transaction in the Schedule to TMP 1 (Risk Management), from £7m to £10m, approved by the Council's Chief Finance Officer.
 - c) The increase in the maximum level of investment with any counterparty or group of counterparties in the Schedule to TMP 1 (Risk Management), from £15m to £20m, approved by the Council's Chief Finance Officer.
 - d) The change to the counterparty limits in the Treasury Strategy to increase the maximum values for UK nationalised or part nationalised banking institutions to £20m from the existing £15m, approved by the Council's Chief Finance Officer.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes ("the Treasury Management Code of Practice").
- 3.1.2 The Treasury Management Code of Practice and the associated guidance notes for local authorities include recommendations on reporting requirements, including the requirement for an annual mid year report on treasury activities. The table below shows how the specific reporting requirements of the Treasury Management Code of Practice have been incorporated into this report.

Reporting Requirement	Reference
Activities undertaken	3.2.2 – 3.2.21 Appendices B,C,D,E,F
Variations (if any) from agreed policies and practices	3.2.22 – 3.2.30
Interim performance report	3.2.31 – 3.2.33 Appendix G
Regular monitoring	3.2.34 – 3.2.38 Appendix H,I,J
Monitoring of treasury management indicators for local authorities	3.2.37 Appendix H

3.1.3 The following topics are also covered in this report

Topic	Reference
Economic environment and interest rates	3.2.1 Appendix A
Monitoring of prudential indicators for local authorities	3.2.37 Appendix I
Monitoring of debt financing budget	3.2.38 Appendix J

3.2 Issues and Choices

Economic Environment and Interest Rates

3.2.1 An analysis of the economic position as at the end of September 2012, including the latest interest rate forecasts, is attached at **Appendix A**. This information has been provided by Sector, the Council's treasury management advisors.

Activities undertaken

Investments

3.2.2 **Appendix B** shows the Council's investment balances at 30 September 2012.

3.2.3 Cashflow balances available for investment come from working capital, amounts in provisions and reserves, and funds, such as capital grants, received in advance of expenditure. The Council's overall investment figure as at 30 September 2012 was £54m; average balances for the six-month period to 30 September were £52m. The lowest and highest balances during the period were £37m and £70m respectively.

3.2.4 Since the start of the year, 12 new fixed term deposits have been entered into ranging in value between £1m and £5m, at rates between 0.60% and 2.85%, and for periods between 74 and 730 days. The average value of each fixed term investment was £3m, and the weighted average interest rate achieved for fixed term deposits was 1.41%. The average investment period was 237 days.

3.2.5 Fixed term deposits make up an average of 52% of the Council's investment portfolio, the remainder being balances held in instant access deposit accounts, call accounts and money market funds.

3.2.6 Deposit accounts, call accounts and money market funds have been used extensively during the first half of the year, in order to maintain liquidity and security of funds. The average balance held in deposit accounts, including notice accounts was £6m, around 12% of the Council's average investment

portfolio. The average balance held in instant access money market funds was £19m, around 36% of the Council's average investment portfolio.

- 3.2.7 The Council has opened a new AAA rated money market fund with LGIM (Legal and General Investment Management) during this financial year, bringing the total number of money market funds in use to three. Money market funds offer a high degree of liquidity, with instant access to funds, and have a high security rating due to their diversification. Rates are comparable to those available from short term investments (of up to three months). Greater use of money market funds in place of deposit accounts creates increased capacity with investment counterparties, and enables more use to be made of direct deals at enhanced rates.
- 3.2.8 The Council has recently entered into an agreement with Sungard Limited for access to its Money Market Fund Portal, which enables arrangements for money market trades to be made electronically rather than by telephone.
- 3.2.9 **Appendix C** shows the maturity profile of the Council's investments at 30 September 2012. Due to ongoing market concerns and uncertainty, and with the recommendation of Sector, the Council's treasury management advisers, the majority of investments (80%) have been made for relatively short periods, of up to six months duration, to reduce exposure to risk.
- 3.2.10 Sector has advised that the Council's historic risk of default on its investment portfolio as at 30 September 2012 is 0.026%. This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.
- 3.2.11 In September 2012 a custody and dealing account was opened with King and Shaxon Ltd. This will open up further investment opportunities for the Council, including the opportunity to invest in Callable Deposits (CDs) and Gilts. Charges to the Council for using this service are met through a marginal reduction to the investment rate on individual transactions. In order to benefit from zero account set up fees the Council will make its first trade before 31 December 2012. Before doing so the Chief Finance Officer will put in place procedures and limits for controlling exposure to such investment instruments, which may be subject to fluctuations in market value.
- 3.2.12 Investment activity is carried out within the Council's counterparty policies and criteria, and with a clear strategy of risk management in line with the Council's treasury strategy for 2012-13. This ensures that the principle of considering security, liquidity and yield, in that order (SLY), is consistently applied. Any variations to agreed policies and practices are reported to Cabinet and Council (See paragraphs 3.2.22 to 3.2.30 below).

Borrowing

- 3.2.13 **Appendix D** shows outstanding long-term borrowing at 30 September 2012 at amortised cost. The total long-term debt outstanding, including non-current

finance leases, is £216m. Of this amount, 88% is in the form of PWLB borrowing, 11% is money market LOBO loans, and the remaining 1% consists of the long-term element of an annuity loan with the Homes and Communities Agency (HCA) and non-current finance leases.

3.2.14 Following the introduction of the HRA self-financing reforms on 28 March 2012, the Council operates a two pool approach whereby all long term borrowing is allocated to either the General Fund or the HRA. As shown at **Appendix D**, £193m (89%) of long term debt is attributable to the HRA, with the balance of £23m (11%) attributable to the General Fund.

3.2.15 No loans have been repaid since April 2012 other than the principal element (£19k) of the HCA annuity payment made in September, and annual amounts due on some finance leases.

3.2.16 No rescheduling of loans took place in the first half of the year.

3.2.17 No new borrowing was taken out in the first six months of 2012-13. The Council's policy during 2012-13 is to use internal borrowing (ie from cash flow balances) to fund capital programme expenditure financed by borrowing, subject to external borrowing rates remaining at high levels relative to investment rates.

3.2.18 **Appendix E** shows the Council's long-term debt maturity profile of external debt at cash value as at 30 September 2012. Five General Fund loans are due for repayment during the next five years; two LOBO loans totalling £15.6m mature in 2014-15, and PWLB loans totalling £8m mature in the following two years. Options for the repayment and replacement (if appropriate) of these loans are under active consideration, with advice being taken from the Council's external treasury management advisors, Sector. The Council will keep its options open until nearer the maturity dates.

3.2.19 **Appendix F** shows outstanding balances and applicable rates for short-term borrowing. The total outstanding at 30 September 2012 was £299k.

3.2.20 The Council has long-standing agreements with two local organisations, Billing Parish Council and Northampton Volunteering Centre, for the short-term deposit of funds with the Council. Accounting regulations require that these be treated in the accounts as short-term borrowing. The interest rate applicable on these accounts is set quarterly using the Council's average investment rate for the previous quarter, less 0.5% to cover administrative costs. The range of balances in these accounts during the period April to September 2012 was between £90k and £239k, at interest rates between 0.53% (in quarter 1) and 0.75% (in quarter 2).

3.2.21 For consistency with accounting requirements:

- The principal element of the HCA annuity repayment due within 12 months (£20k) is included as short term borrowing

- Current commitments on finance leases – i.e. amounts due within the current financial year – are not included in the short term borrowing balances shown.

Variations (if any) from or to agreed policies and practices

3.2.22 Compliance with agreed policies and practices has been monitored during the year to date.

3.2.23 An investment of £1m was made with Royal Bank of Scotland on 1 May 2012 for a period of two years (730 days). Whilst this investment was within the Council's own duration limits for the counterparty, it exceeded the Sector temporary duration limit in place for the counterparty, which is one year (364 days). The Chief Finance Officer regards the risk of default during the period of the investment, which is with a UK government nationalised/part nationalised bank, as minimal, being measured by Sector at a historic risk of default at 0.186%, using the methodology outlined at paragraph 3.2.10.

3.2.24 The Council's counterparty policies and strategy for 2012-13 are set out in the Treasury Management Strategy 2012-13 to 2014-15 report agreed by Council on 29 February 2012. The Chief Financial Officer has discretion during the financial year to:

- Adjust the maximum lending limits in Schedule 1 to the Treasury Management Practices (TMPs) to enable the effective management of risk in relation to investment
- Lift or increase the restrictions on the counterparty list and/or to adjust the associated lending limits on values and periods in the Treasury Strategy should it become necessary to enable the effective management of risk in relation to investments. At all times the Council's minimum level of credit risk, as set out at the Schedule to TMP 1, will be met.

3.2.25 The Chief Financial Officer has exercised those discretions as follows:

3.2.26 In the current economic climate, there are temporary restrictions in place on the duration of investments with individual counterparties, as advised by the Council's treasury advisers. As a result the Council is severely limited in its ability to place amounts for periods of over 3 months duration, and it was not possible to meet budgeted plans to place up to £10m of additional earmarked HRA funds for a period of up to two years without disadvantaging the General Fund.

3.2.27 Additionally it has been identified that the £7m limit in place for any single investment transaction does not meet the Council's needs in the current market, where funds over and above this amount regularly need to be placed in Money Market Funds or deposit accounts. It has been identified that the existing limit has been exceeded on a five occasions this financial year, with no increase to the risk level of the Council's investment portfolio.

3.2.28 In order to redress these issues the Chief Financial Officer has

- Amended the maximum value for any single investment transaction from £7m to £10m
- Amended the maximum level of investment with any counterparty or group of counterparties, set out in the Schedules to the TMPs, from £15m to £20m.
- Amended the counterparty limits in the Treasury Strategy to increase the maximum values for UK nationalised or part nationalised banking institutions to £20m from the existing £15m. This allows for an additional £5m to be placed with counterparties falling into this category without breaching the duration limits advised by the Council’s treasury advisers.

3.2.29 The revised counterparty limits continue to meet the requirements of the Council’s minimum level of credit risk, as set out at the Schedule to TMP 1. The following table sets out the Council’s revised counterparty policies for 2012-13.

Investments may be placed with counterparties recommended by the Council’s external treasury advisors, and which meet the following criteria:	Additional limits
(1) UK counterparties	NBC additional limits in force will be £15m and a maximum of 2 years (729 days)
<i>Or</i>	
(2) UK nationalised or part nationalised banking institutions	NBC additional limits in force will be £20m and a maximum of 2 years (729 days)
<i>Or</i>	
(3) Non UK counterparties having a sovereign rating of AAA	NBC additional limits in force will be £15m and a maximum of 2 years (729 days)

3.2.30 Cabinet are asked to recommend to Council that they note the changes to the Council’s Schedules to the Treasury Management Practices and the Treasury Strategy for 2012-13

Interim performance report

3.2.31 Investment performance to 30 September 2012 is attached at **Appendix G**. The monthly rate of return on investments has remained fairly steady throughout the year to date, averaging 1.24% over the period.

3.2.32 The variance between the Council’s monthly rate of return on investments and the average 7-day Libid rate (at the time of investment) is used as a measure of treasury performance, where a positive variance reflects an enhanced level of performance.

3.2.33 Variance to the 7-day libid rate has averaged 0.80% during the year to date, against a target of 0.50%. The performance has mainly been achieved by taking a number of direct deals at enhanced rates with UK nationalised/part nationalised banks for periods in excess of 6 months.

Regular monitoring

3.2.34 An investment register is maintained, and updated on a daily basis, showing current investments and deposit account balances with counterparties used, investment durations and interest rates achieved.

3.2.35 Monthly reconciliations are completed for outstanding investment principal, interest received, outstanding borrowing principal and interest paid to ensure all transactions have been made and recorded accurately.

3.2.36 The Chief Finance Officer receives monthly treasury investment performance data and minutes from monthly treasury management meetings.

3.2.37 Prudential and treasury indicators are monitored on a regular basis. Any variances or breaches of the indicators are reported to Cabinet and Council on a timely basis. **Appendix H** contains treasury management indicator monitoring information at 30 September 2012. **Appendix I** contains prudential indicator monitoring information at 30 September 2012. Where appropriate figures include borrowings arising from finance leases. There have been no breaches of any indicators during the first half of the financial year.

3.2.38 The debt financing and debt management budgets have been monitored monthly since the start of the year, with any significant variances feeding into the dashboard reports to Cabinet. The debt financing budget forecast as at 30 September 2012 is attached at **Appendix J**. A net underspend of £218k is currently forecast for debt financing in 2012-13. The main components of this figure are made up as below:

- £325k - Reduced MRP (Minimum Revenue Provision) requirement, mainly due to capital financing decisions made in 2011-12 (the use of capital receipts instead of borrowing and changes from planned financing leading to MRP savings), and the carry forward of capital expenditure delaying MRP impact to future years.
- £21k – Savings on interest on finance leases, where actual liability is less than the amount budgeted.

Less

- £58k – Reduction in investment interest, due to the Council carrying lower overall cash balances than in previous years, largely as a result of more timely capital programme spend in 2011-12 and 2012-13 than in previous years.
- £73k - Recharge income from the HRA is forecast to be less than budgeted, due both to an increase in the levels of forecast average HRA balances, and the achievement of a higher than budgeted rate of return on investments.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Council is required to adopt the latest CIPFA Treasury Management Code of Practice, and to set and agree the following policy and strategy documents:

- a) Treasury Management Policy Statement
- b) Treasury Management Practices (TMPs) and TMP Schedules
- c) An annual Treasury Strategy incorporating:
 - (i) The Capital Financing and Borrowing Strategy for the year including:
 - The Council's policy on the making of Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008.
 - The Affordable Borrowing Limit for the year as required by the Local Government Act 2003.
 - (ii) The Investment Strategy for the year as required by the CLG Guidance on Local Government Investments issued in 2004, and updated in 2010.
- d) A mid-year review report and an annual review report of the previous year.

Items (a) to (c) are reported to Cabinet and Council as part of the budget setting process. The Council's Treasury Strategy for 2012-13 was approved by Council at its meeting on 29 February 2012.

4.1.2 The CIPFA Treasury Management Code of Practice requires the Council to place nominate a body (such as an audit or scrutiny committee) responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. The Audit Committee has been nominated for this role, which includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and for making recommendations to Council.

4.2 Resources and Risk

4.2.1 The resources required for the Council's debt management and debt financing budgets are agreed annually through the Council's budget setting process. The debt financing budget position as at 30 September 2012 is shown at paragraph 3.2.38 and **Appendix J**.

4.2.2 The risk management of the treasury function is an integral part of day-to-day treasury activities. It is also specifically covered in the Council's Treasury Management Practices (TMPs), which are reviewed annually.

4.3 Legal

4.3.1 The Council is obliged to carry out its treasury management activities in line with statutory requirements and associated regulations and professional guidance. The relevant legislative and regulatory documents are referred to within the report and listed in the background papers.

4.4 Equality

4.4.1 An Equalities Impact Assessment (EIA) has been carried out on the Council's Treasury Management Strategy for 2012-13, and the associated Treasury Management Practices (TMPs) and Schedules to the TMPs.

4.4.2 The EIA assessment is that a full impact assessment is not necessary, as no direct or indirect relevance to equality and diversity duties has been identified.

4.5 Consultees (Internal and External)

4.5.1 Consultation on treasury management matters is undertaken as appropriate with the Council's treasury management advisor, Sector, and with the Portfolio holder for Finance.

4.5.2 The Audit Committee has been nominated by Council as the body responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. This role includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and the making of recommendations to Council. Audit Committee reviewed and noted the draft treasury management mid-year report and Appendixes at their meeting on 5 November 2012.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Management of performance in relation to treasury management activities supports the Council's priority of providing quality services.

4.7 Other Implications

4.7.1 No other implications have been identified

5. Background Papers

Statute, Regulation and Guidance

Local Government Act 2003

Local Authorities (Capital Finance and Accounting) (England) Regulations 2003

CIPFA Prudential Code for Capital Finance in Local Authorities – Fully Revised Guidance Notes for Practitioners 2007

The Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008

CIPFA Prudential Code for Capital Finance in Local Authorities - 2011 Edition

CIPFA Treasury Management in the Public Services - Code of Practice and Cross-Sectoral Guidance Notes - 2011 Edition

CIPFA Treasury Management in the Public Services - Guidance Notes for Local Authorities including Police Authorities and Fire Authorities – 2011 Edition

CLG Guidance on Minimum Revenue Provision (11 March 2010)

CLG Guidance on Local Authority Investments (11 March 2010)

Localism Act 2011

Reports to Cabinet & Council

Treasury Strategy 2012-13 to 2014-15 – Report to Cabinet 22 February 2012 & Council 29 February 2012

Prudential Indicators for Capital Finance 2012-13 to 2014-15 – Report to Cabinet 22 February 2012 & Council 29 February 2012

Bev Dixon, Finance Manager – Capital & Treasury, ext 7401

Economic Update provided by Sector

1. Economic performance to date

Economic sentiment, in respect of the prospects for the UK economy to recover swiftly from recession, suffered a major blow in August when the Bank of England substantially lowered its expectations for the speed of recovery and rate of growth over the coming months and materially amended its forecasts for 2012 and 2013. It was noted that the UK economy is heavily influenced by worldwide economic developments, particularly in the Eurozone, and that on-going negative sentiment in that area would inevitably permeate into the UK's economic performance.

With regard to the Eurozone, investor confidence remains weak because successive "rescue packages" have first raised, and then disappointed, market expectations. However, the uncertainty created by the continuing Eurozone debt crisis is having a major effect in undermining business and consumer confidence not only in Europe and the UK, but also in America and the Far East/China.

In the UK, consumer confidence remains very depressed with unemployment concerns, indebtedness and a squeeze on real incomes from high inflation and low pay rises, all taking a toll. Whilst inflation has fallen considerably (CPI @ 2.6% in July), UK GDP fell by 0.5% in the quarter to 30 June, the third quarterly fall in succession. This means that the UK's recovery from the initial 2008 recession has been the worst and slowest of any G7 country apart from Italy (G7 = US, Japan, Germany, France, Canada, Italy and UK). It is also the slowest recovery from a recession of any of the five UK recessions since 1930 and total GDP is still 4.5% below its peak in 2008.

This weak recovery has caused social security payments to remain elevated and tax receipts to be depressed. Consequently, the Chancellor's plan to eliminate the annual public sector borrowing deficit has been pushed back further into the future. The Monetary Policy Committee has kept Bank Rate at 0.5% throughout the period while quantitative easing was increased by £50bn to £375bn in July. In addition, in June, the Bank of England and the Government announced schemes to free up banking funds for business and consumers.

On a positive note, despite all the bad news on the economic front, the UK's sovereign debt remains one of the first ports of call for surplus cash to be invested in and gilt yields, prior to the ECB bond buying announcement in early September, were close to zero for periods out to five years and not that much higher out to ten years.

2. Outlook for the next six months of 2012-13

The risks in economic forecasts continue unabated from the previous treasury strategy. Concern has been escalating that the Chinese economy is heading for a hard landing, rather than a gentle slowdown, while America is hamstrung by political deadlock which prevents a positive approach to countering weak growth. Whether the presidential election in November will remedy this deadlock is debatable but urgent action will be required early in 2013 to address the US debt position. However, on 13 September the Fed., announced an aggressive stimulus programme for the economy with a third round of quantitative easing focused on boosting the stubbornly weak growth in job creation, and this time with no time limit. They also announced that it was unlikely that there would be any increase in interest rates until at least mid 2015.

Eurozone growth will remain weak as austerity programmes in various countries curtail economic recovery. A crunch situation is rapidly developing in Greece as it has failed yet again to achieve deficit reduction targets and so may require yet another (third) bail out. There is the distinct possibility that some of the northern European countries could push for the ejection of Greece from the Eurozone unless its financial prospects improve, which does not seem likely at this juncture. A financial crisis was also rapidly escalating over the situation in Spain. However, in early September the ECB announced that it would purchase unlimited amounts of shorter term bonds of Eurozone countries which have formally agreed the terms for a bailout. Importantly, this support would be subject to conditions (which have yet to be set) and include supervision from the International Monetary Fund. This resulted in a surge in confidence that the Eurozone has at last put in place the framework for adequate defences to protect the Euro. However, it remains to be seen whether the politicians in charge of Spain and Italy will accept such loss of sovereignty in the light of the verdicts that voters have delivered to the politicians in other peripheral countries which have accepted such supervision and austerity programmes. The Eurozone crisis is therefore far from being resolved as yet. The immediate aftermath of this announcement was a rise in bond yields in safe haven countries, including the UK. Nevertheless, this could prove to be as short lived as previous “solutions” to the Eurozone crisis.

The Bank of England Quarterly Inflation Report in August pushed back the timing of the return to trend growth and also lowered its inflation expectations. Nevertheless, concern remains that the Bank’s forecasts of a weaker and delayed robust recovery may still prove to be over optimistic given the world headwinds the UK economy faces. Weak export markets will remain a drag on the economy and consumer expenditure will continue to be depressed due to a focus on paying down debt, negative economic sentiment and job fears. The Coalition Government, meanwhile, is likely to be hampered in promoting growth by the requirement of maintaining austerity measures to tackle the budget deficit.

The overall balance of risks is, therefore, weighted to the downside:

- We expect low growth in the UK to continue, with Bank Rate unlikely to rise in the next 24 months, coupled with a possible further extension of quantitative easing. This will keep investment returns depressed.
- The expected longer run trend for PWLB borrowing rates is for them to eventually rise, primarily due to the need for a high volume of gilt issuance in the UK and the high volume of debt issuance in other major western countries. However, the current safe haven status of the UK may continue for some time, tempering any increases in yield.
- This interest rate forecast is based on an assumption that growth starts to recover in the next three years to a near trend rate (2.5%). However, if the Eurozone debt crisis worsens as a result of one or more countries having to leave the Euro, or low growth in the UK continues longer, then Bank Rate is likely to be depressed for even longer than in this forecast.

Sector's interest rate forecast

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
BANK RATE	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00
3m LIBID	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.90	1.10	1.40
6m LIBID	0.85	0.85	0.85	0.85	0.85	1.00	1.10	1.30	1.50	1.80
12m LIBID	1.30	1.30	1.30	1.40	1.50	1.70	1.90	2.10	2.30	2.60
5yr PWLB	1.50	1.50	1.50	1.60	1.70	1.80	1.90	2.00	2.10	2.30
10yr PWLB	2.50	2.50	2.50	2.60	2.70	2.80	2.90	3.00	3.20	3.30
25yr PWLB	3.70	3.70	3.70	3.80	3.80	3.90	4.00	4.10	4.20	4.30
50yr PWLB	3.90	3.90	3.90	4.00	4.00	4.10	4.20	4.30	4.40	4.50

The above Sector forecasts for PWLB rates incorporate the introduction of the **PWLB certainty rate** in November 2012 which will reduce PWLB borrowing rates by 0.20% for most local authorities.

Outstanding Investments at 30th September 2012

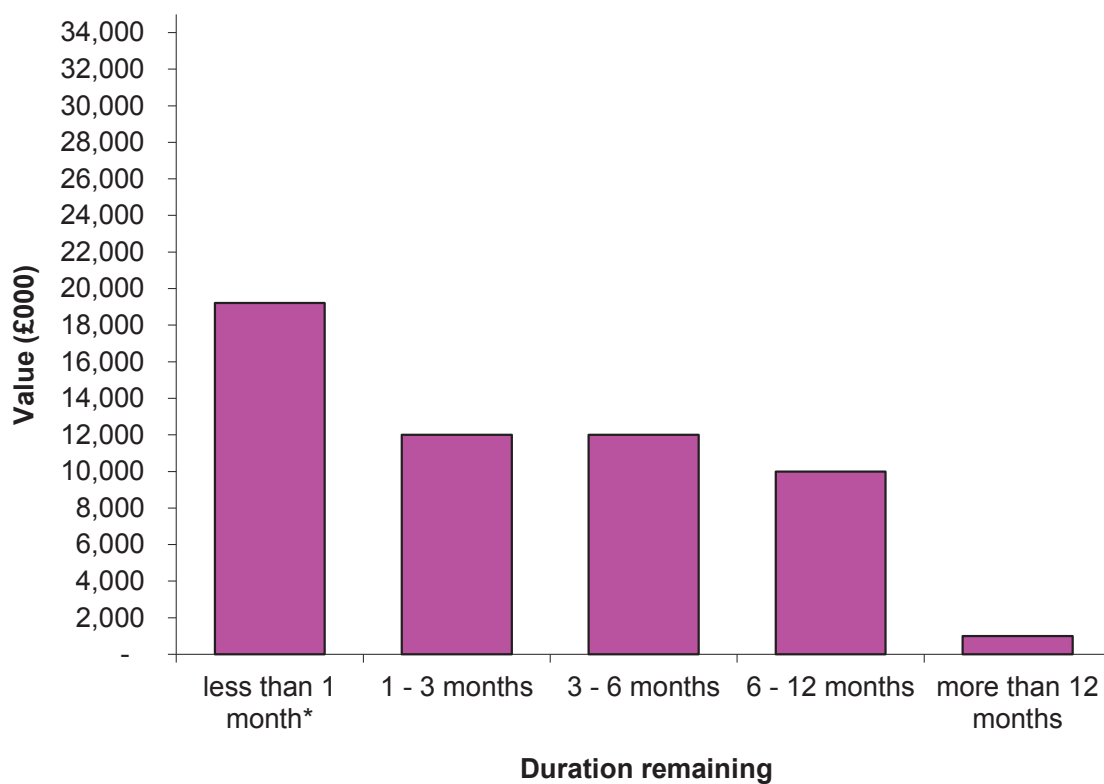
Deposit Accounts, Call Accounts & Money Market Funds

Counterparty	Balance (£000)
<i>Deposit Accounts</i>	
HSBC Bank plc	50,000
<i>Call Accounts</i>	
Bank of Scotland plc 95 day notice	5,000,000
<i>Money Market Funds</i>	
Ignis Sterling Liquidity Fund	5,250,000
Insight Liquidity Fund	3,920,000
LGIM Liquidity Fund	10,000,000
Total Deposit Accounts, Call Accounts & Money Market Funds	<u>24,220,000</u>

Fixed Term Investments

Counterparty	Start Date	End Date	Value Invested (£000)
Bank of Scotland PLC	02/12/2011	30/11/2012	5,000,000
Royal Bank of Scotland	02/04/2012	02/01/2013	2,000,000
Royal Bank of Scotland	17/04/2012	18/02/2013	3,000,000
Royal Bank of Scotland	17/04/2012	16/04/2013	5,000,000
Royal Bank of Scotland	01/05/2012	01/05/2014	1,000,000
Royal Bank of Scotland	19/06/2012	20/03/2013	2,000,000
Bank of Scotland PLC	13/08/2012	12/08/2013	5,000,000
Landesbank Berlin AG	15/08/2012	15/11/2012	3,000,000
Landesbank Berlin AG	03/09/2012	22/11/2012	4,000,000
Total Fixed Term Investments			<u>30,000,000</u>
Total Investments at 30 September 2012			<u>54,220,000</u>

Maturity profile of investments (days remaining at 30 Sept 2012)

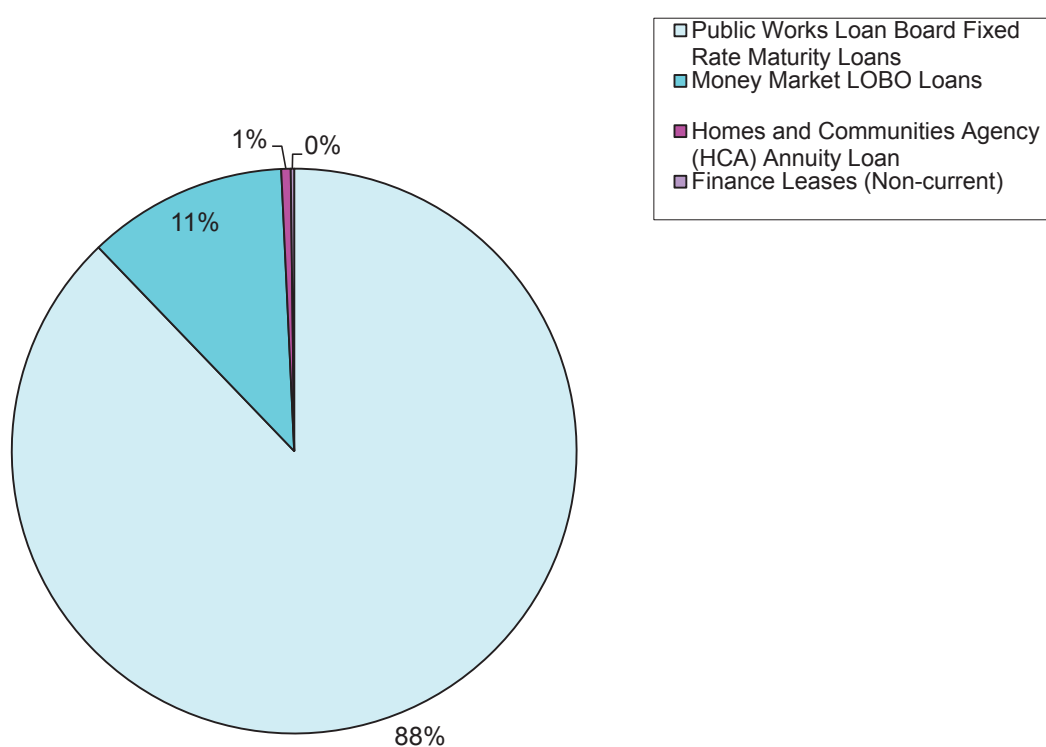


Duration remaining	Value (£000)	% of total
less than 1 month*	19,220	36
1 - 3 months	12,000	22
3 - 6 months	12,000	22
6 - 12 months	10,000	18
more than 12 months	1,000	2
Total	54,220	100

* Includes instant access deposit accounts and money market funds

Long Term Borrowing as at 30th September 2012

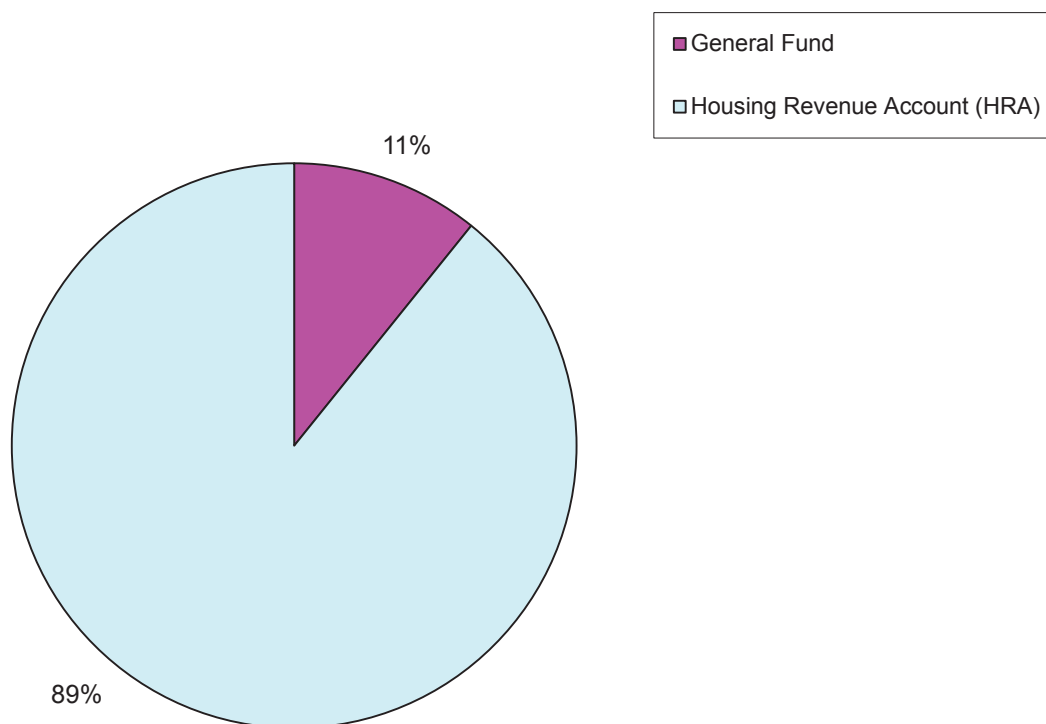
	Principal £'000	Proportion of Debt %	Range of Interest Rates Paid to 30/09/2012	
			From %	To %
Public Works Loan Board Fixed Rate Maturity Loans	190,113	87.82	1.24	3.97
Money Market LOBO Loans	24,788	11.45	4.85	7.03
Homes and Communities Agency (HCA) Annuity Loan	1,170	0.54	9.25	9.25
Finance Leases (Non-current)	418	0.19	4.04	8.06
Total Long Term Debt Outstanding at 30th September 2012	216,490	100		



Figures shown at amortised cost

Long Term Borrowing as at 30th September 2012

	Principal £'000	Proportion of Debt %	Range of Interest Rates Paid to	
			From %	To %
General Fund	23,356	10.79	3.47	9.25
Housing Revenue Account (HRA)	193,134	89.21	1.24	4.85
Total Long Term Debt Outstanding at 30th September 2012	216,490	100		



Figures shown at amortised cost

Long Term Debt Maturity Profile as at 30th September 2012

Time Frame	Value of Loans Maturing £'000	Proportion of Long Term Debt %
Within: 5 years	23,673	11.0
10 years	12,592	5.8
15 years	25,272	11.7
20 years	20,423	9.4
25 years	229	0.1
30 years	0	0.0
35 years	0	0.0
40 years	0	0.0
Over: 40 years	134,000	62.0
Total	216,188	100

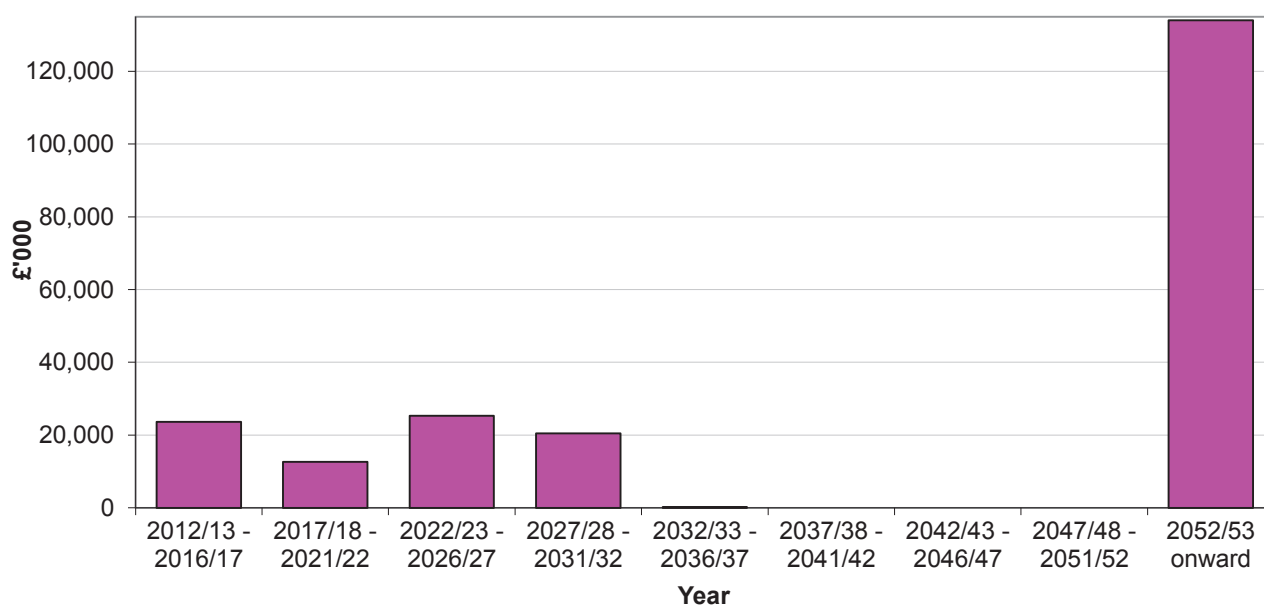
The LOBO loans mature in 2014-15 (£15.6m) and in 2065/66 (£9m).

Twelve PWLB Loans mature between 2016 and 2028 (£65m), with the final loan repayment due in 2061-62 (£125m).

The HCA annuity is repaid across the term of the loan, with the final payment due in 2033-34.

The greater amount of finance leases (£331k) mature within the next five years, the remainder (£87k) mature within ten years.

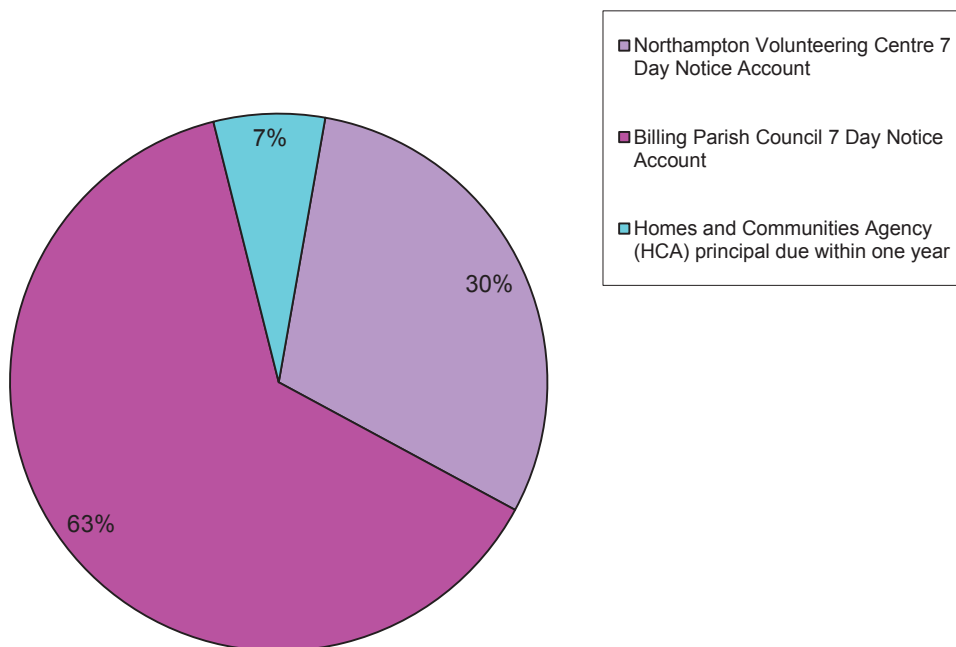
Long Term Debt Maturity Profile as at 30th September 2012



Figures shown at cash value rather than amortised cost to reflect commitment at maturity

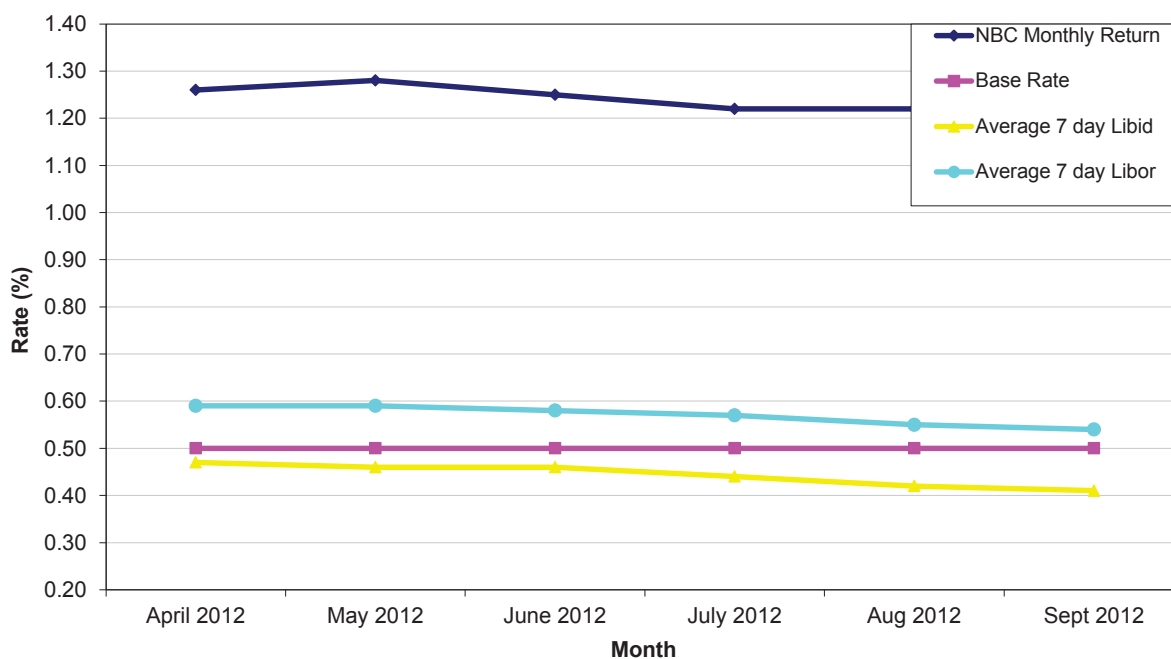
Short Term Borrowing as at 30th September 2012

	Principal £'000	Proportion of Debt %	Range of Interest Rates Paid to 30/09/2012	
			From %	To %
Northampton Volunteering Centre 7 Day Notice Account	90	30	0.53	0.75
Billing Parish Council 7 Day Notice Account	189	63	0.53	0.75
Homes and Communities Agency (HCA) principal due within one year	20	7	9.25	9.25
Total Debt Outstanding at 30th September 2012	299	100		



Figures shown at cash value

Investment Performance 2012-13



Temporary Investments - Comparison of Monthly Rate of Return to Base Rate and 7 Day Libid Rate					
Month	NBC Monthly Return %	Base Rate %	Average 7 day Libid %	Average 7 day Libor %	Variance - Monthly Return - Libid %
April 2012	1.26	0.50	0.47	0.59	0.79
May 2012	1.28	0.50	0.46	0.59	0.82
June 2012	1.25	0.50	0.46	0.58	0.79
July 2012	1.22	0.50	0.44	0.57	0.78
Aug 2012	1.22	0.50	0.42	0.55	0.80
Sept 2012	1.22	0.50	0.41	0.54	0.81
Average to 30/09/12	1.24	0.50	0.44	0.57	0.80

Average LIBID and LIBOR rates supplied by Sector Treasury Services originally to 4 decimal places rounded to 2 decimal places above.

The monthly rate of return is the average interest rate the Council achieved on fixed investments and deposit account balances it held during the month.

The average 7 day Libid/Libor rate is the rate of return the Council would have achieved in the month if the interest rate applicable on fixed investments held during the month had been the 7 day Libid/Libor rate at the time of investment, and interest had been calculated daily for deposit accounts using the 7 day Libid/Libor rate for each day.

The monthly return - Libid variance is the difference between the rate achieved during the month and the rate that could have been achieved at the average 7 day Libid rate as defined above.

Treasury Indicators monitoring at 30 September 2012

1a. Upper limits on interest rate exposures - Investments

Upper limits on interest rate exposures - Investments			
	2012-13	2012-13	2012-13
	Limit %	Actual at 30/09/2012 %	Maximum to 30/09/2012 %
Fixed Interest Rate Exposures	100%	55%	65%
Variable Interest Rate Exposures	100%	45%	60%

1b. Upper limits on interest rate exposures - Borrowing

Upper limits on interest rate exposures - Borrowing			
	2012-13	2012-13	2012-13
	Limit %	Actual at 30/09/2012 %	Maximum to 30/09/2012 %
Fixed Interest Rate Exposures	100%	89%	89%
Variable Interest Rate Exposures	100%	11%	12%

1c. Upper limits on interest rate exposures - Net borrowing

Upper limits on interest rate exposures - Net borrowing			
	2012-13	2012-13	2012-13
	Limit %	Actual at 30/09/2012 %	Maximum to 30/09/2012 %
Fixed Interest Rate Exposures	150%	100%	108%
Variable Interest Rate Exposures	150%	0%	6%

Note: In the three indicators above the maximum values may relate to different points in time and may not therefore add up to 100% in each indicator

2. Total principal sums invested for periods longer than 364 days

Upper limit on investments for periods longer than 364 days			
	2012-13	2012-13	2012-13
	Limit £000	Actual at 30/09/2012 £000	Maximum to 30/09/2012 £000
Investments longer than 364 days	9,000	1,000	1,000

3. Maturity Structure of Borrowing

Maturity structure of borrowing			
	2012-13	2012-13	2012-13
	Lower Limit %	Upper Limit %	Actual at 30/09/2012 %
Under 12 months	0%	25%	11%
1-2 years	0%	25%	0%
2-5 years	0%	60%	4%
5-10 years	0%	100%	6%
Over 10 years	0%	100%	79%

Note: The guidance for this indicator requires that LOBO loans are shown as maturing at the next possible call date rather than at final maturity. The Council's three LOBO loans are therefore included in the figure maturing in under 12 months. This presentation differs from that in Annex E, where LOBO loans are included at their final maturity date. In the current low interest rate environment the likelihood of the interest rates on these loans being raised and the loans requiring repayment at the break period is extremely low.

Prudential Indicators Monitoring at 30 September 2012

Affordability**a) Estimate of the ratio of financing costs to net revenue stream**

Ratio of financing costs to net revenue stream		
	2012-13 Estimate %	2012-13 Estimate at 30/09/2012 %
General Fund	6.98%	4.73%
HRA	28.51%	32.54%

b) Estimate of the incremental impact of capital investment decisions on the council tax

Estimates of incremental impact of new capital investment decisions on the Council Tax	
	2012-13 Estimate £.p
General Fund	0.21

This indicator is set before the start of the financial year, in the context of the budget setting process, which feeds into the setting of Council Tax and Housing Rents. As these are set and fixed for the financial year ahead, any capital investment decisions made during the year cannot impact on the existing Council Tax and Housing rent levels. This means that new capital investment plans approved during the year must be funded externally or from within existing resources.

c) Estimate of the incremental impact of capital investment decisions on the housing rents

Estimates of incremental impact of new capital investment decisions on average weekly housing rents	
	2012-13 Estimate £.p
Housing Revenue Account	5.08

This indicator is set before the start of the financial year, in the context of the budget setting process, which feeds into the setting of Council Tax and Housing Rents. As these are set and fixed for the financial year ahead, any capital investment decisions made during the year cannot impact on the existing Council Tax and Housing rent levels. This means that new capital investment plans approved during the year must be funded externally or from within existing resources.

Prudence**d) Net borrowing and the capital financing requirement (CFR)**

Net external debt less than CFR				
	2012-13 £000	2012-13 Position at 30/09/2012 £000	2012-13 Maximum Net to 30/09/2012 £000	2012-13 Forecast Maximum £000
Borrowing	215,809	216,088	216,138	216,138
Less investments	81,970	54,220	37,071	37,071
Net external debt	133,839	161,868	179,067	179,067
2010-11 Closing CFR (Forecast)	25,043	215,440	215,440	215,440
Changes to CFR:	0	0	0	0
2011-12	(7,658)	3,376	3,376	3,376
2012-13	(10,974)	2,964	2,964	2,964
2013-14	528	(95)	(95)	(95)
Adjusted CFR	203,622	221,684	221,684	221,684
Net external debt less than adjusted CFR	Yes	Yes	Yes	Yes

Capital Expenditure

e) Estimate of capital expenditure

Capital Expenditure		
	2012-13 Estimate £000	2012-13 Estimate at 30/09/2012 £000
General Fund	12,753	18,316
HRA	17,830	21,718
Total	30,583	40,034

f) Estimates of capital financing requirement (CFR)

Capital Financing Requirement (Closing CFR)		
	2012-13 31 March 2013 Estimate £000	2012-13 31 March 2013 Forecast at 30/09/2012
General Fund	31,686	32,012
HRA	182,382	186,803
Total	214,068	218,816

External Debt

g) Authorised limit for external debt

Authorised limit for external debt				
	2012-13 Limit £000	2012-13 Actual at 30/09/2012 £000	2012-13 Maximum to 30/09/2012 £000	2012-13 Forecast Maximum £000
Borrowing	245,000	216,088	216,168	216,168
Other long-term liabilities	5,000	557	557	557
Total	250,000	216,645	216,725	216,725

h) Operational boundary for external debt

Operational boundary for external debt				
	2012-13 Boundary £000	2012-13 Actual at 30/09/2012 £000	2012-13 Maximum to 30/09/2012 £000	2012-13 Forecast Maximum £000
Borrowing	240,000	216,088	216,168	216,168
Other long-term liabilities	5,000	557	557	557
Total	245,000	216,645	216,725	216,725

h) Adoption of the CIPFA code of Practice for Treasury Management in the Public Services

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (the Code). The adoption of the Code is recorded in the Council's Constitution at paragraph 6.10.1 of the Financial Regulations .

h) HRA Limit on Indebtedness

Capital Financing Requirement (Closing CFR)		
	2012-13 Limit £000	2012-13 HRA CFR at 30/09/2012 £000
Total	208,401	186,803

DEBT FINANCING BUDGET MONITORING

2012-13					
To 30 September 2012					
	Budget	Actual	Variance to Budget	Forecast	Variance to Budget
	£	£	£	£	£
Debt Financing & Interest					
Interest Payable					
Interest on Long Term Borrowing	1,281,170	694,768	(586,402)	1,275,303	(5,867)
Interest on Short Term Borrowing	390	1,077	687	2,153	1,763
Interest on Finance Leases	20,820	1,089	(19,731)	0	(20,820)
Other Miscellaneous Interest	3,080	1,001	(2,079)	3,578	498
Amortisation Adjustments	1,670	0	(1,670)	1,480	(190)
Total Interest Payable	1,307,130	697,934	(609,196)	1,282,514	(24,616)
Interest Receivable					
Long Term Investment Interest Received	(100,000)	(5,218)	94,782	(110,524)	(10,524)
Short Term Investment Interest Received	(317,690)	(62,357)	255,333	(288,390)	29,300
Cash Equivalents Interest Received	(317,690)	(123,461)	194,229	(281,300)	36,390
Other Miscellaneous Interest	(109,000)	(109,424)	(424)	(109,424)	(424)
Interest on Finance Leases	0	35	35	0	0
Amortisation Adjustments	0	50,967	50,967	3,968	3,968
Total Interest Receivable	(844,380)	(249,457)	594,923	(785,670)	58,710
Other Debt Financing Transactions					
Minimum Revenue Provision	1,144,620	0	(1,144,620)	819,632	(324,988)
Recharges to/from HRA - Interest on cash balances	62,450	0	(62,450)	182,672	120,222
HRA interest (Internal Borrowing) ((Over)/under funded CFR)	110,640	0	(110,640)	78,459	(32,181)
HRA Debt Management Expenses	(99,920)	0	99,920	(114,710)	(14,790)
Total Other Debt Financing Transactions	1,217,790	0	(1,217,790)	966,054	(251,736)
Total Debt Financing & Interest	1,680,540	448,477	(1,232,063)	1,462,898	(217,642)

Treasury Management Mid Year Report 2012-13 - Amendment

Cabinet Report Paragraph 3.2.38 (page 17) and Appendix J (Page 34)

3.2.38 The debt financing and debt management budgets have been monitored monthly since the start of the year, with any significant variances feeding into the dashboard reports to Cabinet. The debt financing budget forecast as at 30 September 2012 is attached at Appendix J. A net underspend of £77k is currently forecast for debt financing in 2012-13. The main components of this figure are made up as below:

- Minimum Revenue Provision, which is the amount required to be set aside to finance borrowing (including finance leases) is £325k below budget, mainly due to capital financing decisions made in 2011-12 (the use of capital receipts instead of borrowing and changes from planned financing leading to MRP savings), and the carry forward of capital expenditure delaying MRP impact to future years. £141k of this saving has been transferred to a debt financing earmarked reserve to mitigate risk in the investment interest budgets in 2013-14 against a background of falling interest rates.
- An amount of £109k interest on a backdated VAT claim has been received from HMRC. This has also been transferred to the debt financing earmarked reserve.
- Further savings arise from interest on finance leases, where actual liability is around £21k less than the amount budgeted.

Less

- Income from investments is forecast to be below budget by around £58k, due to the Council carrying lower overall cash balances than in previous years, largely as a result of more timely capital programme spend in 2011-12 and 2012-13 than in previous years.
- Recharge income from the HRA is forecast at around £73k less than budgeted, due both to an increase in the levels of forecast average HRA balances, and the achievement of a higher than budgeted rate of return on investments.

DEBT FINANCING BUDGET MONITORING

ADDENDUM

2012-13						
To 30 September 2012						
Budget	Actual	Variance to	Forecast	Variance to		
£	£	Budget	£	Budget	Budget	£
Debt Financing & Interest						
Interest Payable						
Interest on Long Term Borrowing	1,281,170	694,768	(586,402)	1,275,303	(5,867)	(5,867)
Interest on Short Term Borrowing	390	1,077	687	2,153	1,763	1,763
Interest on Finance Leases	20,820	1,089	(19,731)	0	(20,820)	(20,820)
Other Miscellaneous Interest	3,080	1,001	(2,079)	3,578	498	498
Amortisation Adjustments	1,670	0	(1,670)	1,480	(190)	(190)
Total Interest Payable	1,307,130	697,934	(609,196)	1,282,514	(24,616)	(24,616)
Interest Receivable						
Long Term Investment Interest Received	(100,000)	(5,218)	94,782	(110,524)	(10,524)	(10,524)
Short Term Investment Interest Received	(317,690)	(62,357)	255,333	(288,390)	29,300	29,300
Cash Equivalents Interest Received	(317,690)	(123,461)	194,229	(281,300)	36,390	36,390
Other Miscellaneous Interest	(109,000)	(109,424)	(424)	(109,424)	(424)	(424)
Interest on Finance Leases	0	35	35	0	0	0
Amortisation Adjustments	0	50,967	50,967	3,968	3,968	3,968
Total Interest Receivable	(844,380)	(249,457)	594,923	(785,670)	58,710	58,710
Other Debt Financing Transactions						
Minimum Revenue Provision	1,003,620	0	(1,003,620)	819,632	(183,988)	(183,988)
Recharges to/from HRA - Interest on cash balances	62,450	0	(62,450)	182,672	120,222	120,222
HRA interest (Internal Borrowing) ((Over)/under funded CFR)	110,640	0	(110,640)	78,459	(32,181)	(32,181)
HRA Debt Management Expenses	(99,920)	0	99,920	(114,710)	(14,790)	(14,790)
Total Other Debt Financing Transactions	1,076,790	0	(1,076,790)	966,054	(110,736)	(110,736)
Total Debt Financing & Interest	1,539,540	448,477	(1,091,063)	1,462,898	(76,642)	(76,642)

Appendices
0



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	ABSENCE MANAGEMENT PERFORMANCE INDICATOR
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	05 November 2012
Policy Document:	No
Directorate:	Resources
Accountable Cabinet Member:	Cllr Alan Bottwood

1. Purpose

- 1.1 This paper provides a summary of absence performance benchmarking data and a summary explanation of medical suspension.

2. Recommendations

- 2.1 To note the paper.

3. Issues and Choices

3.1 Report Background

- 3.1.1 Audit Committee on 26th September requested comparison figures of sickness absence at other local authorities and details of medical suspension.
- 3.1.2 Benchmarking data – Northampton Borough Council participates in the CIPFA Human Resources Benchmarking Club on an annual basis. The outturn data for 2011/12 was submitted to CIPFA in May and the final report is released in July. The participating authorities are of varying size and range from an employee headcount of 521 to 947. For the year 2011-12, Northampton Borough Council’s employee headcount was 911. Graphs extracted from the report are shown below. Each bar in the graph represents an organisation’s value, Northampton Borough Council’s bar is highlighted in black.

The authorities in the CIPFA Benchmarking Club are broken down as per the table below:

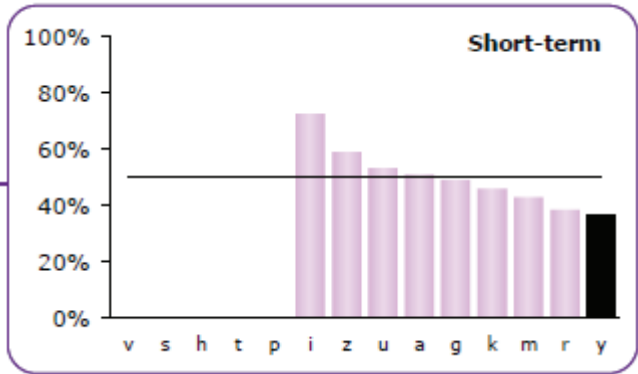
Member Type	Number
Borough Council	7
District Council	3
City Council	2
Housing Association	1

Of the seven other Borough Council's five are comparable in relation to the way sickness absence is managed.

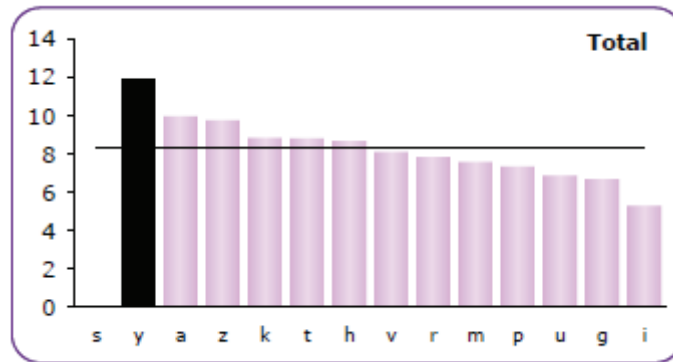
The employee headcount for each of the five Borough Council's is lower than Northampton Borough Council, nevertheless the results for sickness absence are calculated based on an average Full Time Equivalent.

The comparable Borough Councils are coded as a, z, l, r, and v in the graphs below.

3.1.3 Short-term sickness absence - The benchmarking data for short-term sickness absence identifies that Northampton Borough Council is ranked the best in controlling short-term absence levels. The graph below shows the Short-Term sickness absence comparison to the participating authorities.



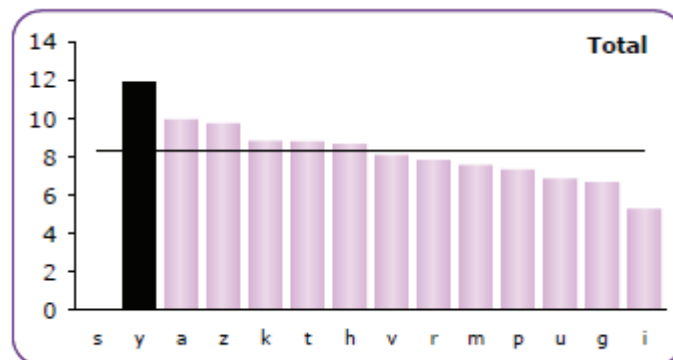
3.1.4 Long-term sickness absence - The benchmarking data for long-term sickness absence identifies that Northampton Borough Council is ranked the worst in controlling long-term absence levels. Actions are in place to reduce the long-term sickness absence levels at Northampton Borough Council. Wellness Recovery Action Plan (RAP) are used as a focussed casework approach to support employees and encourage early return to work. The graph below shows the Long-Term sickness absence comparison to the participating authorities.



3.1.5 The distribution of Short-term and long-term sickness absence of Northampton Borough Council and the average of the participating authorities is shown in the graph below.

	%	Avg
Short-term	36%	50%
Long-term	64%	50%

3.1.6 Total sickness absence - The benchmarking data for total sickness absence identifies that Northampton Borough Council has higher sickness absence than the participating authorities. The graph below shows the total sickness absence comparison to the participating authorities.



3.1.7 Medical Suspensions – there are currently no medical suspensions in the Council. Medical suspensions are used very infrequently when a Manager has serious concerns that the employee is not fit to return to work for medical reasons, or that their GP has declared them fit to return with restrictions that cannot be practically accommodated. In these circumstances advice is sought from HR and the Council’s Occupational Health advisers. Whilst on medical suspension, employees remain on full pay. The reason for medical suspension is to ensure that staff are not put at unnecessary risk and that their condition is not exacerbated.

4. Background Papers

4.1 None

Catherine Wilson, Head of Business Change – ext 7377

Appendices

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NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	PERFORMANCE MONITORING TO END OF SEPTEMBER 2012
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	5 November 2012
Policy Document:	No
Directorate:	Resources
Accountable Cabinet Member:	Cllr Alan Bottwood

1. Purpose

1.1 This report presents the Council's key performance exceptions for the year to date.

2. Recommendations

2.1 That Audit Committee note the contents of the report.

3. Issues and Choices

3.1 Report Background

3.1.1 The purpose of this report is to highlight the performance exceptions for the year to date. Performance monitoring by exception and using it to improve performance is good practice in terms of efficient and effective management. It focuses on the key areas and therefore contributes directly to the priorities of sustaining "effective and prudent financial management" and being "an agile transparent organisation with good governance".

3.2. Issues

3.2.1 Performance Exceptions on Corporate Plan Priorities








This section of the report brings to the attention of Audit Committee those measures that are under (▲) or over (●) performing by corporate priority against their profiled monthly targets. Appendix 1 provides further detail of the issues and actions being taken by service areas.

Theme 1 – Your Town

Measure	Portfolio	Performance	Actual	Target
BV012_12r Ave. no. of days/shifts lost to sickness for rolling 12 month period (M)	Finance	▲	11.93	10
ESC01 No. of missed Bins/Boxes as a % of those collected (M)	Environment	▲	0.03	0.02
ESC02 % missed bins corrected within 24hrs of notification (M)	Environment	▲	77.46	100
ESC07 % of Land and Highways assessed falling below acceptable level - Graffiti (NI195c) (4M)	Environment	▲	1.33	0.33
HI 12 Rent collected as a proportion of rent owed on HRA dwellings % exc.arrears brought forward (M)	Housing	▲	97.98	99.3
PP06 % change in serious acquisitive crime from the baseline (M)	Leader	▲	5.85	-2.5
TCO05n Town Centre footfall (Q)	Regeneration, Enterprise & Planning	▲	8,005,195.00	8,584,541.00

Measure	Portfolio	Performance	Actual	Target
AST12 % achieved where return on (sub group) investment properties meets agreed target rate (M)	Finance		91.25	86
ESC04 % household waste recycled and composted (NI192) (M)	Environment		49.63	47
ESC05 % of Land and Highways assessed falling below an acceptable level - Litter (NI195a) (4M)	Environment		2.83	4
ESC10 Level of quality against an agreed standard - Open Spaces & Parks - Litter (%) (Q)	Environment		0.82	4
HI 01 Average time taken to re-let local authority homes (days) (M)	Housing		15.96	20
NI157: Percentage of all planning applications determined within 13 weeks (M)	Regeneration, Enterprise, & Planning		96.47	74
NI157a LM Percentage of 'large scale' major planning apps determined within 13 weeks (M)	Regeneration, Enterprise & Planning		87.5	60
NI157a SM Percentage of 'small scale' major planning apps determined within 13 weeks (M)	Regeneration, Enterprise & Planning		78.26	60
PP09 Overall crime figure for the period (M)	Leader		10,093.00	10,614.00
PP14 % change in Violence Offences (M)	Leader		-4.57	-1.75
RB07 Total % of debt outstanding, not in recovery and overdue (M)	Finance		4.68	9
TCO02 Number of events delivered in partnership: parks and open spaces (Q)	Community Engagement		11	7

Theme 2 – You

Measure	Portfolio	Performance	Actual	Target
CEX01 Total number of Local Government Ombudsman First Enquiries (cases completed) (Q)	Leader		13	10
HI 09 Homeless households for whom casework advice resolved their situation (M)	Housing		688	1,000.00
CEX02 Av no. of days taken to deal with LG Ombudsman First Enquiries (cases completed) (Q)	Leader		17.23	28
CS05 Percentage satisfied with the overall service provided by the Customer Service Officer (M)	Community Engagement		95.03	90
HI 07 Number of households living in temporary accommodation (NI156) (M)	Housing		43	50
LT02 Total No. of people enrolled in swimming program (M)	Community Engagement		2,349.00	2,095.00
RB01 Time taken to process Housing Benefit/CTB new claims and change events - days (M)	Finance		10.68	12.17

3.2.2 Data Quality

The Council has processes in place to ensure that the data and information it provides to support management decision making is as reliable as possible. The Council has a strategy to improve data quality and service areas are working to achieve the objectives within it. This is closely linked to the Council's risk assessment processes and is monitored each month as part of the Council's Performance Management Framework.

3.3 Choices (Options)

3.3.1 Audit Committee is asked to note the reported position.

4. Implications (including financial implications)

4.1 Policy

4.1.1 Corporate measures are monitored regularly to track progress towards delivering our priorities, as detailed in the Council's Corporate Plan. Service areas annually develop objectives, measures and targets to ensure the delivery of the Corporate Plan through the service planning process. The monitoring of progress is through the Performance Management Framework.

4.2 Resources and Risk

4.2.1 All objectives, measures and actions within the Service Plans are risked assessed and challenged before final approval. The challenge process includes the agreement of performance targets and the capacity / ability to deliver the plans with appropriate resource set aside to do so.

4.3 Legal

4.3.1 There are no specific legal implications arising from this report.

4.4 Equality

4.4.1 There are no specific equalities implications arising from this report.

4.5 Consultees (Internal and External)

4.5.1 Heads of Service and Budget Managers and Management Board are consulted as part of the budget and performance monitoring process on a monthly basis.

4.5.2 Performance data is published on the NBC website.

4.6 Other Implications

4.6.1 There are no other implications arising from this report.

5. Background Papers

5.0.1 Appendix 1 – Corporate Performance All Measures Report

Catherine Wilson, Head of Business Change, 01604 837103
Isabell Procter, Director of Resources, 01604 838757
Management Board, C/o David Kennedy, Chief Executive, 01604 837726

This report contains information for Sep 2012

Key

-  Exceptional or over performance
-  On or exceeding target
-  Within agreed tolerances
-  Outside agreed target tolerance
-  Good to be low: Better
-  Good to be low: Worse
-  Good to be High: Better
-  Good to be High: Worse
-  No change
-  No target available
-  No data available

Corporate Performance - All Measures Report

The report details the full list of performance measures monitoring the Council's Corporate Plan by corporate priority and is published quarterly.

The measures contained within this report are monitored on a monthly, quarterly, half yearly or four monthly basis.

Performance is reported against the latest report period and then by overall performance year to date (YTD). Overall YTD performance is monitored against the current profiled target and helps us to keep track of the progress towards meeting the annual target.

Performance comparison against the same time last year is highlighted where comparative data is available.



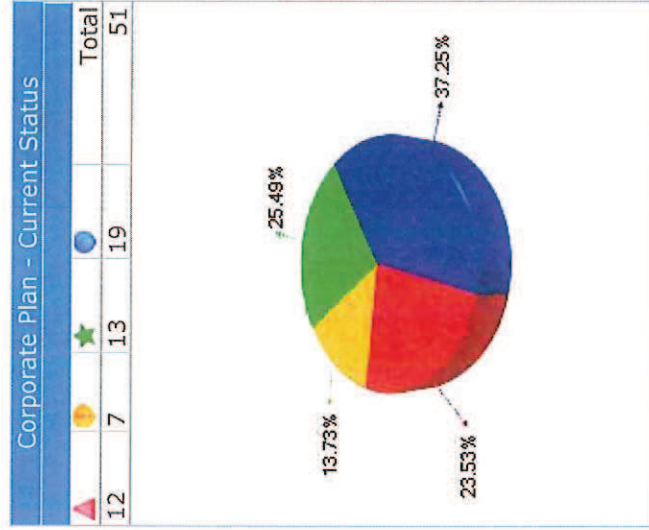
NORTHAMPTON
BOROUGH COUNCIL

NBC Corporate Plan

The table below has been included for informational purposes, and shows the current year to date performance of each element of the Corporate Plan. The Alerts are generated from the PIs which each Service Area aligned to the 8 priorities during the service planning process.

The score shown against the Corporate Plan corresponds to the performance tracker definition. (<65% = Red, 65% to 85% Green, >85% Blue)

Corporate Plan		Score YTD
Putting Northampton back on track		76 % ★
Theme		
Your Town - A town to be proud of		YTD ★
You - How your Council will support and empower you and your community		★





Your Town

Polarity	Measure ID & Name	Jun 12	Period	Jul 12	Period	Aug 12	Period	Sep 12	Period	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
Bigger is Better	AST05a External rental income demanded against budgeted income (M)	96.86 %	★	97.15 %	★	97.21 %	★	96.68 %	★	96.68 %	●	100.00 %	100.00 %	↗	93.92 %
We are currently below the rental targets due to vacant properties. These properties are currently being marketed To Let and are generating interest from prospective tenants.															
Smaller is Better	AST05b % commercial rent demanded within the last 12 months (more than 2 months in arrears) (M)	2.46 %	★	2.68 %	★	2.92 %	★	3.75 %	★	3.75 %	★	5.00 %	5.00 %	↗	5.69 %
Any invoices older than 28 July 2012 are classed as being more than 2 months in arrears.															
There has been a further increase in the percentage of arrears due to Delapre Golf Club and Enterprise Managed Services not paying their July invoice. The Enterprise invoices have since been cleared which should help to improve the figure next month.															
Bigger is Better	AST12 % achieved where return on (sub group) investment properties meets agreed target rate (M)	91.25 %	●	91.25 %	●	91.25 %	●	91.25 %	●	91.25 %	●	86.00 %	86.00 %	↗	89.16 %
The percentage of properties meeting the agreed target return for September 2012 is 91.3%.															
The 86% target is exceeded for the 6th month since April 2012 through active management of the investment portfolio and the completion of sales of assets approved for disposal by cabinet or by the cabinet member responsible for Regeneration, Enterprise and Planning.															
Please note that difficult economic conditions in 2012 affect the occupation of NBC's investment property. This situation is likely to result in a higher turnover of tenants in some locations and a fall in the numbers of property meeting the agreed target return. Under performing assets are reviewed and may be considered for reinvestment or disposal, additional disposals are identified and property reviews are on-going through 2012/13.															
Smaller is Better	BV012_12r Ave. no. of days/shifts lost to sickness for rolling 12 month period (M)	11.97	▲	12.16	▲	12.14	▲	11.93	▲	11.93	▲	10.00	10.00	↘	12.41
The BV12 rolling figure for September 2012 is 11.93 FTE days vs 10 target. This is a reduction of 0.2 FTE days compared with August.															
The highest reasons are Mental Health (anxiety/stress), Gastrointestinal and Surgery (Orthopaedics). Musculoskeletal disorders dropped fourth highest cause of absence in comparison to last month where it was third. This reduction can be attributed to the Health and Wellbeing initiatives undertaken. These included; Manual Handling assessments, and 1-2-1 training. Wellbeing recovery action plans and adjustments enabling employees to return to work sooner.															
Mental Health accounts for the highest number of days lost for long and short term sickness absence.															

Measure ID & Polarity	Jun 12	Period Jul 12	Period Aug 12	Period Sep 12	Period Overall perf. to date	YTD Current Profiled Target	Outturn	Target	Perf. vs. last year	YTD value same time last year
ESC01 No. of missed Bins/Boxes as a % of those collected (M)	0.04 %	0.03 %	0.02 %	0.03 %	0.03 %	0.02 %	0.02 %	0.02 %	↑	0.10 %
No commentary provided by Enterprise										
ESC02 % missed bins corrected within 24hrs of notification (M)	70.76 %	73.58 %	95.70 %	100.00 %	77.46 %	100.00 %	100.00 %	100.00 %	?	?
The new system and resources deployed will ensure that all missed bins are collected within the SLA and 100% are collected the same day										
ESC04 % household waste recycled and composted (NI192) (M)	51.23 %	52.99 %	50.50 %	48.75 %	49.63 %	47.00 %	47.00 %	47.00 %	↑	43.63 %
No commentary provided by Enterprise										
ESC05 % of Land and Highways assessed falling below an acceptable level - Litter (NI195a) (4M)	5.33 %	2.83 %	2.83 %	2.83 %	2.83 %	4.00 %	4.00 %	4.00 %	↑	4.00 %
Performance is above target for this reporting period										

Measure ID & Polarity	ESC	Jun 12	Period Jul 12	Period Aug 12	Period Sep 12	Period Overall perf. to date	YTD Current	Profiled Target	Outturn	Target	Perf. vs. last year	YTD value same time last year
ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M) Smaller is Better	ESC06	8.00 %	6.00 %	6.00 %	6.00 %	6.00 %	6.00 %	6.00 %	6.00 %	6.00 %	↓	7.50 %
Performance is on target for this reporting period												
ESC07 % of Land and Highways assessed falling below acceptable level - Graffiti (NI195c) (4M) Smaller is Better	ESC07	2.33 %	1.33 %	1.33 %	1.33 %	1.33 %	1.33 %	0.33 %	0.33 %	0.33 %	↓	2.50 %
4 areas were observed with graffiti at unacceptable levels.												
ESC08 % of Land and Highways assessed falling below acceptable level - Flyposting (NI195d) (4M) Smaller is Better	ESC08	0.50 %	0.33 %	0.33 %	0.33 %	0.33 %	0.33 %	0.33 %	0.33 %	0.33 %	↑	0.33 %
Performance is on target for this reporting period.												
ESC09 % of Fly Tipping incidents removed within 2 working days of notification (SO2) (M) Bigger is Better	ESC09	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	?	?
All reported Fly-tips were removed within 2 working days												

Measure ID & Polarity	Measure Name	Jun 12	Period Jul 12	Period Aug 12	Period Sep 12	Period Oct 12	YTD Current	YTD Profiled	Target	Outturn	Perf. vs. last year	YTD value same time last year
Smaller is Better	ESC10 Level of quality against an agreed standard - Open Spaces & Parks - Litter (%) (Q)	0.00 %	0.00 %	0.00 %	1.67 %	0.82 %	4.00 %	4.00 %	4.00 %	4.00 %	↑	1.52 %
A good result, with only one issue observed during inspection												
Smaller is Better	ESC11 Level of quality against an agreed standard - Open Spaces & Parks - Detritus (%) (Q)	3.23 %	3.23 %	3.23 %	5.00 %	4.10 %	6.00 %	6.00 %	6.00 %	6.00 %	↓	3.03 %
The areas inspected were to the required standard												
Smaller is Better	ESC12 Level of quality against an agreed std - Open Spaces & Parks - Graffiti & Fly Posting (%) (Q)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	3.33 %	3.33 %	3.33 %	3.33 %	↑	4.55 %
No areas were observed with either Graffiti or Fly-posting												
Bigger is Better	ESC15 No. of Green Flag awards (A)	0	0	0	0	0	0	0	0	0	?	?
This is a new annual measure introduced in April 2012.												
We're aiming to achieve 2 awards by March 2013.												

Measure ID & Name	Jun 12	Period	Jul 12	Period	Aug 12	Period	Sep 12	Period	Overall perf. to date	YTD Target	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
<p>HI 01 Average time taken to relet local authority homes (days) (M)</p> <p>Smaller is Better</p>	15.03		15.64		14.97		17.59		15.96		20.00	20.00		22.81
<p>Performance for the month of September slipped due to the return of several long term structural voids during the month, plus on closer scrutiny, properties were identified with multiple refusals. The months performance however does not impact greatly on the overall average relet time, currently standing at 15.96 days, well ahead of the projected target of 20 days for the year.</p>														
<p>HI 12 Rent collected as a proportion of rent owed on HRA dwellings % exc.arrears brought forward (M)</p> <p>Bigger is Better</p>	94.28 %		104.62 %		103.27 %		96.72 %		97.98 %		99.30 %	100.10 %		98.59 %
<p>During the month of September £4,011,375 was due in rent payments and £3,879,811 has been collected. A collection rate of 96.72%. This compares well with previous years for example in 10/11 the September collection rate was 95.28% and 11/12 95.03%.</p>														
<p>HI 13 Rent arrears as a percentage of the annual debit (M)</p> <p>Smaller is Better</p>	3.44 %		3.51 %		3.30 %		3.45 %		3.45 %		3.14 %	2.65 %		3.39 %
<p>Total current tenant rent arrears were £1,657,504 at the end of September. The projected total debit for the year is £48,085,041 therefore the arrears as a % of the debit are 3.45%. The collection rate (HI12) during September was good. This in turn results in lower arrears levels than expected for September thereby closing the gap from August between the actual and target figures. This result supports the recent decision to introduce increased specialism by officers within this area of work.</p>														
<p>NI154 Net additional homes provided (A)</p> <p>Bigger is Better</p>	423.00		423.00		423.00		423.00		423.00		867.00	641.00		323.00
<p>The economic recession has resulted in the pace of development across the Borough slowing significantly. The number of houses built has improved on last year's total, but is still one of the worst within Northampton since its designation as a New Town. New starts on Greenfield sites requiring significant infrastructure have been non-existent. Sites that had started development previously have been finished off, with only a couple of significant new homes replacing them. There is the capacity available on sites with planning permission to deliver a lot more housing than has been delivered, however the housing industry has decided to not take up the capacity that exists. Assumptions last year about the ability of the market to pick up from what appeared to be an all time low were misplaced. The housing market has not significantly improved on last year. Nationally Government through the Homes and Communities Agency has allocated a lot of money towards ensuring that some houses are built. This money was not so prevalent in the last financial year, and is reduced for this year and the next two years. There has been some increase in the private new build sales market. However, mortgage finance particularly for first time buyers remains scarce or on unattractive terms. In the short term there is nothing that the Council can do to increase the cumulative figure, due to the long lead in times for development. The housing land supply and valid permissions are considered sufficient to meet the target net dwellings. It is unclear how the austerity measures and availability of finance will develop over the next year or so. The estimates for delivery next year are based on assumptions about the market being slightly more positive. Although this is consistent with national predictions, this optimism may well be misplaced as the potential threat of a double dip recession does not appear to have diminished. Estimated targets for delivery of houses for the next few years have been dramatically reduced. LAA targets are substantially below those required to meet Regional Spatial Strategy delivery targets.</p>														

Measure ID & Name	Jun 12	Jul 12	Aug 12	Period	Sep 12	Period	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
Bigger is Better NI157: Percentage of all planning applications determined within 13 weeks (M)	95.12 %	94.85 %	94.81 %	●	100.00 %	●	96.47 %	●	74.00 %	74.00 %	▲	95.30 %
During September we determined a total of 99 planning applications, all of which were all within 13 weeks.												
Bigger is Better NI157a LM Percentage of "large scale" major planning apps determined within 13 weeks (M)	50.00 %	100.00 %	100.00 %	▲	100.00 %	●	87.50 %	●	60.00 %	60.00 %	▲	0.00 %
In September 2012, we determined a total of 3 large scale planning applications, all of which were within 13 weeks of receipt.												
September 2012 - Performance is very well above target. Nonetheless, it should be noted that this category is prone to significant fluctuation given the low volumes of applications.												
During July - September we determined a total of 5 large scale planning applications, all were within 13 weeks of receipt.												
July / September 2012 - Performance is very well above target. Nonetheless, it should be noted that this category it is prone to significant fluctuation given the low volumes of applications. It is also known there are several applications that have Planning Committee resolution to approve pending the completion of S106 agreements that will be issued in the coming quarters.												
Bigger is Better NI157a SM Percentage of "small scale" major planning apps determined within 13 weeks (M)	75.00 %	66.67 %	75.00 %	●	100.00 %	●	78.26 %	●	60.00 %	60.00 %	▲	66.67 %
In September we determined a total of 3 small scale major planning applications, all of which were within 13 weeks of receipt.												
September 2012 - Performance is well above target. Nonetheless, it should noted that this category it is prone to significant fluctuation given the low volumes of applications.												
During the Quarterly of July - September 2012 we determined a total of 13 small scale major planning applications, 10 of which were within 13 weeks of receipt.												
July / September 2012 - Performance is well above target. Nonetheless, it should be noted that this category it is prone to significant fluctuation given the low volumes of applications. It is also known that several applications have Planning Committee resolution to approve, pending the completion of S106 agreements that will be issued in the coming quarters.												
Bigger is Better NI157b Percentage of "minor" planning apps determined within 8 weeks (M)	89.47 %	91.67 %	87.50 %	★	88.24 %	★	89.31 %	★	86.00 %	86.00 %	▲	87.93 %
In September we determined a total of 17 minor planning applications, 15 of which were within 8 weeks of receipt.												
September 2012 - Performance was above target.												
During the July - September quarter we determined a total of 65 Minor planning applications, 58 of which were within 8 weeks of receipt.												
July / September 2012 - Performance is above target for the quarter.												

Measure ID & Name	Jun 12	Period	Jul 12	Period	Aug 12	Period	Sep 12	Period	YTD	Current Profiled Target	Outturn Target same time last year	Perf. vs. last year	YTD value same time last year
Bigger is Better NI157C Percentage of 'other' planning apps determined within 8 weeks (M)	89.47 %	★	92.31 %	★	87.76 %	●	93.42 %	★	90.72 %	★	90.00 %	▲	89.10 %
In September we determined a total of 76 Other planning applications, 71 of which were within 8 weeks of receipt.													
September 2012 - Performance was above target.													
During the quarter of July - September 2012 we determined a total of 190 Other planning applications, 174 of which were within 8 weeks of receipt.													
July / September 2012 - Performance was above target for the quarter.													
Bigger is Better NI159 Supply of ready to develop housing sites (A)	46.45	▲	46.45	▲	46.45	▲	46.45	▲	46.45	▲	100.00	▲	47.06
It would appear that there has been a small decline in the supply of housing land assessed against CLG advice for demonstrating a 5 year supply of deliverable sites. Deliverability is assessed against three criteria; is it available? is it suitable? and is it achievable? In considering the latter local authorities must demonstrate that there is a reasonable prospect that housing will be delivered on the site within 5 years. Although there are plenty of suitable sites available, the current stagnation in the housing is limiting the number of new homes being built when set against the ambitious housing targets for housing delivery in the Regional Spatial Strategy. This is based on housing delivery, which at 423 net additional dwellings built, against a target of 1775 and recent levels of delivery (up to 1824 dwellings in 07/08) falls far below the regional target. At current build rates the amount of suitable housing land identified is well in excess of demand. At the highest rate of build, there is approximately capacity for ten year's supply. Although Government has taken some action to stimulate the housing market, current built rates fall well below the regional target, despite there the housing land supply being available. The Localism Act will remove the regional plan targets. A new target for West Northamptonshire will have to be set through the development plan process. This will be done through the West Northamptonshire Joint Core Strategy scheduled for adoption in Autumn 2013. The targets for delivery will be reduced significantly, although still challenging to meet given the current low level of activity in the housing market and the need to provide some substantial pieces of infrastructure to open up sites for development.													
Smaller is Better NI170 Previously developed land that has been vacant or derelict for more than 5 years (A)	0.49 %	●	0.49 %	●	0.49 %	●	0.49 %	●	0.49 %	●	0.78 %	▲	0.52 %
Performance is better than the target set - this has largely been down to the development of some older industrial land. It is assumed that due to the recession that the pace of development on previously developed land will slow down for at least the next couple of years. Taking this into account, some sites that have been vacant for less than five years may remain undeveloped in this period and therefore fall into the category of having been vacant or derelict for more than 5 years. In particular this will affect former school sites vacated by NCC which have planning consent for housing and the former Princess Marina hospital. This might be off set by some of those that have been vacant for more than 5 years being developed in part. However, it is expected overall that there will be an increase in the amount of land / buildings vacant for more than 5 years. The Council will be seeking to work with West Northamptonshire Development Corporation and the Homes and Communities Agency to channel more public investment into derelict and vacant land to assist in regenerating areas of decline, particularly near to the town centre in the Enterprise Zone and also ensuring that delivery to meet housing needs occurs.													
Smaller is Better PP06 % change in serious acquisitive crime from the baseline (M)	3.78 %	▲	2.84 %	▲	4.10 %	▲	5.85 %	▲	5.85 %	▲	-2.50 %	▲	-2.45 %
Serious acquisitive crime (SAC) has increased by 5.8% in the first half of 2012/13, this is inline with a countywide trend. The increase is still due to increased vehicle crime (+7.4%), albeit the previous two months has also seen domestic burglary increase. The central and south west sectors of Northampton have shown the greatest increase in SAC.													
The partnership are focussing on an area which has been identified as having long term/ short term issues with SAC. The plan for this area continues, following the completion of some actions, and the development of further actions (2nd round of target hardening and smartwater rollout to hotspot streets). Beyond this location, significant work is being carried out borough-wide, led by the police, to raise awareness of risk with victims and gather intelligence on offenders.													

Measure ID & Name	Jun 12	Period	Jul 12	Period	Aug 12	Period	Sep 12	Period	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
PP07 % change in anti social behaviour victimisation (A) Bigger is Better	8.50 %		8.50 %		8.50 %		8.50 %		8.50 %	8.50 %	5.00 %	10.00 %	?	?
This is an annual measure, all results shown relate to March 2012.														
Police recorded ASB incidents have dropped by 16.6% in 2011/12. This is an improvement on the previous year, which saw a 8.5% reduction. The partnership have retained ASB as a priority for 2012/13 due to the volume of incidents, concerns from the public and the impact of repeat incidents on victims/ witnesses. A number of funding bids have been put forward to deliver further reductions in ASB, including costs for civil ASBO court cases and funding for diversionary activities for young people in hotspot locations. The partnership will also continue focussed work on alcohol related anti-social behaviour, particularly around street drinking and vagrancy issues and town centre night time economy issues in conjunction with tackling violence.														
PP09 Overall crime figure for the period (M) Smaller is Better	1,726.00		1,539.00		1,778.00		1,633.00		10,093.00	10,093.00	10,614.00	20,518.00	?	10,614.00
Overall crime has decreased by 2.5% against the baseline in the first half of 2012/13. Overall crime has reduced in all four sectors of Northampton, particularly in Northampton East. The partnership are progressing activity based upon the 2012/13 action plan addressing key issues around crime and disorder in Northampton and commencing further activity following successful funding bids to the CSF.														
PP14 % change in Violence Offences (M) Smaller is Better	-3.00 %		-4.05 %		-3.91 %		-4.57 %		-4.57 %	-4.57 %	-1.75 %	-3.50 %	?	-48.22 %
Half way through 2012/13, a 4.6% reduction has been made against the 2011/12 baseline figure. This exceeds the annual target of 3.5%. A number of targeted police operations under Op Challenge have been underway since April 2012 (e.g. disrupting key offenders, pro-actively dispersing drunks from the town centre in the early evening, and engagement with schools). Further funding bids have been submitted for partnership activity expanding on work tackling domestic violence and night time economy violence, specifically related to Northampton University freshers week diversionary activities in open-spaces where issues of violent crime have occurred.														
RB07 Total % of debt outstanding, not in recovery and overdue (M) Smaller is Better	4.27 %		3.04 %		4.01 %		4.68 %		4.68 %	4.68 %	9.00 %	8.00 %		6.06 %
Performance in this area is being sustained, and is currently better than targeted year to date.														

Measure ID & Name	Jun 12	Period	Jul 12	Period	Aug 12	Period	Sep 12	Period	Overall perf. to date	YTD Current Profited Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
TC001 Number of events delivered in partnership: Town Centre (Q)	4	★	4	★	4	★	5	★	9	8	10	↓	6
5 events delivered in partnership in the Town Centre including Olympic Torch Relay, National Market Day, Lionheart, Antique Market and the Dog Show.													
TC002 Number of events delivered in partnership: parks and open spaces (Q)	5	★	5	★	5	★	6	●	11	7	8	↑	4
6 partnership events delivered in parks and open spaces as follows: Olympic Live Site, Games Time, Bands in the Park, Skate Park, Umbrella Fair and Pay It Forward Music Festival.													
TC005n Town Centre footfall (Q)	3,906,537	▲	3,906,537	▲	3,906,537	▲	4,098,658	●	8,005,195	8,584,541	15,498,280	↓	8,499,546
Footfall figures in the July - September period fell by 0.2% in comparison with the same period in 2011. Overall for the 6 month period (April - September) footfall figures have fallen by 5.9% in comparison with 2011.													
T: AST13 Appropriate disposals agreed at Corporate Asset Board progressed effectively	112.50	★	112.50	★	112.50	★	112.50	★	112.50	100.00	-	→	112.50
A number of already agreed disposals were further progressed in month. CAB met on 20 September and further opportunities for disposal were considered. A cabinet report is scheduled on 3 October for a property disposal (3- Hazelwood Road).													
Overall perf. to date summary	★	●	●	●	●	●	●	●	Unknowns	Unknowns	0		Total 36
Perf vs last year summary	11	14	14	14	14	14	14	14	14	14	14	14	Total 36
1	19	6	6	6	6	6	6	6	6	6	6	6	Total 36



You

Polarity	Measure ID & Name	You					Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
		Jun 12	Jul 12	Aug 12	Sep 12	Period						
Bigger is Better	BV008 Percentage of invoices for commercial goods & serv. paid within 30 days (M)	99.33 %	99.59 %	99.61 %	98.93 %	★	99.30 %	★	98.50 %	98.50 %	97.01 %	
The Invoice paid within 30 days continues to exceed target. The Local invoices paid within 10 days continues to improve and is currently just below target.												
Smaller is Better	CEX01 Total number of Local Government Ombudsman First Enquiries (cases completed) (Q)	8	8	8	13	▲	13	▲	10	20	?	
This is an informational measure. Please see CEX02 for performance and commentary.												
Smaller is Better	CEX02 Av no. of days taken to deal with LG Ombudsman First Enquiries (cases completed) (Q)	20.25	20.25	20.25	17.23	●	17.23	●	28.00	28.00	?	
While more enquiries have been raised than planned so far this year (13 vs 10), it has taken an average of 17.23 days to respond. This is better than the target of 28 days set by the LGO.												
Bigger is Better	CS05 Percentage satisfied with the overall service provided by the Customer Service Officer (M)	92.16 %	97.78 %	96.91 %	95.77 %	●	95.03 %	●	90.00 %	90.00 %	81.88 %	
The sample size collated on the day was extremely low this month. 7 customers responded to the survey following their email enquiry and showed a considerable improvement with all 7 being satisfied with how their enquiry was dealt with.. 64 responses were collected on survey day. Audit checks to be completed to check methodology is being adhered to.												

Polarity	Measure ID & Name	Jun 12	Period	Jul 12	Period	Aug 12	Period	Sep 12	Period	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
Bigger is Better	CS13 Percentage of ALL calls into the Contact Centre answered (M)	89.93 %	93.66 %	90.45 %	92.83 %	88.56 %	88.67 %	89.67 %	86.09 %						
<p>It has been a positive month achieving target on percentage calls answered. This has reduced the gap to achieving our year to date target to 0.1%.</p> <p>In addition to this, we have introduced and trained the staff in the new Rat process (Environmental Protection) earlier than initially planned. We have also completed the mapping and training of staff in the Welfare Reform Report added</p>															
Bigger is Better	CS14 One-Stop shop: Percentage of all cust. waiting less than 15 mins (excl. licensing) (M)	89.34 %	91.53 %	90.02 %	84.20 %	87.06 %	90.00 %	90.00 %	77.01 %						
<p>Productivity has reduced this month due to the following factors:</p> <p>High absence levels</p> <p>One team member leaving unexpectedly</p> <p>Annual leave and training</p> <p>Staff realignment was actioned to minimise the impact on the face to face service.</p>															
Smaller is Better	HI 07 Number of households living in temporary accommodation (NI156) (M)	41	43	47	43	43	50	50	26						
<p>Although there has been an increase in approaches to the Homeless team during September, there has been a decrease in the number of people in Temporary Accommodation at the end of Sept. Housing Options officers are working hard with family and friends to keep people out of B&B. 8 of those currently waiting have been offered properties and are waiting for Fit To Let dates.</p> <p>There has been a 3.7% increase in the use of TA nationally with only a 10% increase in Northampton</p>															
Bigger is Better	HI 09 Homeless households for whom casework advice resolved their situation (M)	104	101	130	107	688	1,000	2,000	1,250						
<p>There has been a 24 percent drop in the number of preventions in Sept 2012 compared to Sept 2011 and a YTD decrease of 40 percent. Whilst all customers are advised that assistance can be offered via the Deposit Bond Scheme, and referrals made, we have also seen a decline in the amount of properties available via the Bond, and a decline in the number of landlords willing to accept tenants in receipt of housing benefit. Current design of service does not benefit homeless preventions, a report will be produced in due course for Management Boards consideration.</p>															

Measure ID & Name	Jun 12	Period	Jul 12	Period	Aug 12	Period	Sep 12	Period	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
Smaller is Better HI 10 Total number of people sleeping rough on the streets (A) This measure is reported once each year in November. For the Corporate Performance Highlight Report only; April, May, and June 2012 will show November 2011 performance. Rough sleeping has increased nationally due to the economic environment. 60% of all rough sleepers are from the A10 communities (communities from the new EU area e.g. Romania, Poland and Latvia) due to the loss of employment. Northampton is seen as a national and regional best practice exemplar. During December 2011 Northampton Borough Council in partnership with NAAASH (Northampton Association for the Accommodation of Single Homeless) was chosen as one of only 40 projects to receive funding from the Department for Communities and Local Government (DCLG) for the 'No 2nd night out' initiative. The initiative aims to ensure that anyone who ends up sleeping on the streets gets help quickly, so that it doesn't happen again. The project provides support to new rough sleepers with intensive support focusing on debt management, employment and family mediation with some of the funding being used to provide 24-hour supported housing for up to 11 people who would otherwise be sleeping on the streets.	15	▲	15	▲	15	▲	15	▲	15	▲	8	0	↘	4
Smaller is Better HI 33 Percentage of non-decent council homes (NI 158)(A)	48.90 %	●	48.90 %	●	48.90 %	●	48.90 %	●	48.90 %	●	46.00 %	41.00 %	?	?
Bigger is Better HI 36 Number of affordable homes delivered (NI 155)(Q) This quarter, target has very nearly been reached. A scheme anticipated for delivery in this quarter will now be completed in the next. There the target of 40 for next quarter will likely be exceeded.	36	★	36	★	36	★	33	●	69	●	70	150	↗	7
Smaller is Better HR22 Stonewall Equality Index Rating (A) This is the first time the authority has taken part in the Stonewall Workplace Equality Index 2012 and has been ranked 210 out of 363. A follow-up meeting has taken place between NBC and Stonewall to establish what actions we need to take to improve the experience of our lesbian, gay and bi-sexual staff. These actions are being incorporated into our Equality Action Plan to improve our ranking in coming years.	210	●	210	●	210	●	210	●	210	●	200	200	?	?

You												
Measure ID & Name	Jun 12	Jul 12	Aug 12	Sep 12	Period	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year	
LT01 Total Visits to Leisure Centres (M)	73,743	82,450	82,710	71,424		463,338	448,071	875,190			448,298	
Total number of visits for all three sites are slightly down as members take advantage of the new Duston facility												
Mounts: Although swimming lessons up, gym visits slightly down												
Danes Camp & Lings: Number of visits slightly down as members take advantage of the new Duston facility												
LT02 Total No. of people enrolled in swimming program (M)	2,136	2,136	2,136	2,349		2,349	2,095	2,165			1,878	
Enrolments on Swimming Lessons continue to grow at all sites - increased marketing of the Junior DD offer.												
RB01 Time taken to process Housing Benefit/CTB new claims and change events - days (M)	11.0	8.0	11.2	11.1		10.7	12.2	10.9			11.0	
We remain in a position of high volumes of work although performance is still on target. We are looking at automated processes to improve the position and additional staff (contract, permanent & Modern Apprentices) are being considered.												
Overall perf. to date	5	2	5				Unknowns	0			Total	15
Perf vs last year summary	5	2	5								Total	15
5	6	4									Total	15

Appendices
4



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Car Parking Income & Usage – Update Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	5 November 2012
Policy Document:	
Directorate:	Customers & Communities
Accountable Cabinet Member:	Councillor Tim Hadland

1. Purpose

1.1 To update the committee on the car parking income and usage figures by car park as requested.

2. Recommendations

2.1 To note the car parking income and usage figures reported by Town Centre Operations.

3. Issues and Choices

3.1 Report Background

3.1.1 Audit committee have asked to receive a more detailed report outlining car parking income and usage by car park.

3.2 Issues

3.2.1 The car parking income and usage figures in **Appendix A** shows 2012/13 figures against 2011/12 by car park for comparison.

3.2.2 **Appendix B** shows the usage figures shown in Appendix A in a graph. **Appendix C & D** provide a breakdown of usage and income by car park and in graph form.

3.3 Choices (Options)

- 3.3.1 The Council is looking at opportunities to increase usage of our car parks and these include a new permit type for commuters and businesses, extending opening hours in MSCP and increased promotion of our parking offer.
- 3.3.2 Within the current offer and economic climate it is unlikely our income streams will improve in the short term. However, parking trends are difficult to predict and weather conditions and activities in the town centre can affect future projections.
- 3.3.3 The impact of the closure of St Johns surface car park and its knock-on effect of displacement of customers is being assessed. Already we have seen an increase in the 1 hour free parking figures in St Johns MSCP but the overall dispersion of customers previously using St Johns surface car park is still being assessed.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 There are no specific policy implications arising from this report.

4.2 Resources and Risk

- 4.2.1 The profiling of car park usage and income is complex in that there are many factors to take into consideration when setting any targets. The two main factors which the council has no control over are the economy and weather conditions as both these will have significant impacts of achieving any targets set.

4.3 Legal

- 4.3.1 None.

4.4 Equality

- 4.4.1 There are no specific equality implications arising from this report

4.5 Consultees (Internal and External)

- 4.5.1 None at this stage.

4.6 Other Implications

4.6.1 None applicable.

5. Background Papers

- 5.1 Appendix A – Car Parking Income and Usage
- Appendix B – Car Parking Usage Ticket Numbers and Income Graphs
- Appendix C – Breakdown of Usage by Car Park
- Appendix D – Breakdown of Income by Car Park

**Derrick Simpson – Town Centre Manager
Extn 8953**

Car Parking Income Six Month period April September

APPENDIX A

Car Parks	Income		Usage	
	2012/13	2011/12	2012/13	2011/12
Abington Place	£ 23,086	£ 25,653	11275	16480
Albion Place	£ 40,733	£ 41,739	27628	27752
Campbell Square	£ 7,957	£ 10,435	4911	4492
Chalk Lane	£ 5,273	£ 6,075	2860	3669
Commercial Street	£ 92,798	£ 110,938	74403	63763
Commercial Street South	£ 34,819	£ 44,048	46926	48633
Doddridge Street	£ 11,993	£ 11,949	6757	7401
Grosvenor	£ 241,734	£ 268,499	169199	162799
Horsemarket	£ 3,569	£ 4,372	1918	2220
Marefair	£ 10,132	£ 11,970	7742	7241
Market Street	£ 11,120	£ 6,963	9096	5907
Mayorhold MSCP	£ 204,670	£ 211,023	175841	148118
Moynihan Street	£ 2,552	£ 1,633	2622	1538
Northumberland Meadow	£ 37,577	£ 22,845	17645	12530
Northlands	£ 9,368	£ 8,523	7032	4788
The Ridings	£ 60,194	£ 63,070	48749	43229
St Johns MSCP	£ 103,426	£ 98,463	63988	40147
St Johns	£ 32,985	£ 93,733	24893	60804
St Michaels MSCP	£ 65,502	£ 76,413	54888	46624
St Peters Way	£ 156,928	£ 190,387	147470	159985
Upper Mounts	£ 103,933	£ 111,679	57384	48839
Wellington Street	£ 41,967	£ 51,363	33984	34792
Total	£ 1,302,314	£ 1,471,772	997211	951751

Car park temporary closure in 2012/13 due to gas main works

St Johns Car Park closed 16th June 2012

Notes

All figures are produced from parking IT systems and ticket data

Figures do not include VAT

Figures for 2011/12 include sunday parking income and usage figures.

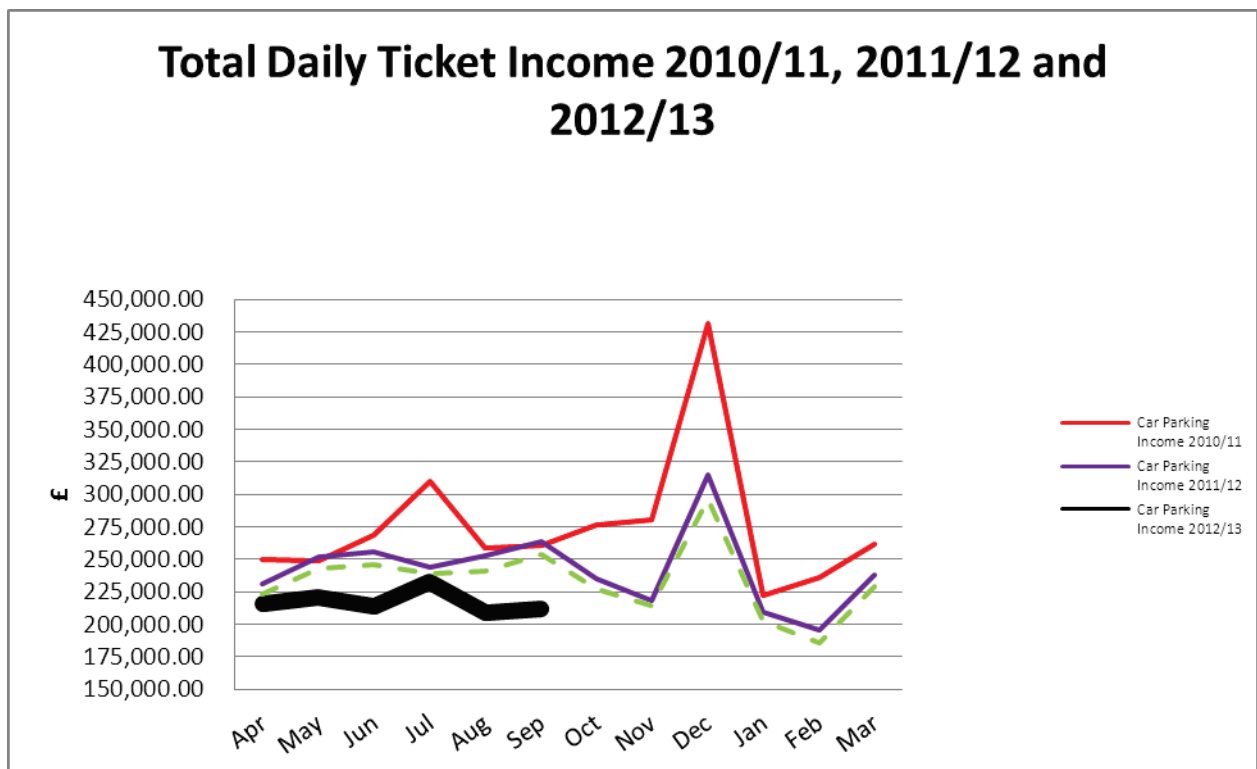
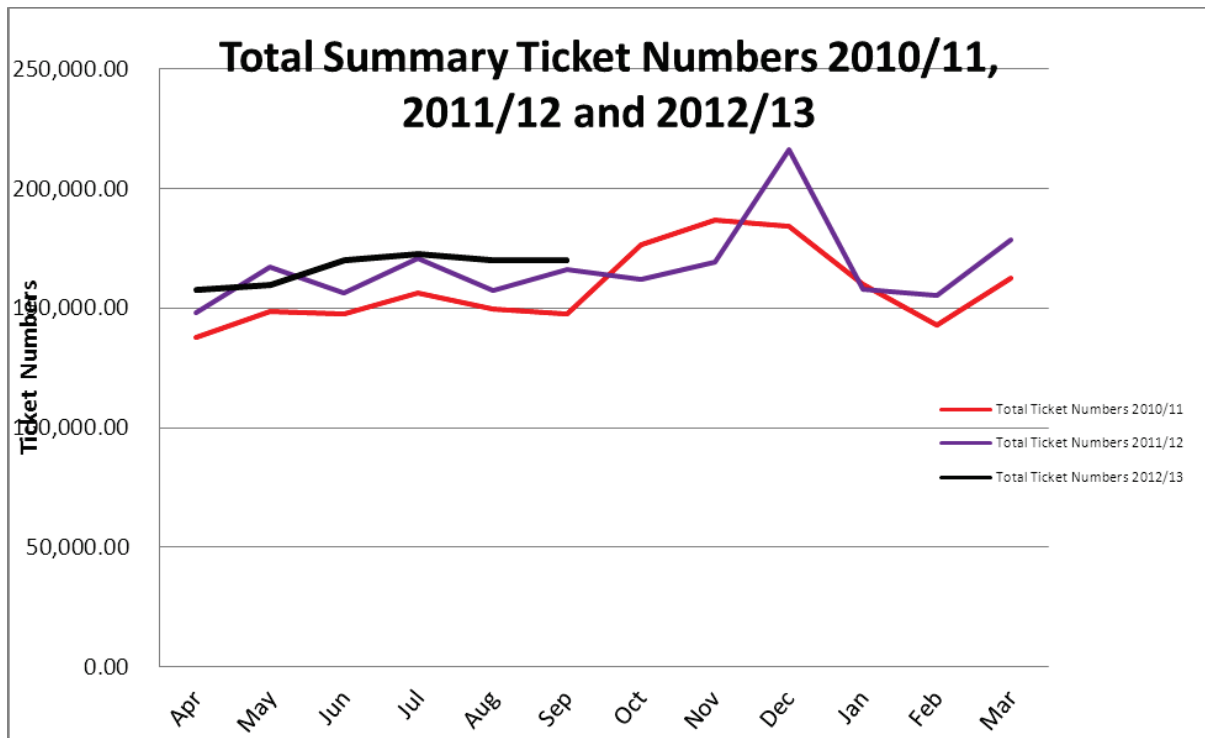
Figures for 2011/12 do not include free or reduced parking

Figures do not include contract & season ticket income

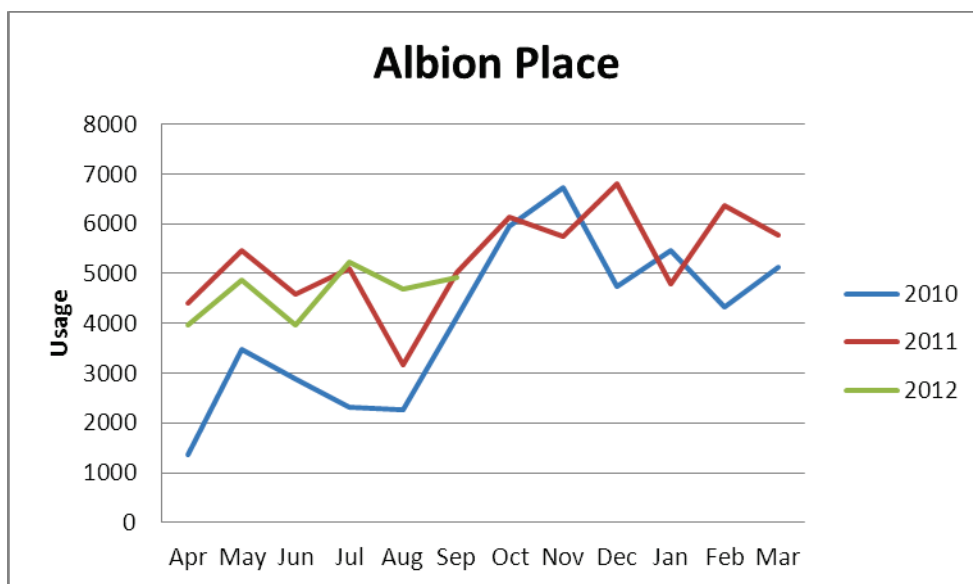
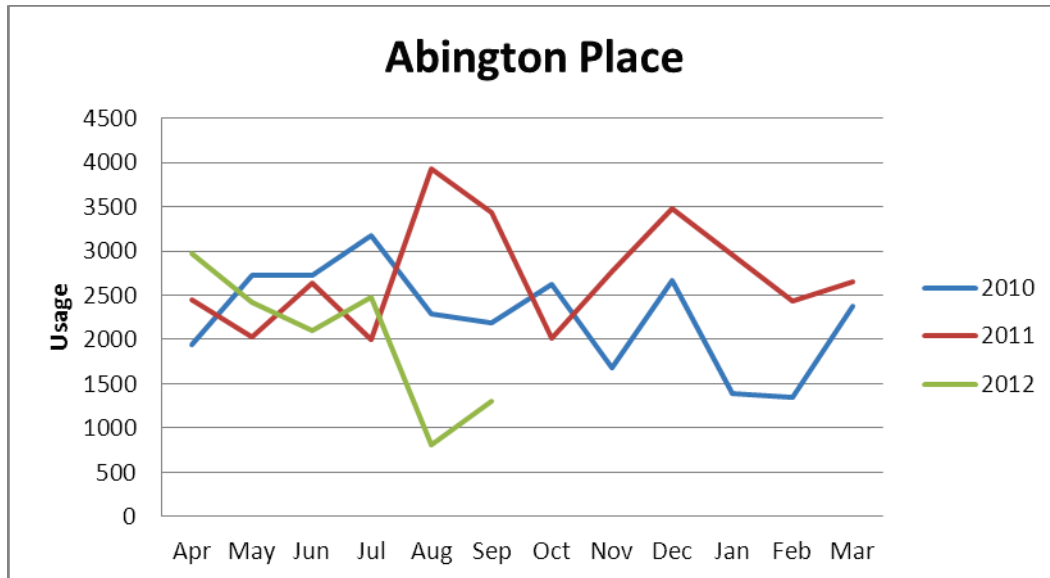
Additional Bank Holiday in 2012/13 for Diamond Jubilee

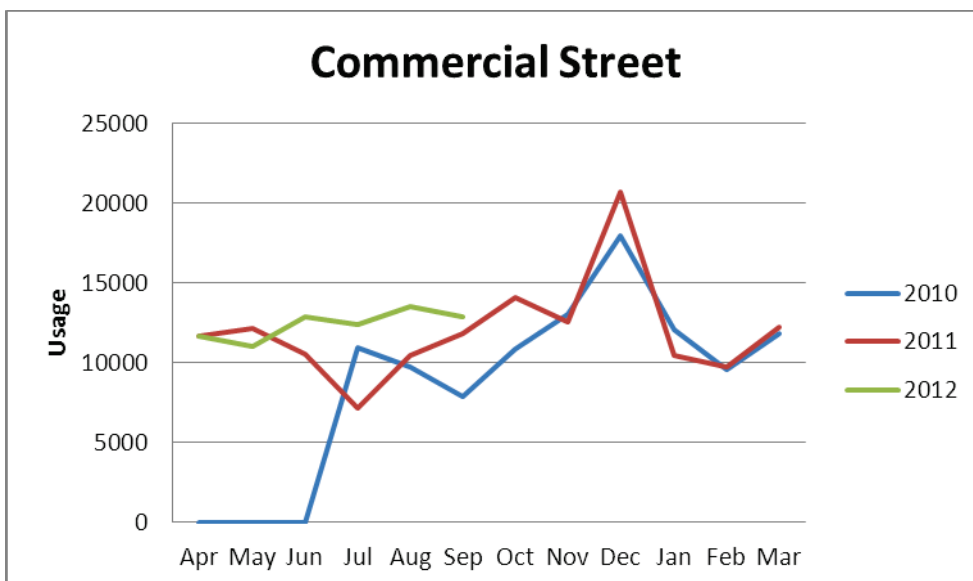
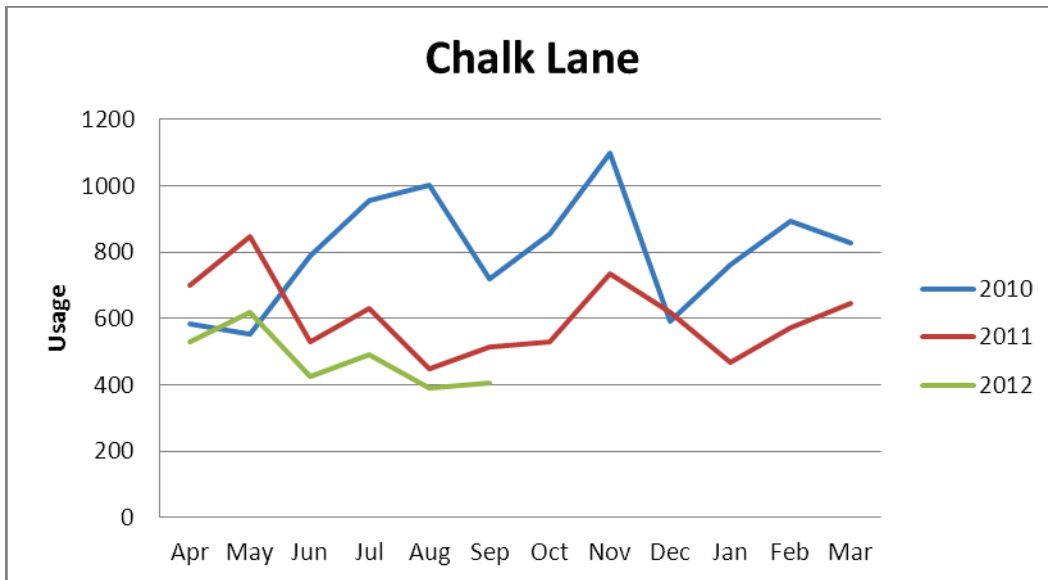
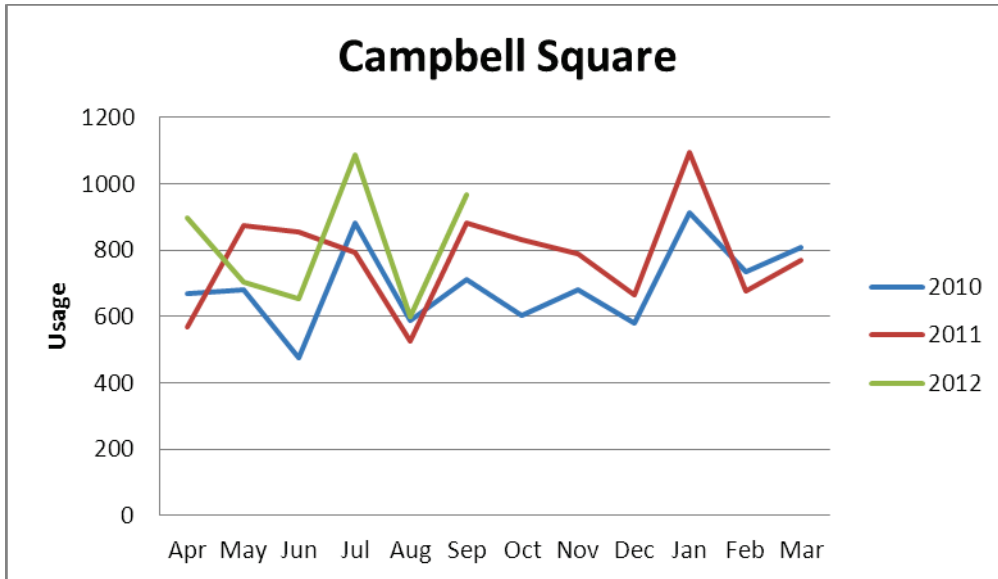
Free Parking for Torch Relay

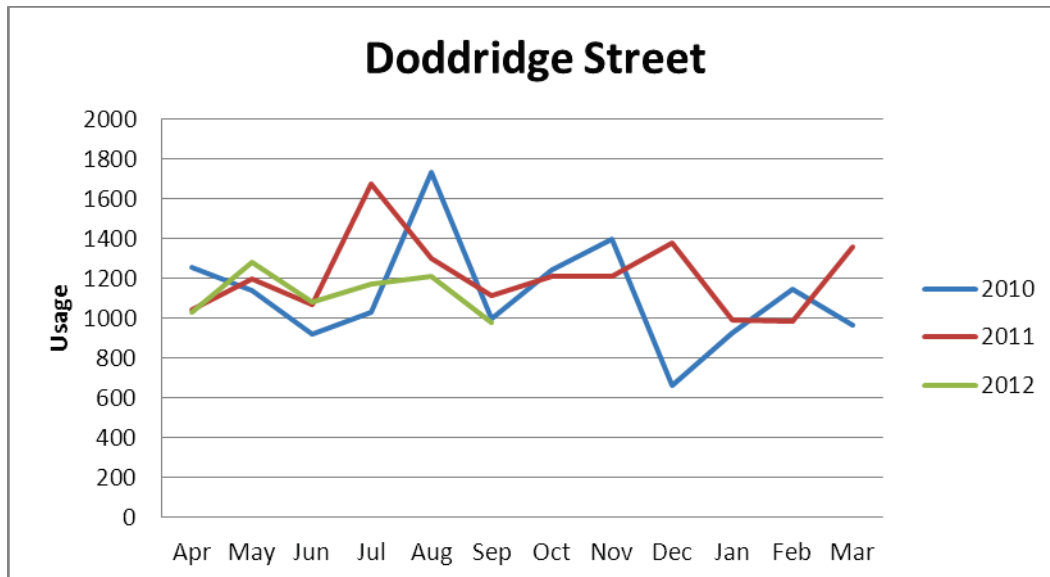
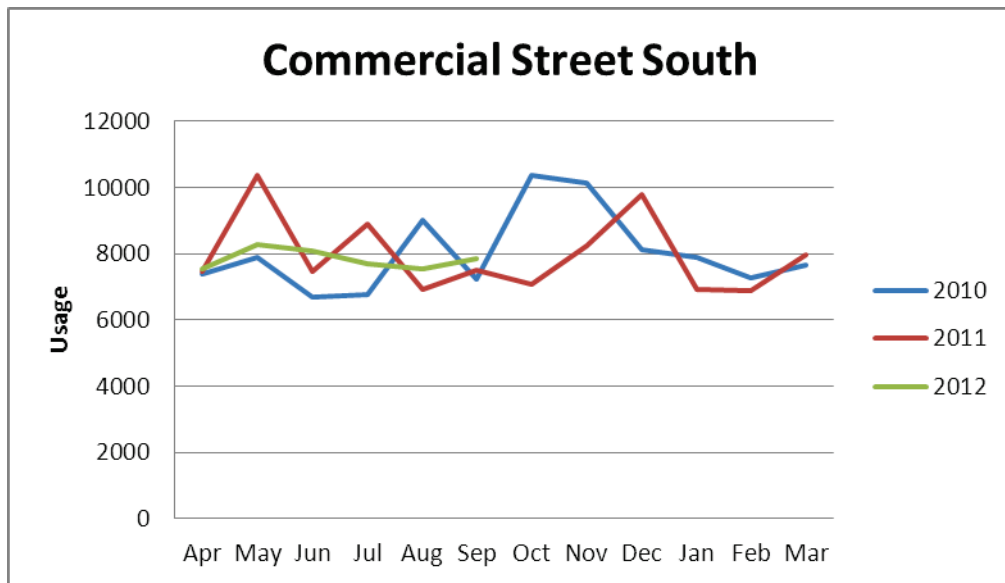
Figures for 2012/13 include income from standardisation changes

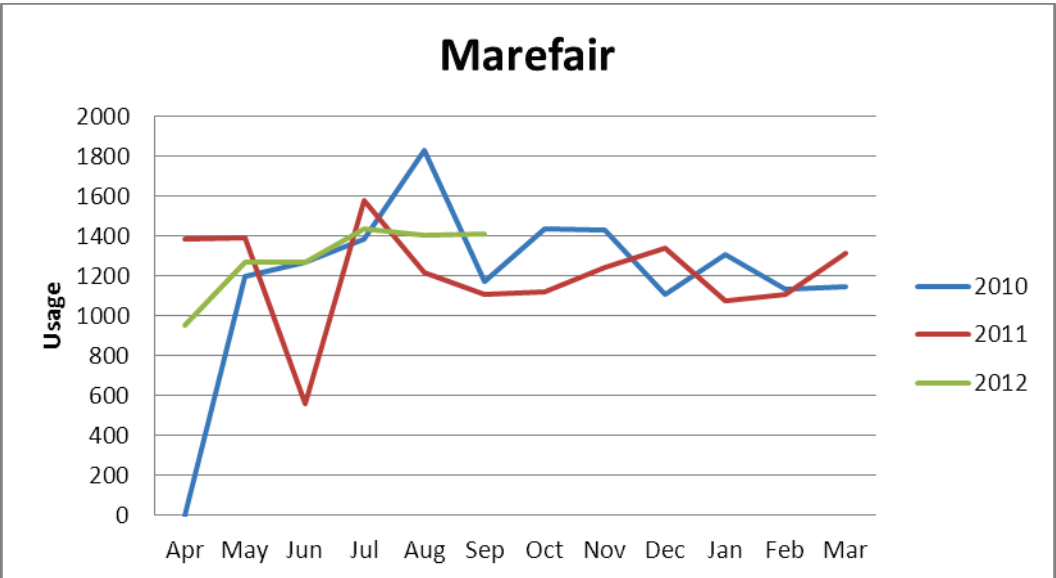
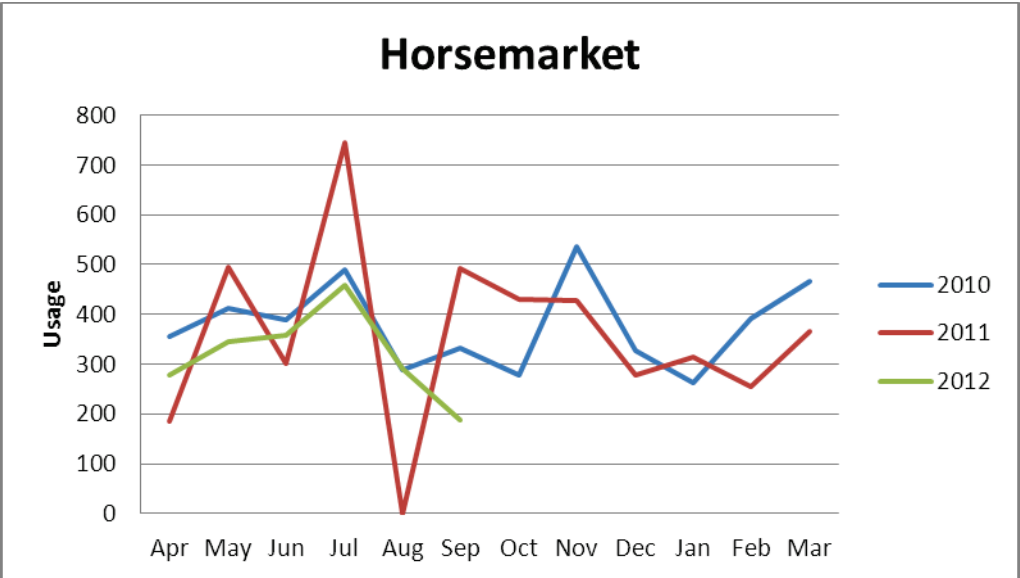
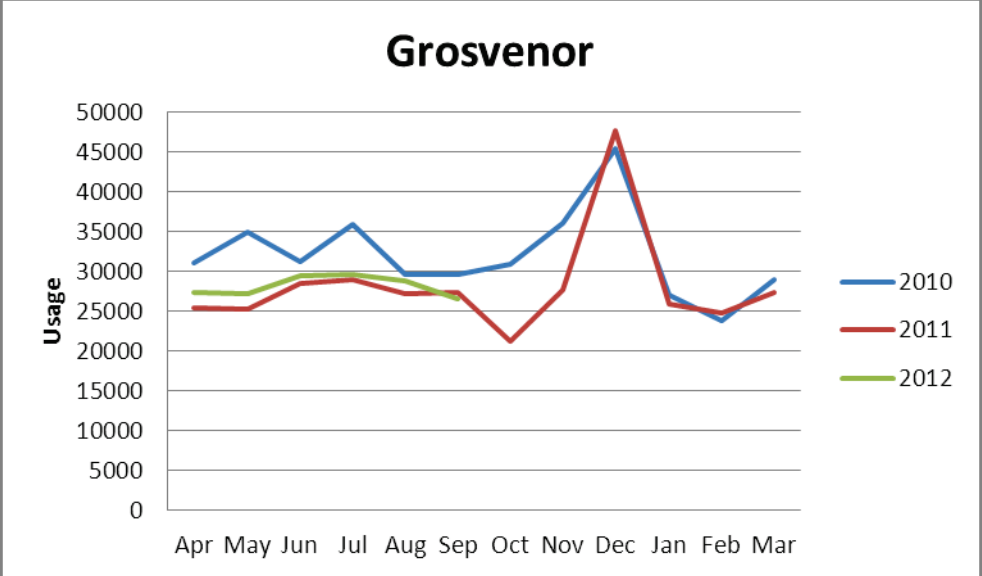


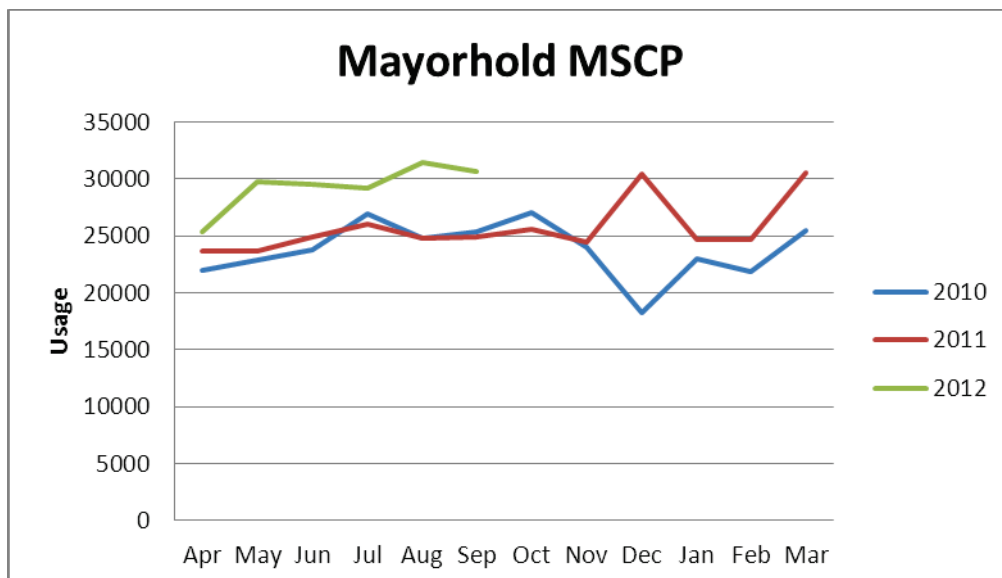
Breakdown of Usage by Car Park

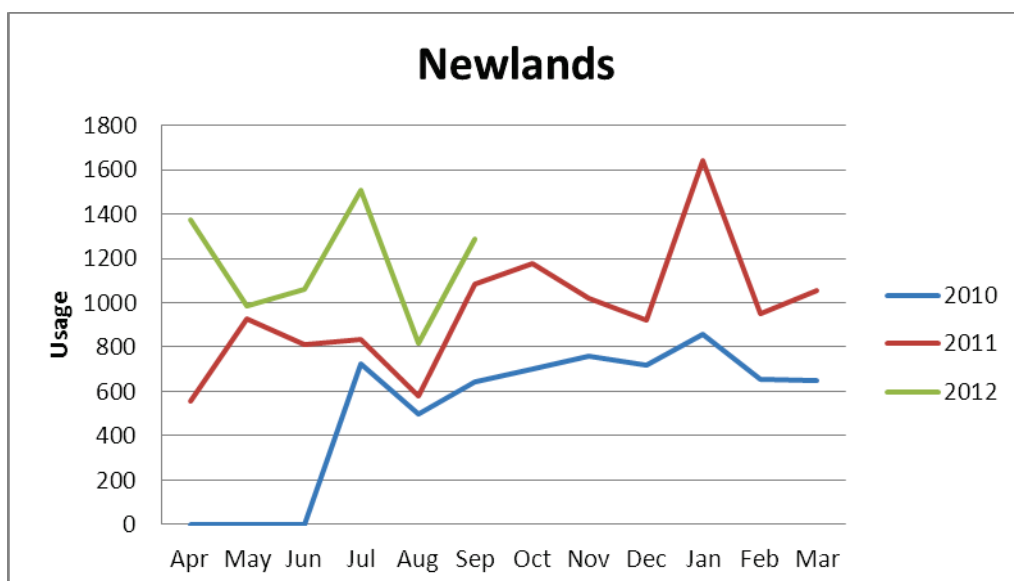
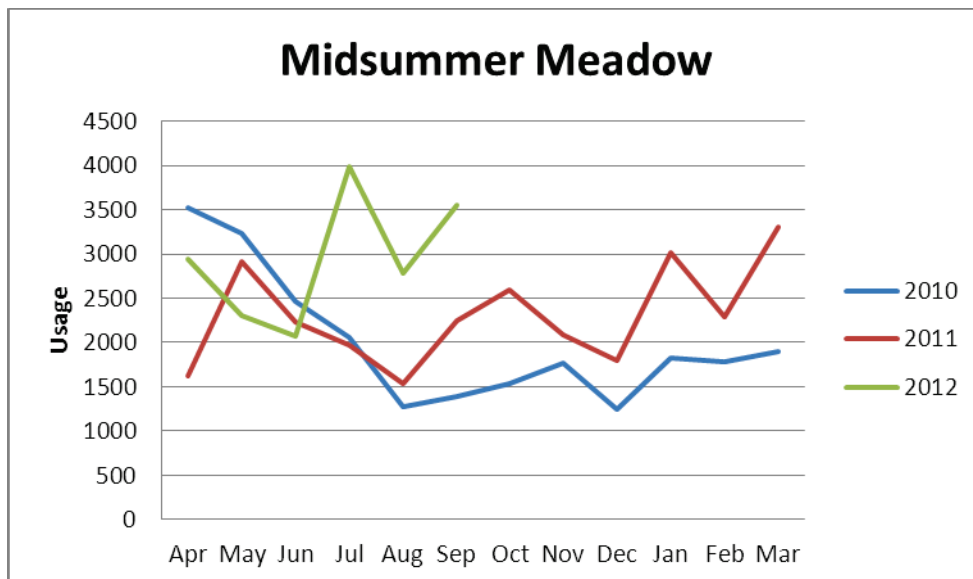
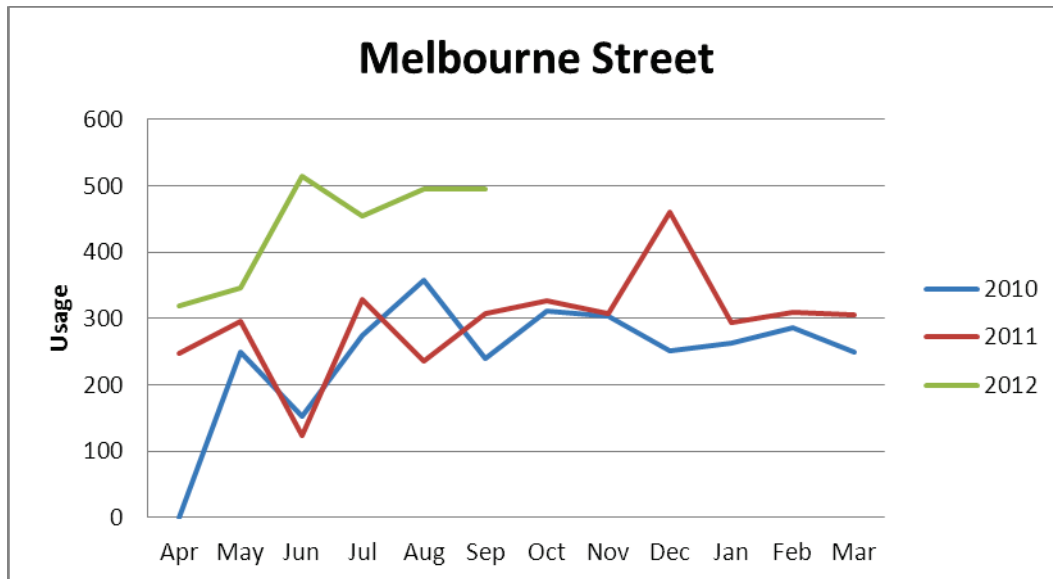


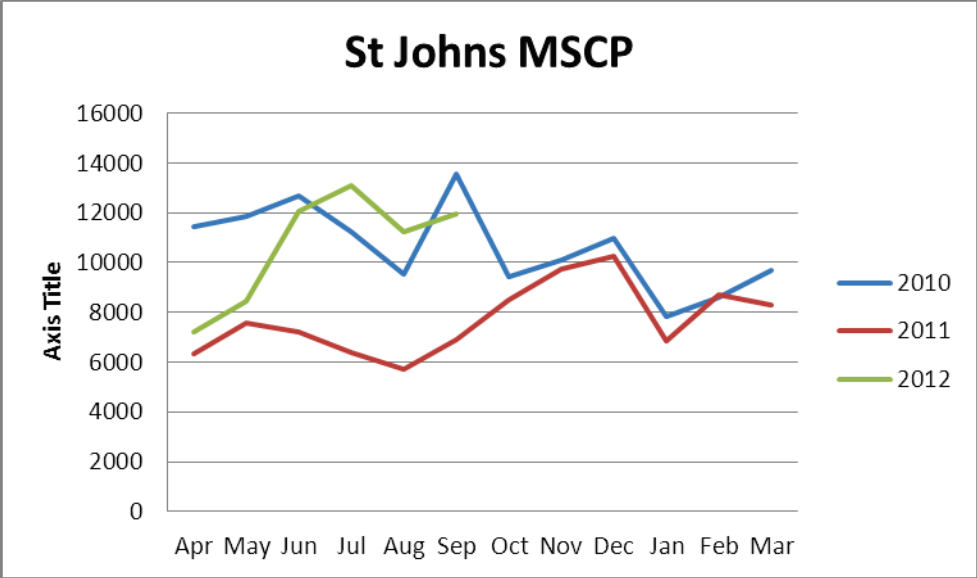
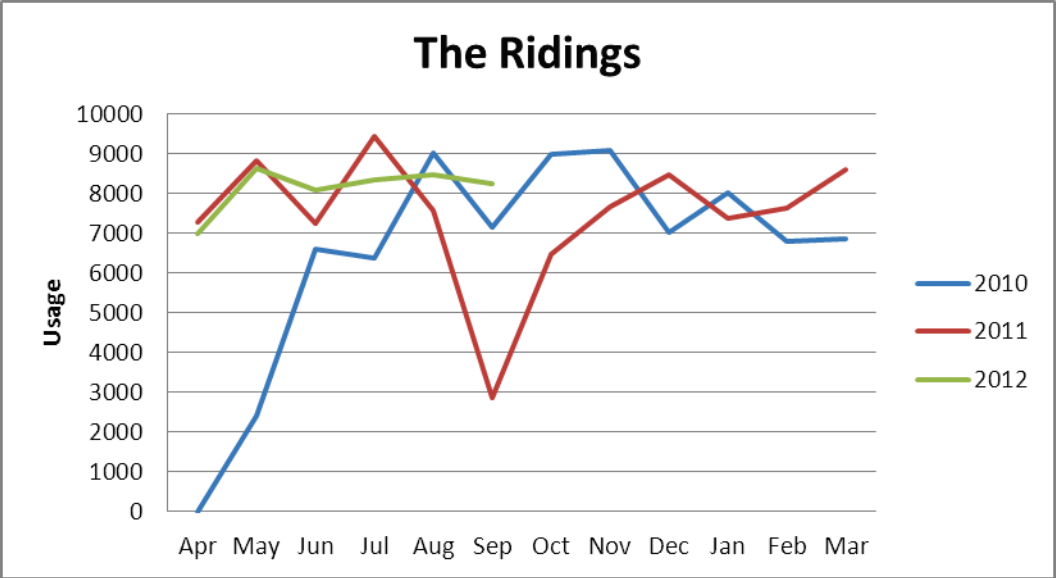


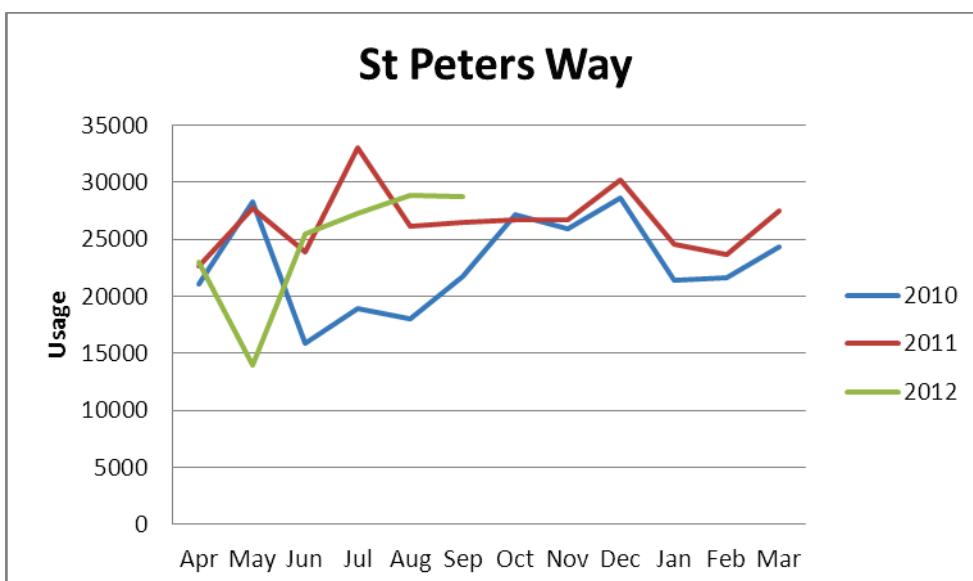
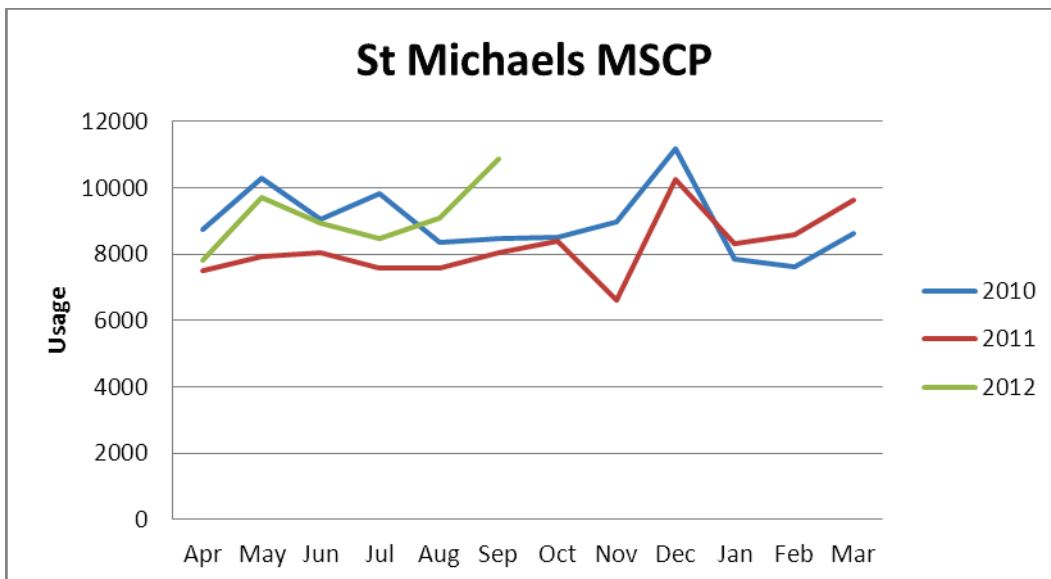
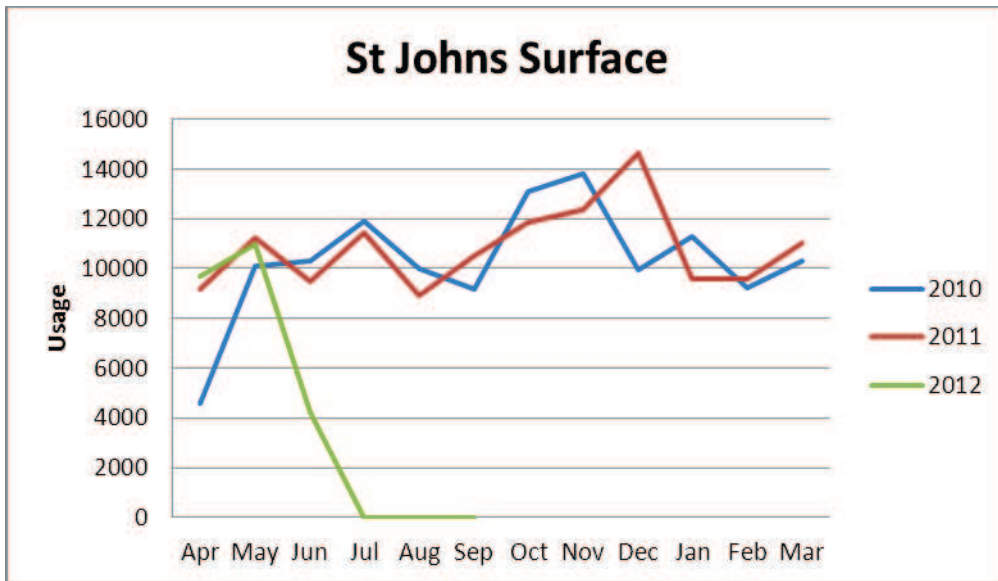


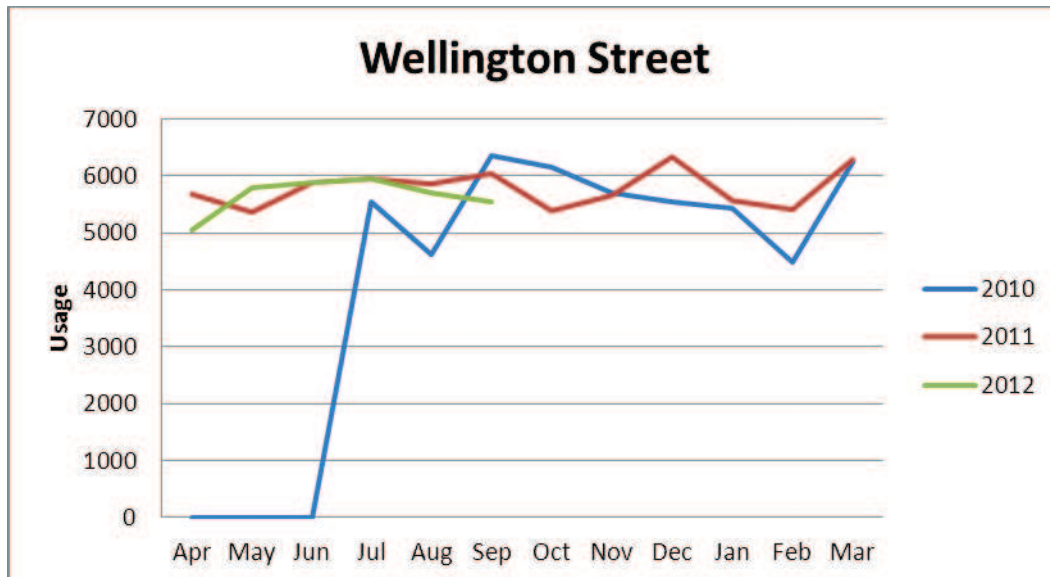
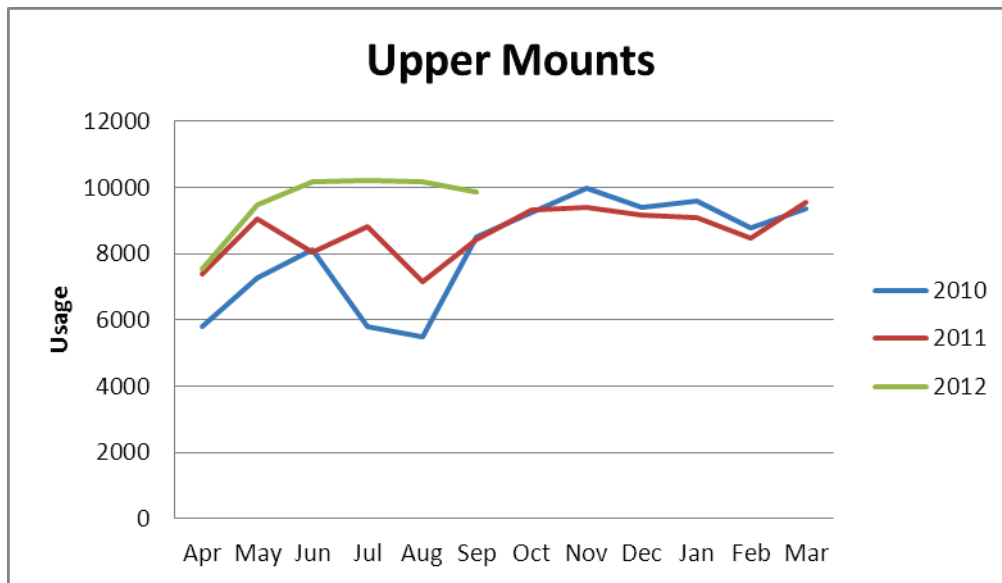




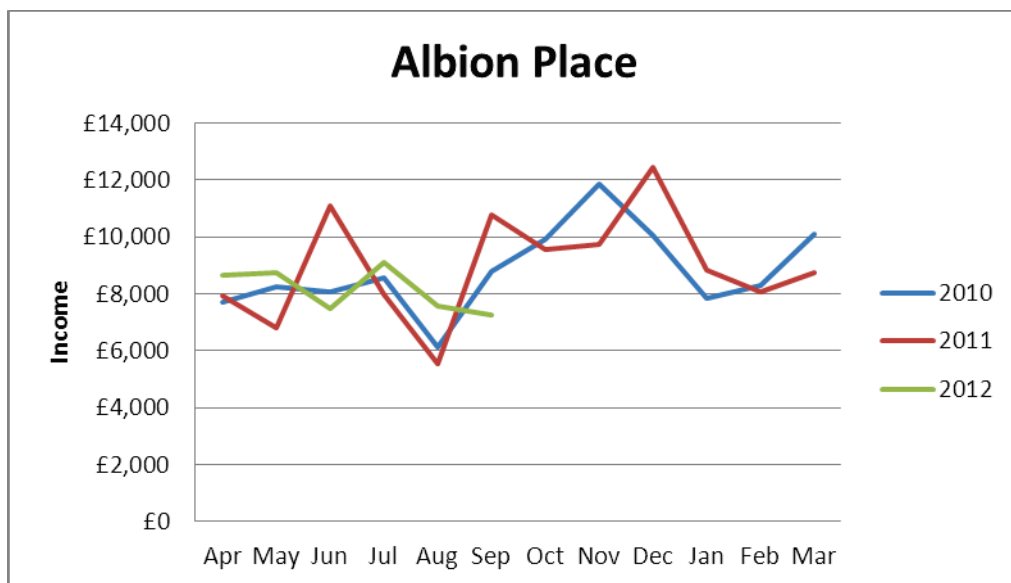
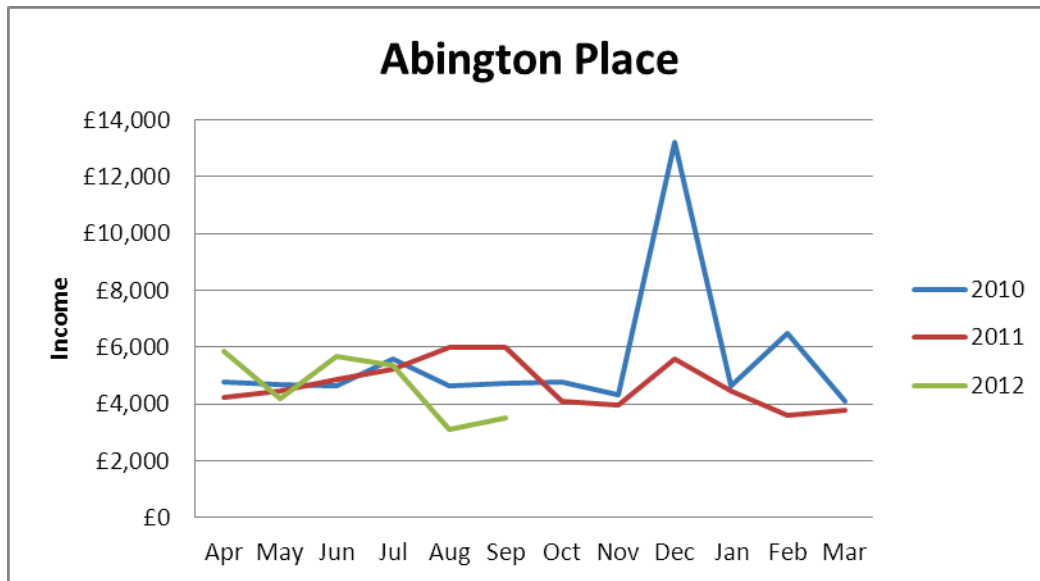


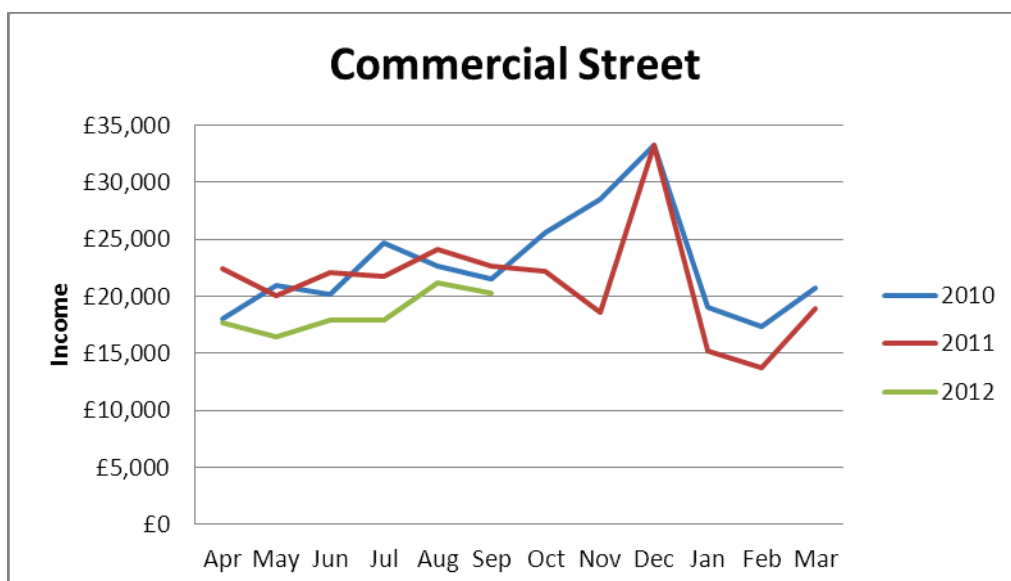
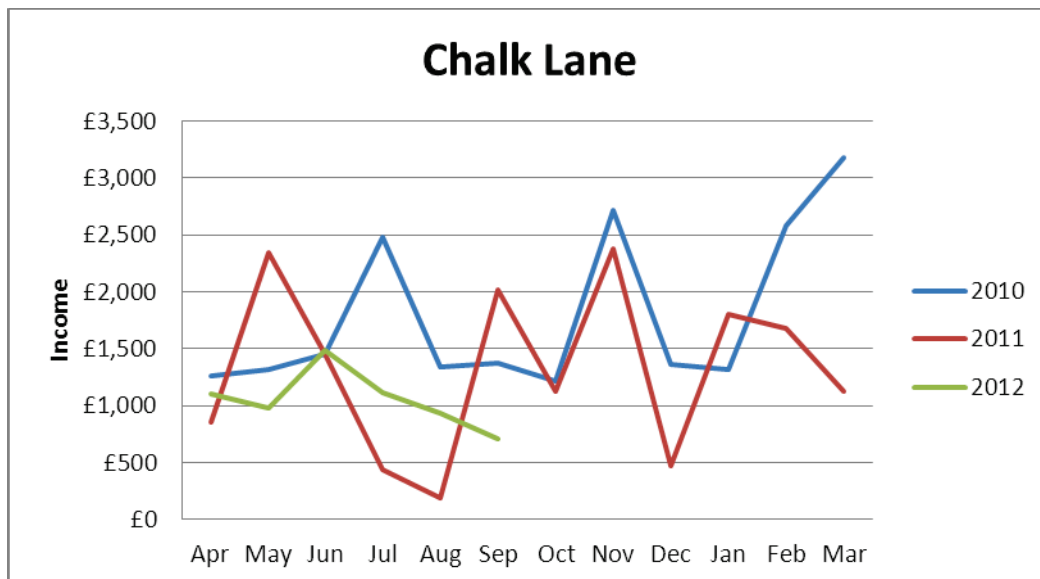
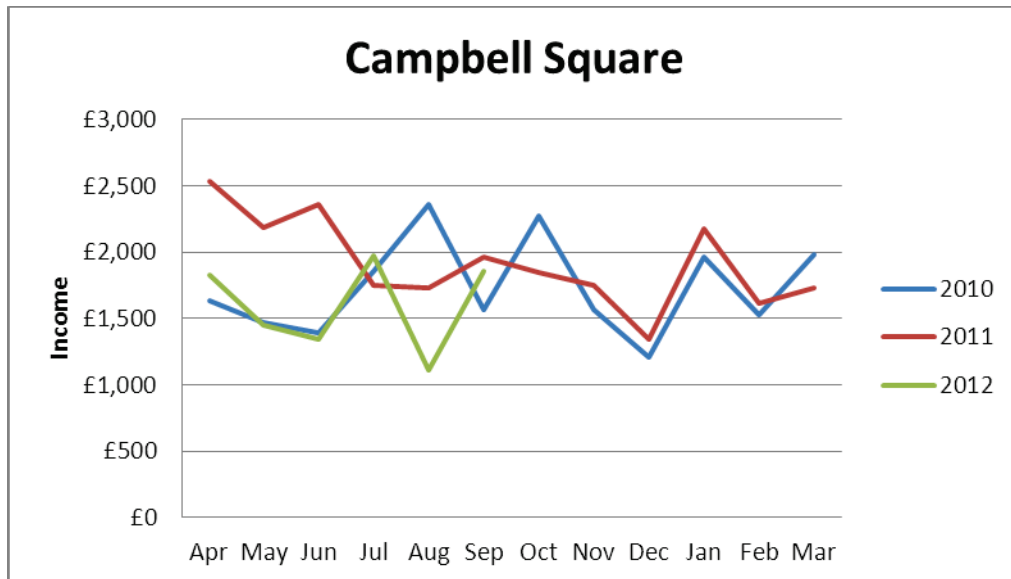


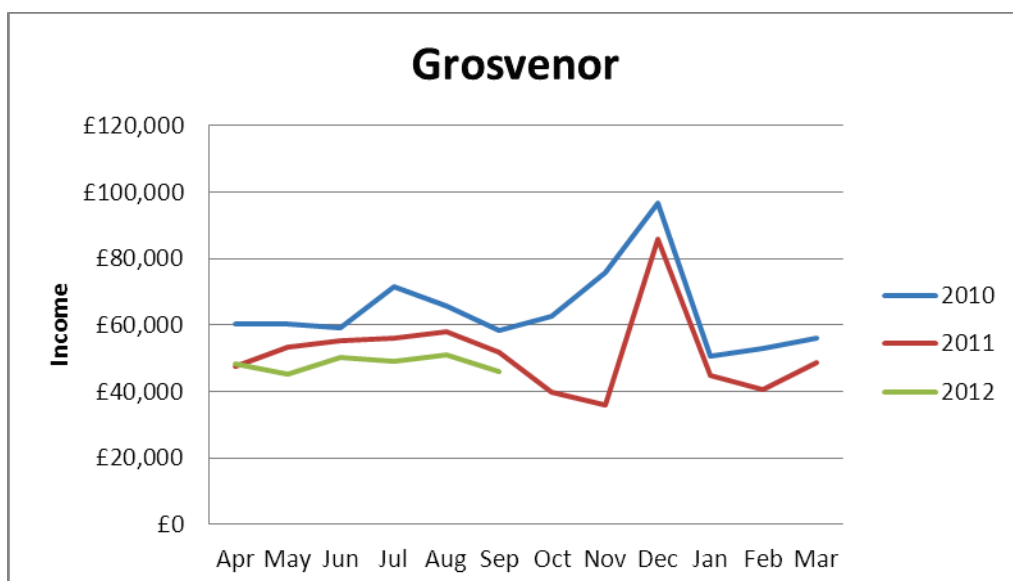
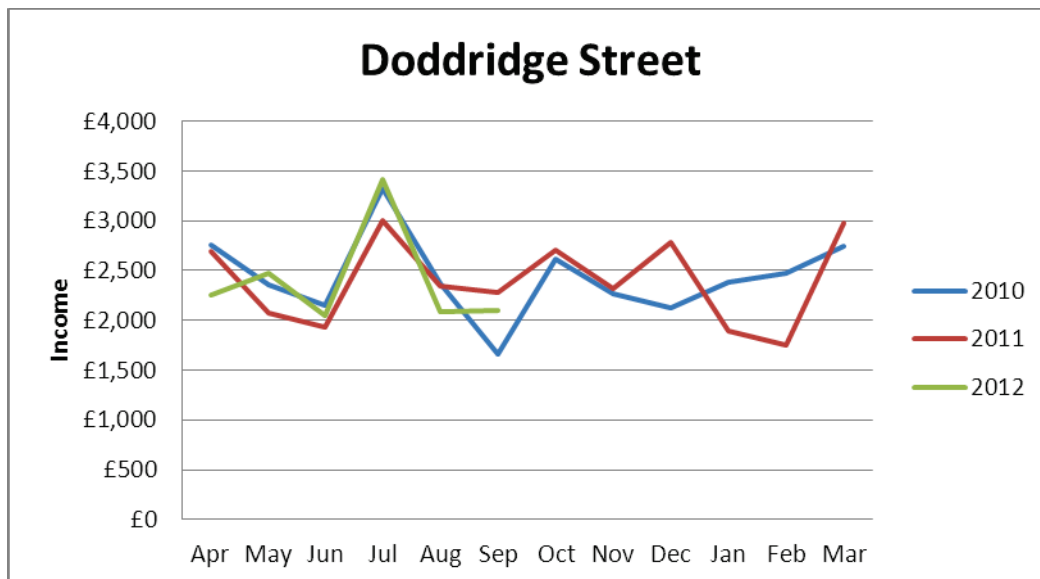
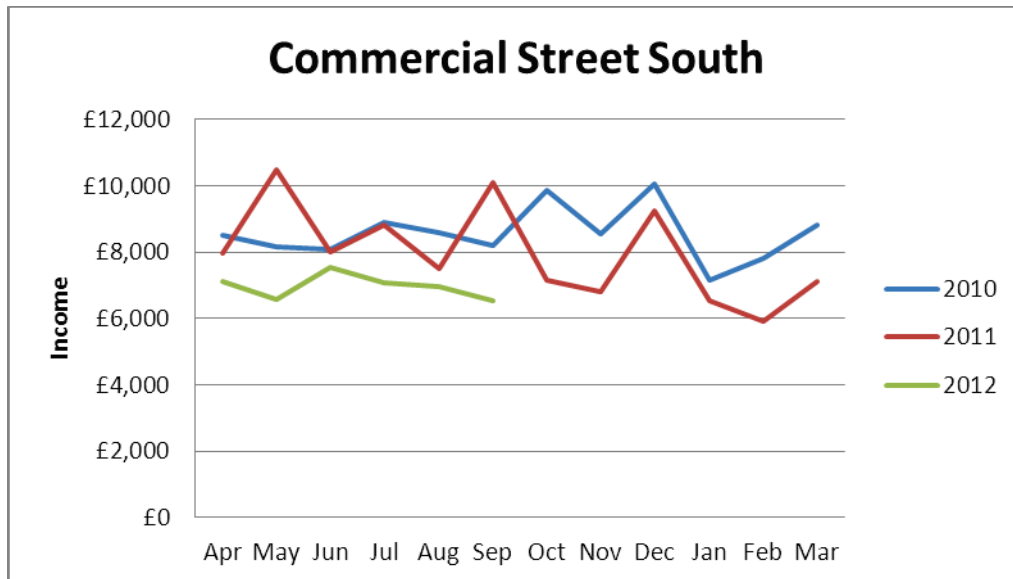


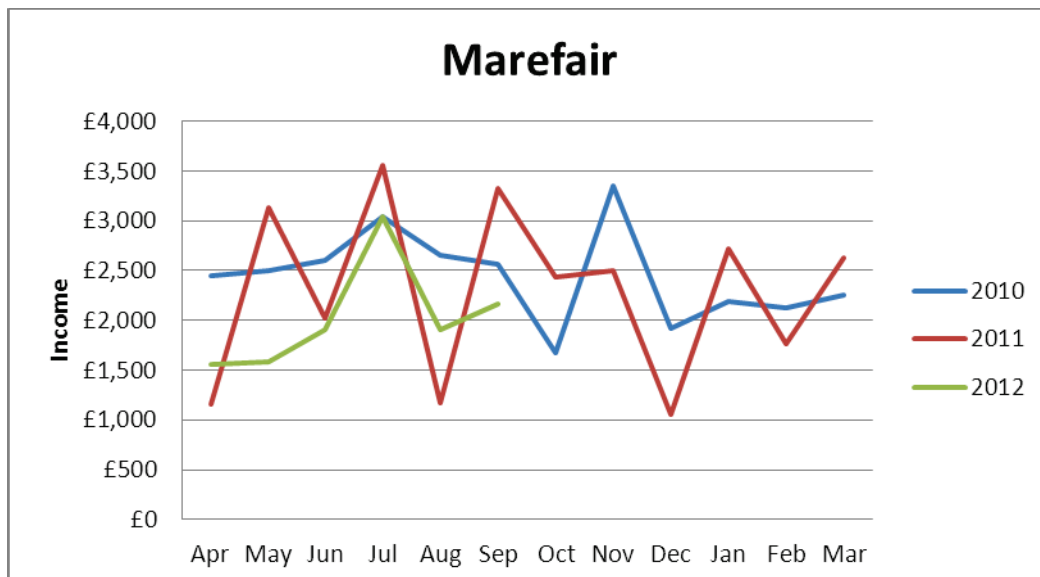
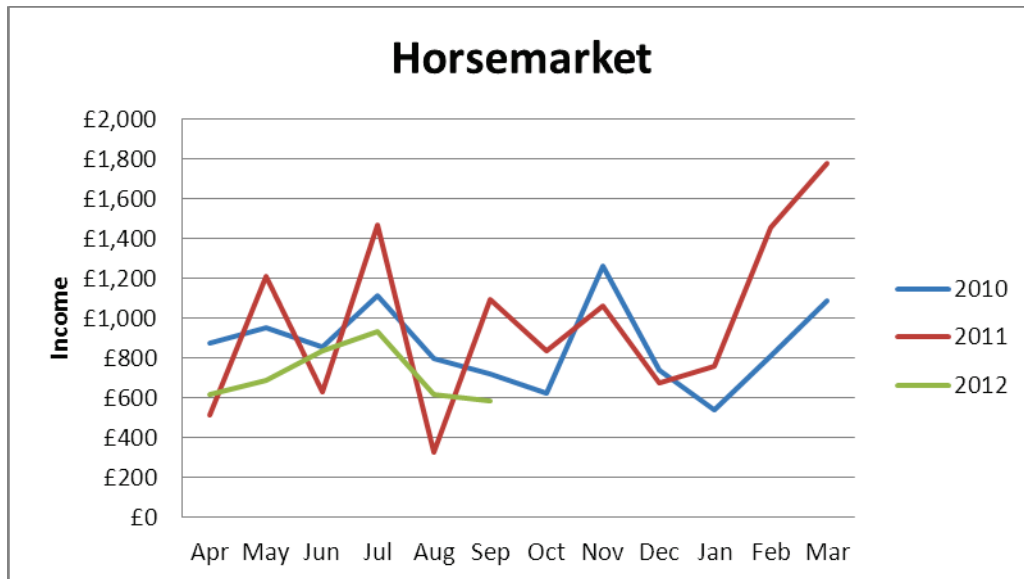


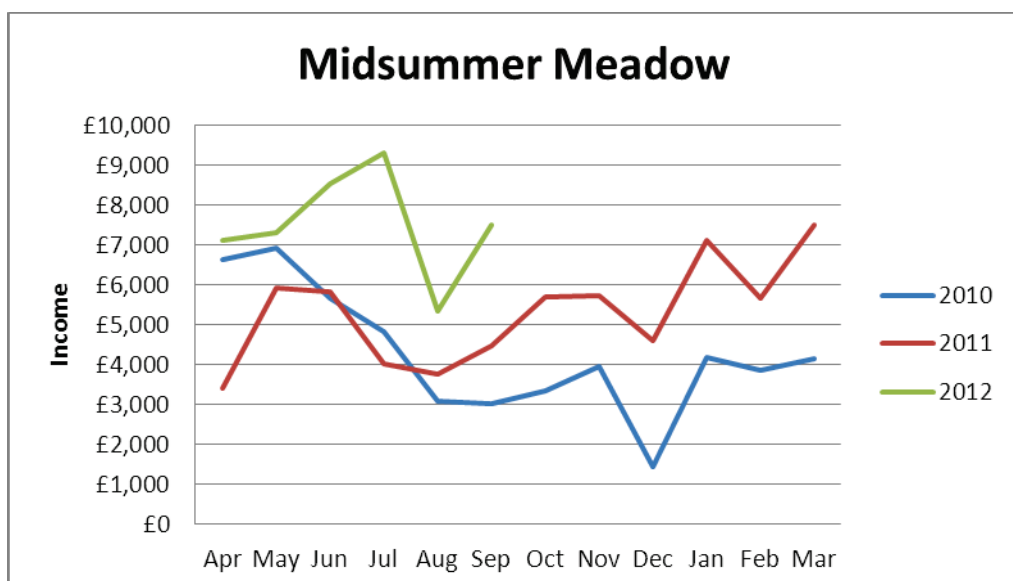
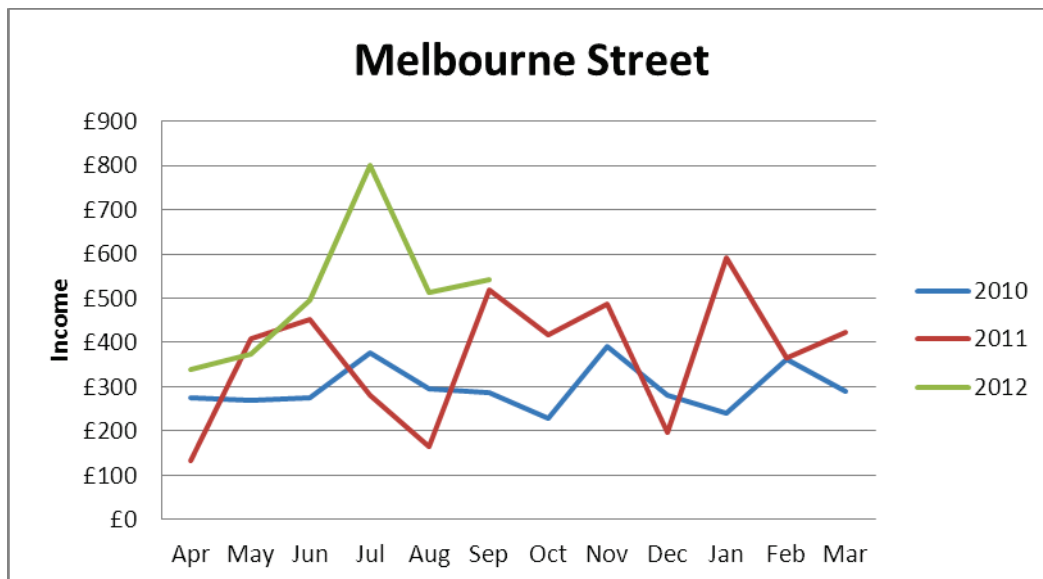
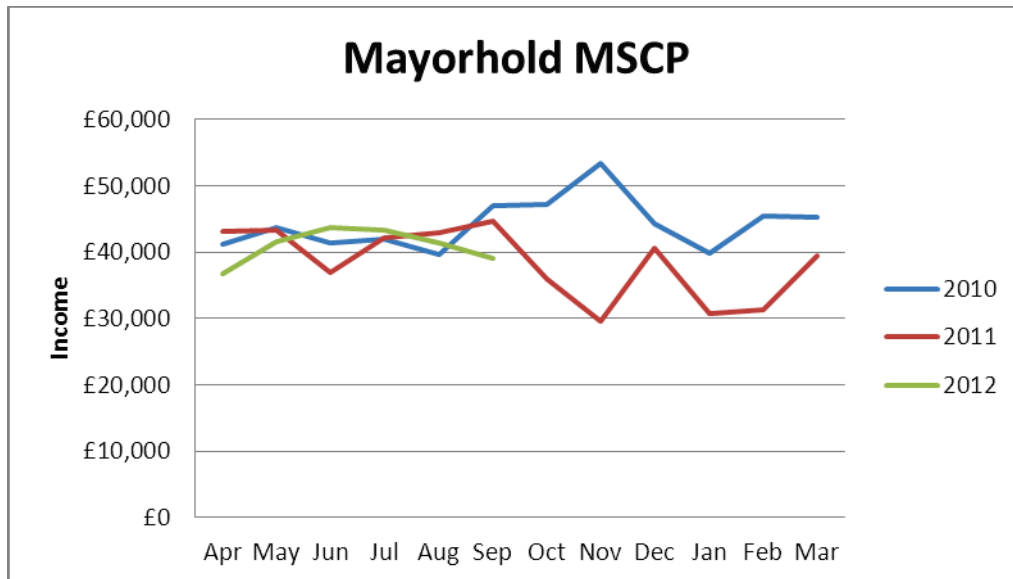
Breakdown of Income by Car Park

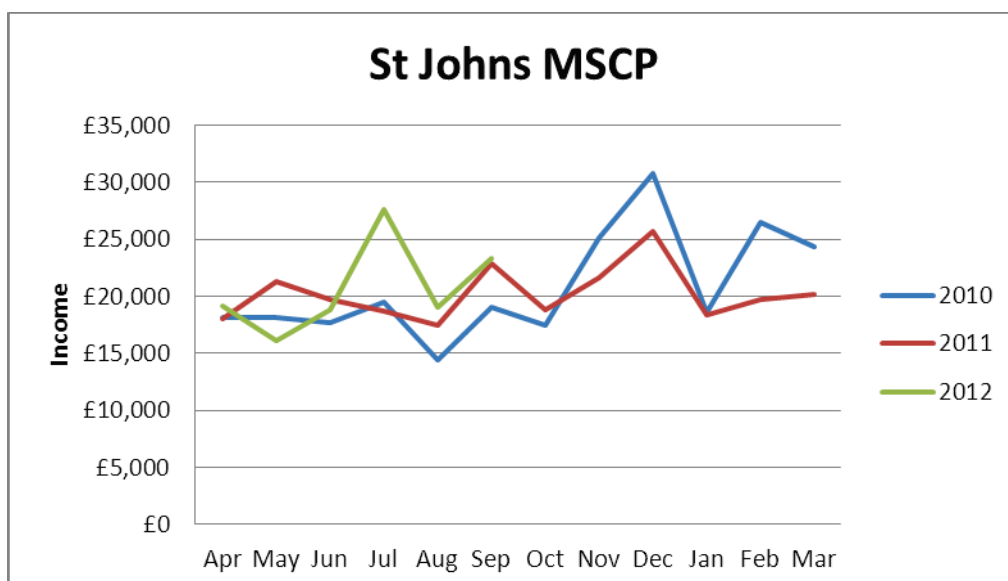
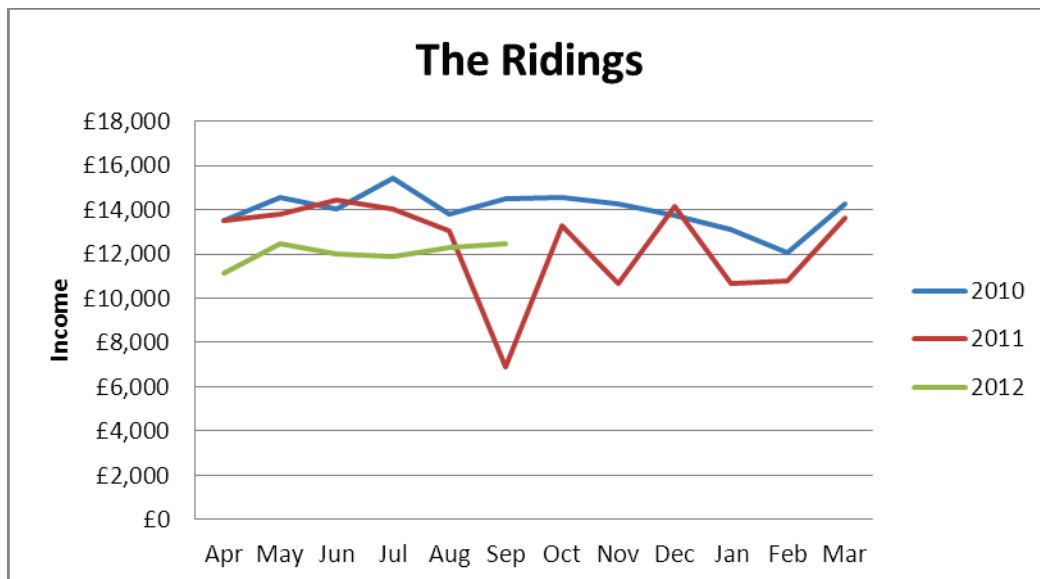
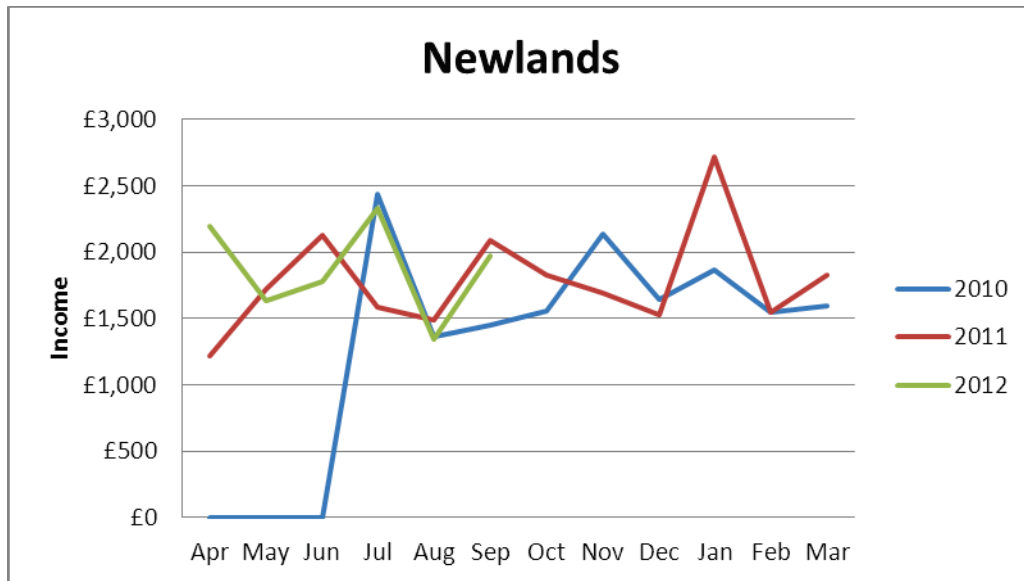


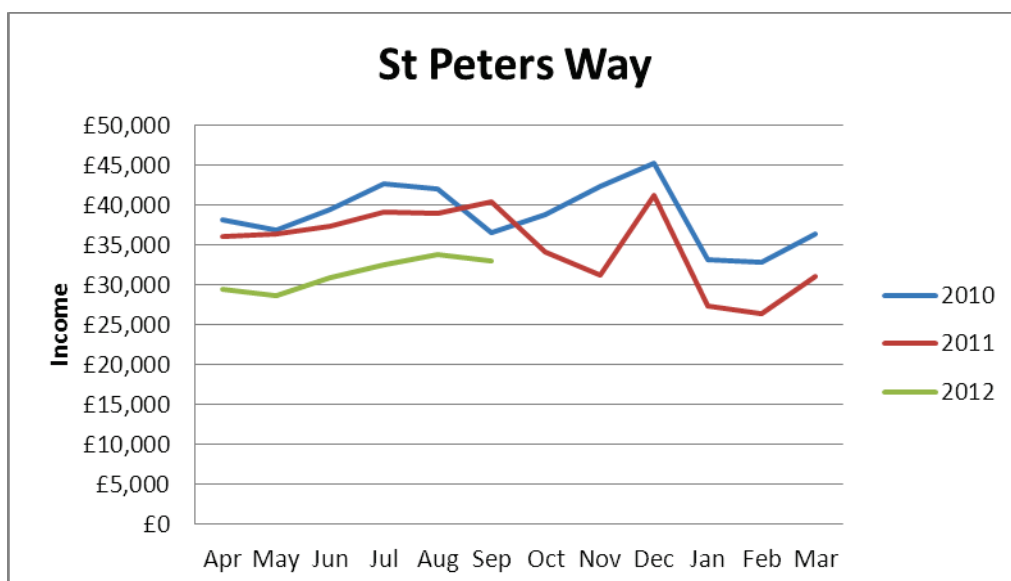
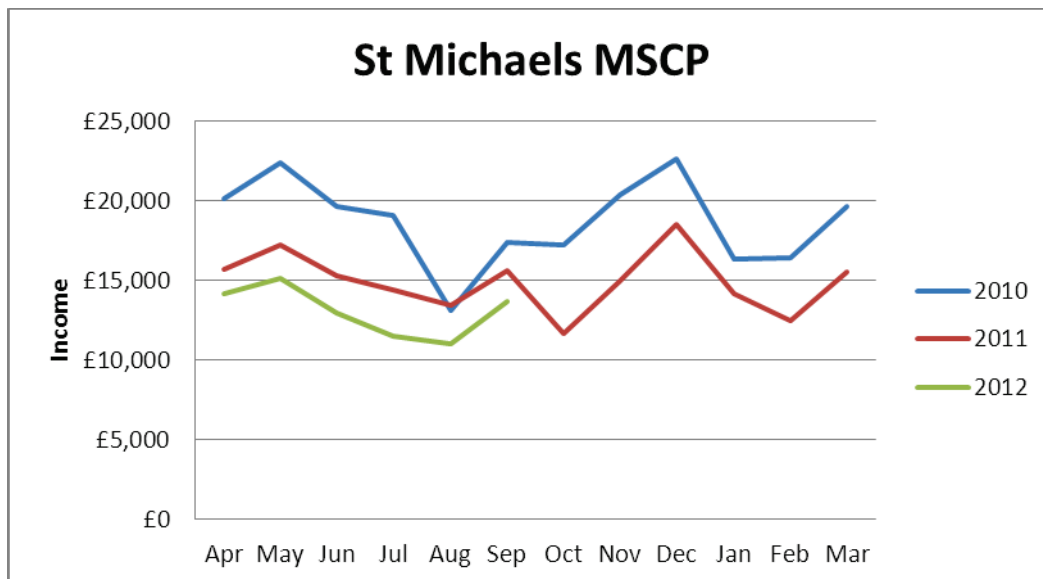
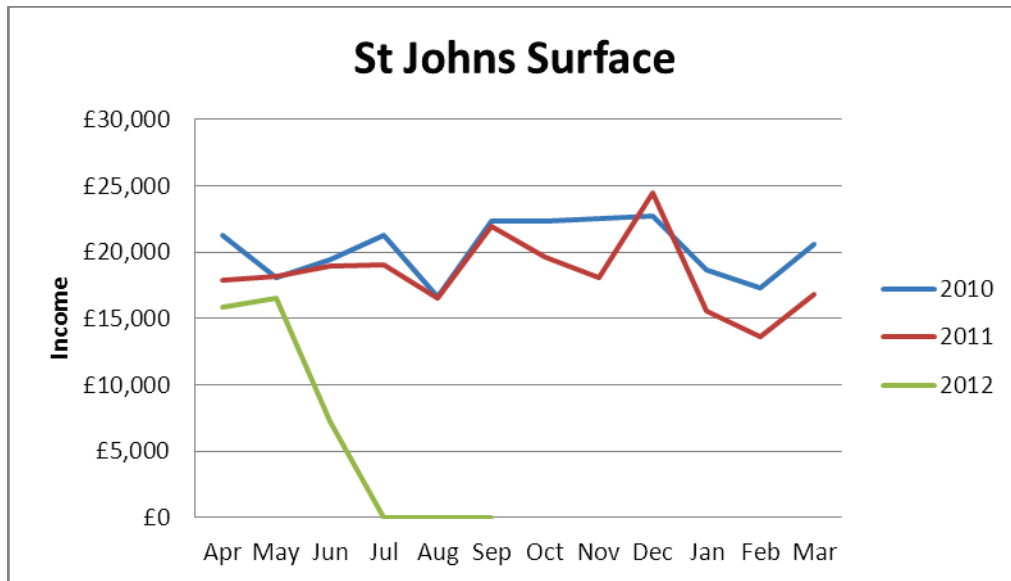


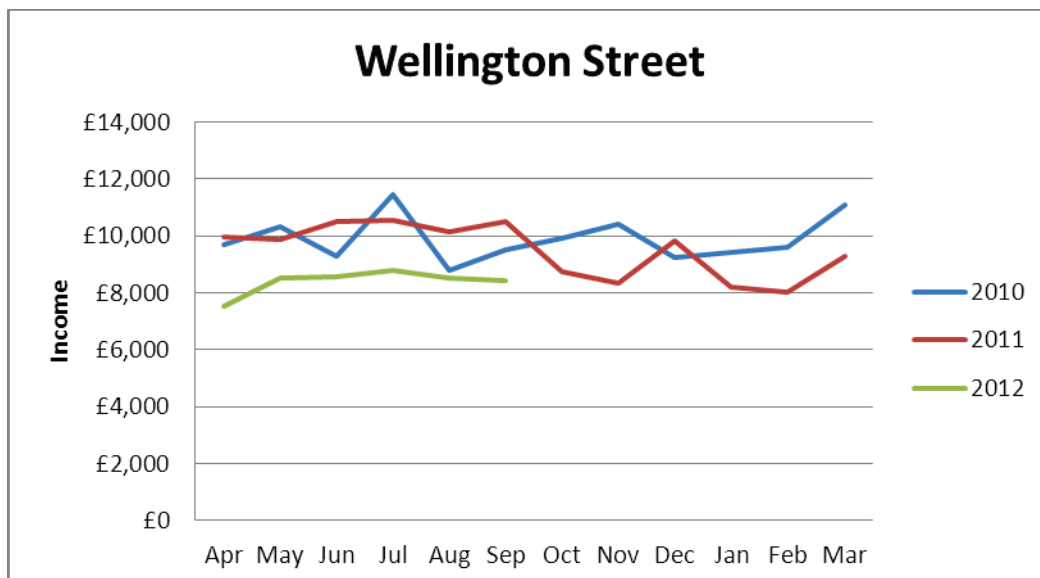
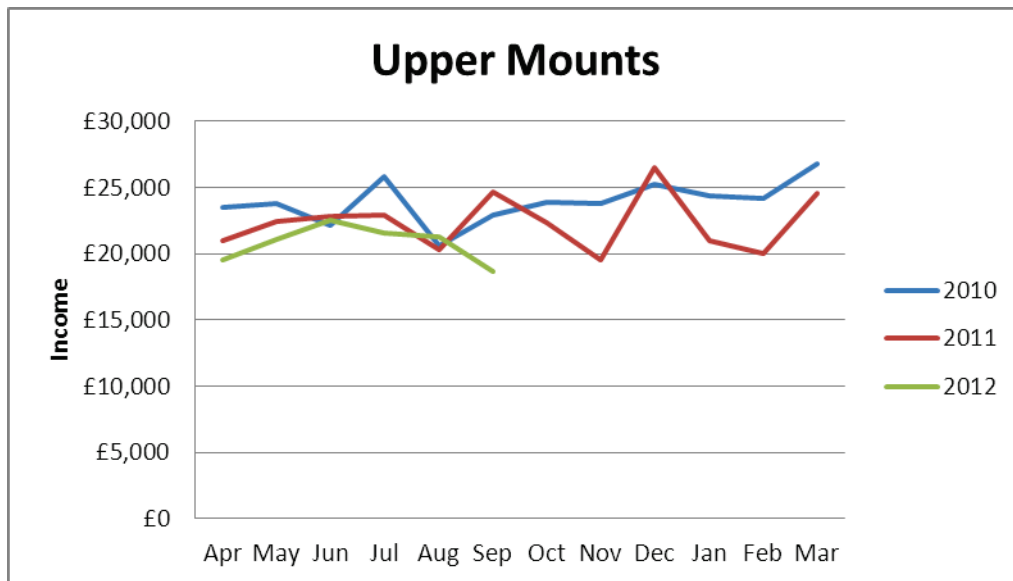












Appendices: 6



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Financial Monitoring Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	5 th November 2012
Policy Document:	No
Directorate:	Resources
Accountable Cabinet Member:	Cllr Alan Bottwood

1. Purpose

- 1.1 To present Audit Committee with the Financial Position to 30th September 2012.
- 1.2 To update the Audit Committee with position on car parking income and usage to 30th September 2012.
- 1.3 To update the Audit Committee on the position in relation to the Council's outstanding debts as at 30th September 2012.

2. Recommendations

- 2.1 To consider the contents of the Finance Reports:
 - General Fund Revenue (**Appendix 1**)
 - General Fund Capital (**Appendix 2**)
 - HRA Revenue (**Appendix 3**)
 - HRA Capital (**Appendix 4**)
- 2.2 To note the position on car parking income and usage as at 30th September 2012 (**Appendix 5**).
- 2.3 To note the latest position in relation to the Council's outstanding debts as at 30th September 2012 (**Appendix 6**).
- 2.4 To consider whether Audit Committee require additional information in order to perform their governance role.

3. Issues and Choices

3.1 Report Background

- 3.1.1 A Finance and Performance report is taken to Cabinet on a quarterly basis (including the outturn report). Finance reports are published monthly on the intranet with the exception of the beginning of the financial year and the final months of the financial year.
- 3.1.2 Audit Committee has asked to receive these reports. These will be brought to the first available Audit Committee following report production.
- 3.1.3 The audit committee has also asked for more detailed information in relation to car parking income and usage and debt recovery.

3.2 Issues

3.2.1 Budget Monitoring commenced at Period 2 (position to the 31st May) for this financial year. The latest position and financial variances for Period 6 are outlined in the following appendices:

- **Appendix 1** – General Fund Revenue Report to the End of September 2012
- **Appendix 2** – General Fund Capital Report to the End of September 2012
- **Appendix 3** – HRA Revenue Report to the End of September 2012
- **Appendix 4** – HRA Capital Report to the End of September 2012

3.2.2 The significant variances at this point in time are as follows:

3.2.2.1 General Fund Revenue

- The Planning Fee income anticipated increases in fees dictated by Government. These increases have been delayed and are now expected to be introduced in December at the earliest leading to a forecast under recovery of income of £72k.
- There is a reduction in external audit fees of £85k which was not known when the budget was set creating a saving. In addition there is a saving also on the Internal Audit contract.
- A number of key service areas under Strategic Housing are showing forecast overspends due to Call Care contract cancellations, and the increase in number of homeless households requiring temporary accommodation, (£97k). Vacancies held are being used to help manage the overall Strategic Housing budget. However management are now forecasting and £120k overspend for the service.
- The Community Safety service is reporting a £70k overspend due to the cancellation of the Daventry CCTV contract becoming more costly than originally forecast.
- The Customer Access service are forecasting an overspend of £85k due to employees vacancy factors not being achieved as budgeted.
- There is a downward trend in Car Parking daily ticket income forecast of £200k along with a forecast shortfall in season ticket income of £210k.

- The amount of money required to be set aside to finance borrowing is £325k below budget as less borrowing was undertaken in 2011-12 than planned. £248k of this has been transferred to the debt financing earmarked reserve to protect against future interest rate volatility leaving a forecast saving of £77k.

3.2.2.2 HRA Revenue

- Interest charges on new long-term borrowing is higher by £407k due to last minute changes to interest rates at HRA Subsidy buyout time.
- Dwelling rent income due is forecast to be £200k over as the result of improvements made in management of void dwellings.
- Service charges due are forecast to be lower by £180k reflecting forecast lower charges to leaseholders in respect of repairs and maintenance.
- The Contribution to the Bad Debt Provision is forecasting a saving of £200k reflecting the better than budgeted arrears performance.
- There is an increase forecast net contribution from earmarked reserves of £150k to help manage working balances in line with minimum levels

3.2.3 The graphs and commentary at **Appendix 5** shows the position for car parking usage and income to 30th September 2012.

3.2.4 The managed debt analysis and commentary to 30th September 2012 are shown at **Appendix 6**.

3.2 Choices (Options)

3.3.1 None

.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no specific policy implications arising from this report.

4.2 Resources and Risk

4.2.1 The reports at Appendices 1-4 detail any resource issues facing the Council from its forecast financial position for 2012/13.

4.2.2 The **Appendix 5** shows greater detail with regard to car parking income.

4.2.3 The **Appendix 6** shows the year-end position with regard to the management of the Council's debt.

4.3 Legal

4.3.1 There are no specific legal implications arising from this report.

4.4 Equality

4.4.1 There are no specific equalities implications arising from this report.

4.5 Consultees (Internal and External)

4.5.1 None at this stage.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Protecting and enhancing the reputation of Northampton Borough Council.

4.7 Other Implications

4.7.1 Not applicable

5. Background Papers

Appendix 1 – General Fund Revenue Report to the End of September 2012

Appendix 2 – General Fund Capital Report to the End of September 2012

Appendix 3 – HRA Revenue Report to the End of September 2012

Appendix 4 – HRA Capital Report to the End of September 2012

Appendix 5 – Car parking usage and income to 30th September 2012

Appendix 6 – Managed Debt Analysis to 30th September 2012

Isabell Procter
Director of Resources, ext 8757

**General Fund Revenue Budget Forecasts 2012/13
September 2012**

Division	Ksa	Service Area	Revised Budget £000's	Forecast £000's	Forecast Variance £000's	RAG Status	Description
Director of Regeneration, Enterprise & Planning	DR02	Director of Regeneration, Enterprise & Planning	233	233	4	G	
Director of Regeneration, Enterprise & Planning	FA01	Asset Management	1,521	1,475	(46)	G	
Director of Regeneration, Enterprise & Planning	FA06	Other Buildings & Land	(1,449)	(1,452)	(3)	G	
Director of Regeneration, Enterprise & Planning	RG01	Head of Regeneration & Development	98	98	0	G	Savings are currently forecast as a result of posts being vacant
Director of Regeneration, Enterprise & Planning	RG02	Regeneration & Investment	992	1,021	28	G	
Head of Regeneration and Development	PE02	Building Control	1,182	1,141	(21)	G	
Head of Regeneration and Development	PE02	Building Control	(36)	(22)	15	G	
PE03	Development Control		430	528	98	A	Planning fee income has on average been lower than budgeted for the first 4 months of the year. There was an expectation that prices would be increased by central government in the middle of the year. However this is now more likely to be December at the earliest. This has resulted in a forecast of £72k less Planning fee income than budgeted. In addition a further £24k is forecast due to a non matched Planning and Performance Agreement, increased advertising and publicity for some planning applications, and professional subscriptions reflecting the increase in staff following restructure.
PE06	Head of Planning		125	125	0	G	
PE15	Joint Planning Unit Manager		252	252	0	G	
PE17	Planning & Regen Central Support		102	92	(10)	G	
RG04	Planning Policy & Conservation		733	685	(48)	G	
Head of Planning			1,605	1,660	55	A	Savings of (£46k) are currently forecast as a result of posts being vacant.
Director of Regeneration, Enterprise & Planning	FA04	Non Distributed Costs	2,997	3,035	38	G	
Corporate	DR03	Director of Resources	4,305	4,280	(25)	G	
Corporate	DR03	Director of Resources	4,305	4,280	(25)	G	
Director of Resources	DR03	Director of Resources	1,495	1,481	(14)	G	
Director of Resources	DR03	Director of Resources	1,495	1,481	(14)	G	
HR01	Human Resources		948	948	(15)	G	
GC08	Communications		219	222	3	G	
GC15	Emergency Planning		53	53	0	G	
PI20	Performance and Change		274	270	(4)	G	
Head of Business Change	HS02	Head of Finance & Resources	1,509	1,492	(17)	G	
Head of Business Change	FA02	Financial Services	1,334	1,332	(2)	G	
Head of Business Change	FA03	Audit	353	272	(81)	G	This is due to the 2012/13 scale of fees for External Audit being less than anticipated at budget setting and savings on the Internal Audit contract.
Head of Business Change	FA05	Investments	65	48	(18)	G	
Head of Business Change	FA08	Office Accommodation	1,557	1,510	(46)	G	Savings are being forecast as a result of energy price rises not being as high as originally anticipated.
Head of Business Change	FA19	Exchequer Service	489	489	0	G	
Head of Business Change	HS01	Benefits	(67)	(25)	42	G	Lower than anticipated Benefit subsidy is projected, largely as a result of an increased caseload on Homelessness.
Head of Business Change	HS03	Revenues	319	337	18	G	
Head of Business Change	PR01	Procurement	139	139	(1)	G	
Head of Finance & Resources			4,276	4,195	(81)	G	
Head of Finance & Resources			11,585	11,448	(137)	B	
Director of Housing	DR05	Director of Housing	184	184	0	G	
Director of Housing	DR05	Director of Housing	184	184	0	G	
CS02	Call Care		(232)	24	256	R	There have been a number of contracts cancelled within the call care service which has impacted on the levels of income for the service. This has been partly offset by savings in expenditure.
HS05	Home Choice & Resettlement		417	367	(50)	G	There are a variety of posts being held vacant within this service to help manage the Strategic Housing budgets.
HS12	Housing Options		449	385	(64)	G	There are a variety of posts being held vacant within this service to help manage the Strategic Housing budgets.
HS13	Head of Strategic Housing		130	149	18	G	
PE09	Travellers Sites		26	26	(0)	G	
PE12	Private Sector Housing Solutions		67	18	(49)	G	
RG03	Housing Strategy		56	65	9	G	
Head of Strategic Housing			914	1,034	120	R	
Head of Strategic Housing			1,098	1,218	120	R	
CX01	Chief Executive		184	186	2	G	
GC02	Civic and Mayoral Expenses		104	103	(1)	G	
GC05	Overview and Scrutiny		43	44	1	G	
GC06	Councillor & Managerial Support		562	555	(7)	G	
LD02	Electoral Services		174	177	3	G	
LD03	Land Charges		(61)	(63)	(2)	G	
LD04	Legal		712	740	28	G	Higher licencing income expected from Houses in Multiple Occupation.
LD08	Democratic Services		317	319	2	G	

Division	Ksa	Service Area	Revised Budget	Forecast	Forecast Variance	RAG Status	Description
Borough Secretary			2,034	2,041	7	G	
Borough Secretary			2,034	2,041	7	G	
Director of Customers and Communities			239	232	(67)	G	Savings of (£64k) are currently forecast as a result of posts being vacant.
GC04 Policy			239	232	(67)	G	
GC09 Community & Other Grants			1,218	8	1,210	G	
GC10 Community Development			148	1,212	(1,064)	G	
GC11 Community Centres			419	88	331	G	
LS01 Head of Partnership Support			106	389	(283)	G	Savings due to vacant posts. Saving of (£14k) due to vacant posts and £13k due to reduced NDR costs.
SS01 Neighbourhood Management			99	85	(14)	G	
Head of Partnership Support			1,938	100	1,838	B	
CE02 Community Safety			404	1,882	(1,478)	A	There is funding for the Crime & Disorder service which is not going to be received of £25k. The cancellation of the Daventry CCTV contract has been more costly than anticipated
CE04 Leisure Contract			946	474	472	G	
LD06 Licensing			(239)	(228)	(11)	G	
PE07 Pest Control			42	32	(10)	G	
PE10 Commercial Services			332	346	(14)	G	
PE11 Environmental Protection			1,051	1,043	(8)	G	
PE16 Head of Public Protection			73	71	(2)	G	
SS09 Environmental Services Contract			6,679	6,679	0	G	
SS20 Environmental Services			(372)	(353)	(19)	G	
Head of Public Protection			8,916	9,011	(95)	A	
CE06 Museums and Arts			671	691	(20)	G	
CS03 Head of Customer & Cultural Services			110	109	(1)	G	
CS04 Customer Access			1,524	1,609	(85)	A	The overspend is mostly attributable to employee costs, the largest variance relates to the vacancy factor which is not forecast to be achieved. Service Managers are investigating ways in which to mitigate this forecast.
CS05 Print Unit			208	220	(12)	G	
PI02 Information Technology			2,166	2,167	(1)	G	
PI14 Telephones			247	247	0	G	
Head of Customer & Cultural Services			4,927	5,043	(116)	R	
CE03 Events			268	249	(19)	G	
CE23 Town Centre Management			(32)	(24)	(8)	G	
CE24 Car Parking			(1,864)	(1,499)	365	R	Car parking daily ticket income is decreasing resulting in a shortfall in income of £200k. There have also been some season ticket contracts cancelled resulting in another shortfall of £210k. There are other minor variances offsetting this.
CE26 Bus Station			242	243	(1)	G	
FA09 Markets			51	71	(20)	G	
Head of Town Centre Management			(1,336)	(960)	376	R	
Director of Customers and Communities			14,805	15,209	(403)	R	
Total Service Budgets			32,519	32,951	(432)	R	
Debt Financing			1,540	1,463	(77)	G	
Recharges to the HRA			(5,270)	(5,270)	0	G	
Contributions from reserves			(1,416)	(1,416)	0	G	
Council Tax and other funding			(27,755)	(27,755)	0	G	
Contribution to GF Balances			100	100	0	G	
Total Corporate Budgets			(32,801)	(32,878)	(77)	G	
Total General Fund			(282)	74	356		



GF CAPITAL

Project Code & Project Description	Approved Budget February 2012		Approved Changes In Year		Latest Approved Budgets		YTD Actual Expenditure		Forecasted Year End Spend		Forecasted - Underspend / +Overspend for Year End		Budget Carried Forward		Forecast Variance RAG		Carry Forward RAG		
	A	£	B	£	C=A+B	£	D	£	E	£	F=E-C	£	G	£	RAG	RAG	RAG	RAG	
Chris Cavanagh (CC4)																			
BA122 - Fire Safety Improvement Works	0		99,600		99,600		69,291		99,600		0		0		G		G		G
BA132 - St Crispin Changing Rooms, Toilet, Car park	0		750,989		750,989		0		750,989		0		0		G		G		G
BA133 - St Crispin Football Pitches and Play Provision	0		164,796		164,796		270		164,796		0		0		G		G		G
BA136 - Water Management Works	85,000		276,585		361,585		265,376		361,585		0		0		G		G		G
BA138 - Cemeteries Refurbishment Works	0		56,744		56,744		33,234		56,744		0		0		G		G		G
BA139 - Works to Churchyards (footpaths and boundary walls)	0		2,000		2,000		0		2,000		0		0		G		G		G
BA140 - Corporate Properties - DDA Issues	0		0		0		4,527		4,527		4,527		0		G		G		G
BA141 - Unexpected in year Failures	0		0		0		-277		-277		-277		0		G		G		G
BA146 - Water Hygiene - Monitoring Improvements	82,000		0		82,000		0		82,000		0		0		G		G		G
BA169 - Northampton Skatepark	0		278,892		278,892		267,436		278,892		0		0		G		G		G
BA179 - Abington Park, Changing Room refurbishment	0		197		197		0		197		0		0		G		G		G
BA180 - Strategic Property Investment	0		500,000		500,000		0		500,000		0		0		G		G		G
BA181 - Refurbishment Abington Park Cottages 1&2	0		0		0		974		974		974		0		G		G		G
BA182 - Central Museum - Replacement of Air Conditioning Units	0		5,908		5,908		0		5,908		0		0		G		G		G
BA183 - Timber Footbridge Replacements	0		0		0		827		827		827		0		G		G		G
BA186 - Improvement to Parks Infrastructure	65,000		210,482		275,482		201,848		275,482		0		0		G		G		G
BA187 - Racecourse Bowling Green Footpaths	0		350		350		0		350		0		0		G		G		G
BA189 - Corporate Asset Improvements	200,000		81,777		281,777		83,451		281,777		0		0		G		G		G
BA190 - Investment Properties Enhancements	100,000		0		100,000		0		100,000		0		0		G		G		G
BA194 - Guildhall Renewals	132,000		75,000		207,000		61,339		207,000		0		0		G		G		G
BA196 - Grosvenor/Greyfriars - Stagecoach Relocation	0		3,000,000		3,000,000		0		3,000,000		0		0		G		G		G
BA197 - Delapre Abbey Restoration Minor Projects	100,000		0		100,000		28		100,000		0		0		G		G		G
BA368 - Upton Park Pedestrian & Cycle Bridge	0		373,011		373,011		50,102		373,011		0		0		G		G		G
BA887 - Grosvenor Greyfriars Car Park Improvement Works	0		78,000		78,000		32,724		78,000		0		0		G		G		G
BA889 - Maynhold Car Park - Drainage Works	0		80,000		80,000		0		80,000		0		0		G		G		G
BA891 - Bus Interchange	6,386,000		0		6,386,000		197,951		6,386,000		0		0		G		G		G
BA892 - Urgent Lift Renewals	181,500		0		181,500		0		181,500		0		0		G		G		G
BA894 - Mounts Baths Roof	150,200		25,200		175,400		0		175,400		0		0		G		G		G
Total for Head of Regeneration and Development	7,481,700		6,059,531		13,541,231		1,269,099		13,547,282		6,051		0		G		G		G
Fran Rodgers (FR2)																			
BK010 - Countrywide Climate Friendly Communities	0		98,511		98,511		53,874		98,511		0		0		G		G		G
BK013 - Empty Homes Programme	0		632,090		632,090		0		632,090		0		0		G		G		G
BK014 - CBL Sub-regional scheme	0		26,993		26,993		0		26,993		0		0		G		G		G
BK015 - DFG's Owner Occupiers	1,475,000		619,398		2,094,398		798,949		2,094,398		0		0		G		G		G
BK029 - Hot Property 3	0		1,392		1,392		-2,462		1,392		0		0		G		G		G
BK030 - Heatstreets	0		0		0		-56		-56		-56		0		G		G		G
BK043 - Ecton Lane Remedial Works 2	0		11,620		11,620		11,620		11,620		0		0		G		G		G
BK044 - GOEM Decent Homes Assistance	0		153,602		153,602		110,488		153,602		0		0		G		G		G
Total for Head of Strategic Housing	1,475,000		1,543,606		3,018,606		972,394		3,018,550		-56		0		G		G		G
Isabell Procter (IP1)																			
BA383 - Cinepod - Royal & Derrigate Theatre	0		350,000		350,000		0		350,000		0		0		G		G		G
Total for Director of Resources	0		350,000		350,000		0		350,000		0		0		G		G		G
Julie Seddon (JS14)																			
BA144 - Playbuilder - Dallington	0		300		300		0		300		0		0		G		G		G
BA167 - I Love My Parks	0		32,254		32,254		3,650		32,254		0		0		G		G		G
Total for Director of Customers & Communities	0		32,554		32,554		3,650		32,554		0		0		G		G		G
Marion Goodman (MG3)																			



GF CAPITAL

Project Code & Project Description	Approved Budget February 2012	Approved Changes In Year	Latest Approved Budgets	YTD Actual Expenditure	Forecasted Year End Spend	Forecasted - Underspend / +Overspend for Year End	Budget Carried Forward	Forecast Variance RAG	Carry Forward RAG
	A	B	C=A+B	D	E	F=E-C	G		
	£	£	£	£	£	£	£		
BA111 - Partnership Information Hub GIS	0	13,155	13,155	0	13,155	0	0	G	G
BA157 - COM: Telephony (VoIP)	0	7,108	7,108	-1,011	7,108	0	0	G	G
BA173 - Multi-Function Devices (MFD's)	0	29,628	29,628	0	29,628	0	0	G	G
BA192 - Content Management System Upgrade for Websites	0	3,650	3,650	3,199	3,650	0	0	G	G
BA193 - Refurbishment - Northampton Museum and Art Gallery	0	0	0	-6,825	0	0	0	G	G
BA207 - IT Infrastructure - Servers and Network Storage	162,000	0	162,000	107,950	162,000	0	0	G	G
BA743 - Electronic Record Management	0	5,911	5,911	0	5,911	0	0	G	G
BA764 - One Stop Shop. CRM	0	29,966	29,966	0	29,966	0	0	G	G
BA786 - Data Network Improvements	0	79,334	79,334	-20,717	79,334	0	0	G	G
BA808 - IT Network Replacement Programme	0	34,236	34,236	0	34,236	0	0	G	G
BA893 - Microsoft Office 2010 Upgrade	195,200	0	195,200	29,815	195,200	0	0	G	G
Total for Head of Customer & Cultural Services	357,200	202,988	560,188	112,412	560,188	0	0	G	G
Nicci Marzec (NMG)									
BA356 - Community Centres Refurbishment	15,000	5,145	20,145	450	20,145	0	0	G	G
Total for Head of Partnership Support	15,000	5,145	20,145	450	20,145	0	0	G	G
Robin Bates (RB4)									
BA145 - Cliftonville Move; New ways of working	0	55,246	55,246	28,182	55,246	0	0	G	G
Total for Corporate	0	55,246	55,246	28,182	55,246	0	0	G	G
BA164 - COM: IT Equipment New ways of working	0	65,900	65,900	0	65,900	0	0	G	G
BA165 - COM: Document Management	0	98,071	98,071	0	98,071	0	0	G	G
BA209 - Hosted Debit and Credit Card Payments	0	39,173	39,173	39,173	39,173	0	0	G	G
Total for Head of Finance & Resources	0	203,144	203,144	39,173	203,144	0	0	G	G
Susan Bridge (SB11)									
BA210 - Jeffrey Room Audio and Visual Improvements	0	6,539	6,539	4,748	6,539	0	0	G	G
BA883 - Planning IT Improvements (HPDG)	0	193,613	193,613	1,586	193,613	0	0	G	G
Total for Head of Planning	0	200,152	200,152	6,334	200,152	0	0	G	G
Steve Eisey (SE3)									
BA208 - Eastfield Park Improved Park Entrance	0	0	0	-140	-140	-140	0	G	G
BA211 - Extension of Duston Cemetery	0	42,450	42,450	0	42,450	0	0	G	G
BA872 - Night Safe & Target Hardening - SSSNP	0	13,825	13,825	0	13,825	0	0	G	G
BA890 - Central Museum - Boiler Replacement	35,000	0	35,000	1,900	35,000	0	0	G	G
BA895 - Allotment Provision	100,000	0	100,000	0	100,000	0	0	G	G
BA896 - Guildhall Loft Insulation Salix project	0	4,842	4,842	0	4,842	0	0	G	G
BA897 - Grosvenor Car Park T5 Lighting Upgrades	0	40,117	40,117	21,669	40,117	0	0	G	G
BA898 - St Michaels Car Park Led Lighting	0	88,839	88,839	71,628	88,839	0	0	G	G
Total for Head of Public Protection	135,000	190,073	325,073	95,056	324,933	-140	0	G	G
TOTALS	9,463,900	8,842,439	18,306,339	2,526,750	18,312,194	5,855	0	G	G

For Period Ending 30th September 2012

	2012/2013 £,000's Current Budget	2012/2013 £,000's Actuals	2012/2013 £,000's Forecast Outturn	Variance £,000's	RAG Status
INCOME					
Rents - Dwellings Only	-46,602	-22,982	-46,802	-200	
Rents - Non Dwellings Only	-1,112	-490	-1,117	-5	
Service Charges	-2,423	-1,391	-2,243	180	
Other Income	-85	-37	-65	20	
Total Income	-50,222	-24,901	-50,227	-5	G
EXPENDITURE					
Repairs and Maintenance	10,981	6,004	11,014	33	
General Management	6,320	2,917	6,260	-60	
Special Services	3,157	1,307	3,251	94	
Rents, Rates, Taxes & Other Charges	87	3	93	6	
Increase in Bad Debt Provision	450	125	250	-200	
Rent Rebate Subsidy Deductions	643	322	643	0	
Total Expenditure	21,638	10,678	21,511	-126	B
Net Cost of Services	-28,584	-14,223	-28,715	-131	B
Net Recharges to the General Fund	4,821	2,385	4,770	-52	
Interest & Financing Costs	6,172	3,253	6,505	333	
Voluntary Debt Repayment	8,198	4,099	8,198	0	
RCCO	3,148	1,574	3,148	0	
Depreciation/MRA	8,246	4,123	8,246	0	
Net Contribution (from) / to Earmarked Reserves	-2,000	-1,075	-2,150	-150	
Net Transfer From / (To) Working Balance	0	134	0	0	G
Working Balance b/f	-5,000	-5,000	-5,000	0	
Working Balance Outturn	-5,000	-4,866	-5,000	0	G

Notes on Forecast Variances

Rents - Dwellings Only

Projected higher rent income largely as a result of faster turnaround times on void properties.

Service Charges

Anticipated lower charges to Leaseholders in respect of repair and maintenance expenditure (includes prior year adjustment)
Note that depooled service charges are now shown on this line (this income was previously included in Dwelling Rents).

Repairs and Maintenance

Projected higher costs largely due to increased expenditure on void properties.

General Management

Lower employee costs projected as a result of vacant posts.

Special Services

Higher expenditure anticipated on cleaning of communal areas and fly tipping removal.

Increase in Bad Debt Provision

Lower contribution to the Bad Debt Provision, reflecting lower levels of rent arrears than projected.

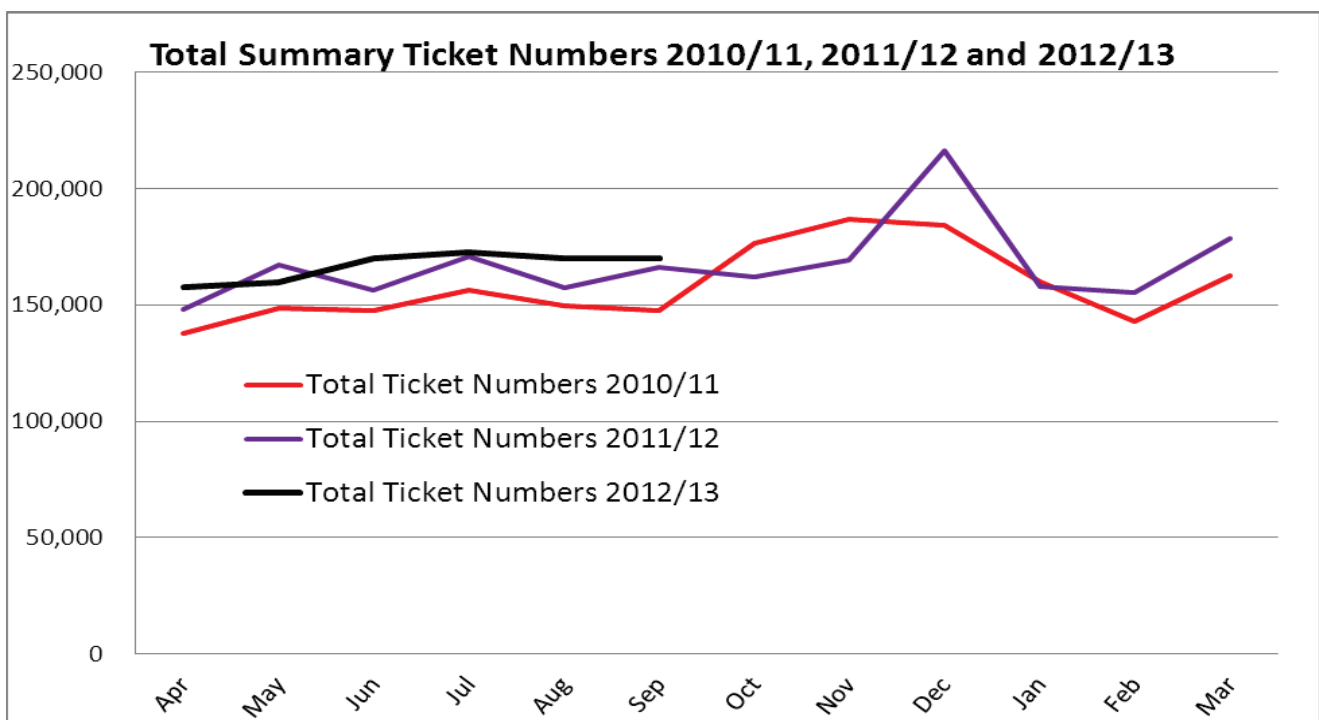
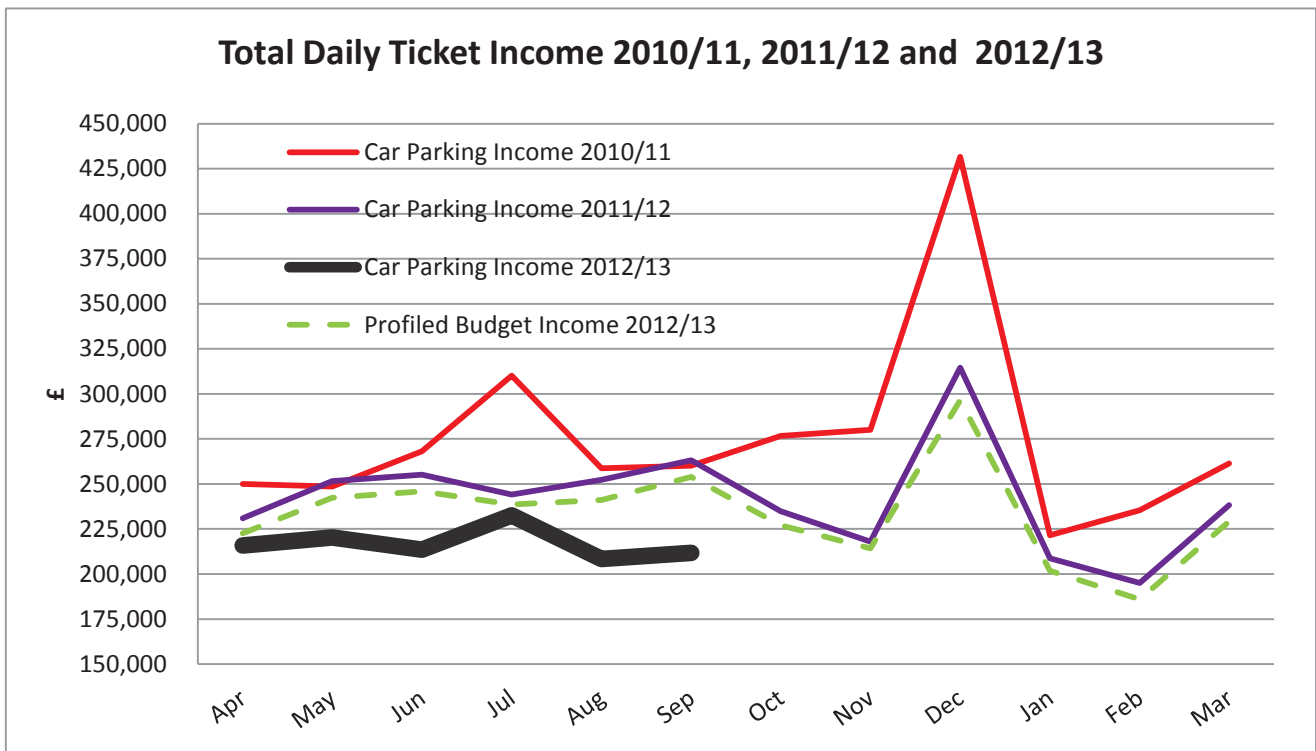
Interest & Financing Costs

Interest rates on the new HRA long-term borrowing is higher than budgeted



HRA CAPITAL

Project Code & Project Description	Approved Budget February 2012		Approved Changes In Year		Latest Approved Budgets		YTD Actual Expenditure		Forecasted Year End Spend		Forecasted - Underspend / +Overspend for Year End		Budget Carried Forward		Forecast Variance RAG		Carry Forward RAG	
	A	B	C=A+B	D	E	F=E-C	G	H	I	J	K	L	M	N	O	P	Q	R
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Fran Rodgers (FR2)																		
BA742 - Housing Systems Replacement (FISH)	0	0	0	9,486	0	0	0	0	0	0	0	0	0	0	0	G	G	
BH006 - Woodside Way New Build	0	0	0	972	0	0	0	0	0	0	0	0	0	0	0	G	G	
BH366 - Sheltered Housing Improvements	1,000,000	0	1,000,000	108,029	0	0	0	0	1,000,000	0	0	0	0	0	0	G	G	
BH367 - IT Capital	200,000	0	200,000	0	0	0	0	0	200,000	0	0	0	0	0	0	G	G	
Total for Head of Strategic Housing	1,200,000	0	1,200,000	118,486	0	0	0	118,486	1,200,000	0	0	0	0	0	0	G	G	
Head of Landlord Services (Mary Wood) (HOLS)																		
BH003 - Garages Roofs & Doors Replacement	40,000	25,201	65,201	0	0	0	0	0	65,201	0	0	0	0	0	0	G	G	
BH009 - Fire Safety Works - communal areas	150,000	0	150,000	20,949	0	0	0	20,949	150,000	0	0	0	0	0	0	G	G	
BH011 - Capital Improvement Works	300,000	1,598	301,598	350	0	0	0	350	301,598	0	0	0	0	0	0	G	G	
BH013 - Digital Aerial Upgrade	0	0	0	5,672	0	0	0	5,672	0	0	0	0	0	0	0	G	G	
BH014 - Estate Regeneration	150,000	198,224	348,224	747	0	0	0	747	348,224	0	0	0	0	0	0	G	G	
BH019 - Window Restrictors	0	26,283	26,283	0	0	0	0	0	26,283	0	0	0	0	0	0	G	G	
BH020 - Periodical Electrical Works	125,000	60,489	185,489	93,971	0	0	0	93,971	185,489	0	0	0	0	0	0	G	G	
BH021 - New Communal Boilers	0	55,543	55,543	-909	0	0	0	-909	55,543	0	0	0	0	0	0	G	G	
BH022 - Community Energy Savings Programme (CESP)	750,000	2,226,828	2,976,828	1,107,591	0	0	0	1,107,591	2,976,828	0	0	0	0	0	0	G	G	
BH023 - External Gas Supply Replacement	0	45,550	45,550	1,260	0	0	0	1,260	45,550	0	0	0	0	0	0	G	G	
BH140 - Disabled Grant - Major Repairs	1,000,000	0	1,000,000	668,465	0	0	0	668,465	1,000,000	0	0	0	0	0	0	G	G	
BH302 - Minor Adaptations for People with Disabilities	140,000	0	140,000	111,752	0	0	0	111,752	140,000	0	0	0	0	0	0	G	G	
BH304 - Complete Roofs	400,000	491,110	891,110	264,736	0	0	0	264,736	891,110	0	0	0	0	0	0	G	G	
BH305 - Structural Repairs	400,000	0	400,000	137,080	0	0	0	137,080	400,000	0	0	0	0	0	0	G	G	
BH317 - Decent Homes and Poor Condition Improvement	10,000,000	0	10,000,000	7,052,394	0	0	0	7,052,394	10,000,000	0	0	0	0	0	0	G	G	
BH321 - Door & Window Replacement	30,000	3,495	33,495	13,757	0	0	0	13,757	33,495	0	0	0	0	0	0	G	G	
BH324 - Gas Appliance Replacement - Planned Ptnrship	700,000	0	700,000	650,720	0	0	0	650,720	700,000	0	0	0	0	0	0	G	G	
BH325 - Gas Appliance Replacement - Responsive	500,000	0	500,000	807,887	0	0	0	807,887	500,000	0	0	0	0	0	0	G	G	
BH329 - Asbestos Remedial Action	100,000	0	100,000	32,261	0	0	0	32,261	100,000	0	0	0	0	0	0	G	G	
BH336 - Cooper Street Housing	0	0	0	-245	0	0	0	-245	0	0	0	0	0	0	0	G	G	
BH338 - Capital Voids	1,000,000	89,557	1,089,557	900,904	0	0	0	900,904	1,089,557	0	0	0	0	0	0	G	G	
BH345 - Kitchen replacement	200,000	46,666	246,666	152,517	0	0	0	152,517	246,666	0	0	0	0	0	0	G	G	
BH351 - Door Entry Updates	90,000	45,119	135,119	81,838	0	0	0	81,838	135,119	0	0	0	0	0	0	G	G	
BH354 - Lift Refurbishment	0	0	0	14,821	0	0	0	14,821	0	0	0	0	0	0	0	G	G	
BH364 - Environmental enhancements to housing land	140,000	187,521	327,521	175,165	0	0	0	175,165	327,521	0	0	0	0	0	0	G	G	
BH365 - Walkways	100,000	0	100,000	0	0	0	0	0	100,000	0	0	0	0	0	0	G	G	
BH368 - Communal Area Upgrades	200,000	0	200,000	0	0	0	0	0	200,000	0	0	0	0	0	0	G	G	
Total for Head of Landlord Services	16,515,000	3,503,184	20,018,184	12,293,685	0	0	0	12,293,685	20,018,184	0	0	0	0	0	0	G	G	
Lesley Wearing (LW3)																		
BH370 - Repurchase of Former Council Houses	0	500,000	500,000	0	0	0	0	0	500,000	0	0	0	0	0	0	G	G	
Total for Director of Housing	0	500,000	500,000	0	0	0	0	0	500,000	0	0	0	0	0	0	G	G	
TOTALS	17,715,000	4,003,184	21,718,184	12,412,172	0	0	0	12,412,172	21,718,184	0	0	0	0	0	0	G	G	



Notes:

- The income for the end of period 6 is £142K down against the budget for the first 6 months of 2012/13
- The volume of tickets for the year to the end of period 6 is 34k higher than the same period in 2011/12
- St John’s Surface Car Park: The closure was effective from 15th June.

APPENDIX 6

Managed Debt Analysis - Rolling Year 2011/12 into 2012/13

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
TOTAL	15,932,430	15,980,705	15,045,254	14,377,143	12,775,573	13,716,504	15,431,526	21,064,859	15,723,326	15,440,899	14,869,066	14,542,390
Awaiting Action	1,021,854	559,935	691,782	689,849	385,556	607,440	603,464	913,190	1,603,144	1,067,490	1,198,759	1,319,232
Debt in Progress	14,910,576	15,421,860	14,353,472	13,687,294	12,390,013	13,109,064	14,828,062	20,151,669	14,120,092	14,343,406	13,670,307	13,223,158
% Inactive debt [PI]	6.41%	3.50%	4.60%	4.80%	3.02%	4.43%	3.91%	4.34%	10.20%	6.91%	8.06%	9.07%
CTAX	7,674,697	7,507,756	7,276,413	6,803,605	6,510,454	6,219,947	7,698,098	7,913,392	7,590,716	7,290,809	6,995,888	6,748,462
Inactive	444,410	148,845	144,914	92,342	71,719	57,718	136,260	142,488	118,927	103,463	155,201	190,988
In progress	7,230,287	7,358,911	7,131,499	6,711,263	6,438,734	6,162,229	7,561,838	7,770,904	7,471,789	7,187,346	6,840,687	6,557,474
Inactive debt	5.79%	1.98%	1.99%	1.36%	1.10%	0.93%	1.77%	1.80%	1.57%	1.42%	2.22%	2.83%
NNDR	1,274,408	1,225,782	1,149,308	919,808	912,303	986,230	2,514,144	1,896,873	1,709,394	1,618,141	1,455,859	1,454,169
Inactive	0	0	0	0	0	0	0	0	0	0	0	0
In progress	1,274,408	1,225,782	1,149,308	919,808	912,303	986,230	2,514,144	1,896,873	1,709,394	1,618,141	1,455,859	1,454,169
Inactive debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CFDA	1,357,274	1,396,226	1,316,119	1,299,013	Not Avail	1,266,731	1,176,332	1,148,887	1,112,712	1,093,926	1,098,773	1,101,424
Inactive	138,673	127,052	102,122	214,399	Not Avail	173,231	113,802	125,612	131,638	24,447	88,542	87,568
In progress	1,218,601	1,269,173	1,213,996	1,084,613	Not Avail	1,093,501	1,062,530	1,023,275	981,074	1,039,476	1,010,231	1,013,856
Inactive debt	10.22%	9.10%	7.76%	16.50%	Not Avail	13.68%	9.67%	10.93%	11.83%	2.23%	8.06%	7.95%
HBOP	4,275,001	4,282,775	4,217,375	4,268,678	4,266,777	4,157,557	4,042,951	4,037,218	4,062,784	4,042,524	4,139,805	4,090,115
Inactive	192,674	184,294	371,672	310,033	240,767	303,417	353,402	329,457	380,956	420,694	432,663	409,456
In progress	4,082,328	4,098,481	3,845,703	3,958,645	4,026,010	3,854,140	3,689,549	3,707,761	3,681,828	3,621,830	3,707,142	3,680,659
Inactive debt	4.51%	4.30%	8.81%	7.26%	5.64%	7.30%	8.74%	8.16%	9.38%	10.41%	10.45%	10.01%
SD	1,351,049	1,569,256	1,086,039	1,086,039	1,086,039	1,086,039	Not Avail	Not Avail	1,247,630	1,395,500	1,178,741	1,148,220
Inactive	246,097	99,744	73,074	73,074	73,074	73,074	Not Avail	Not Avail	971,623	518,886	522,353	631,220
In progress	1,104,952	1,469,512	1,012,965	1,012,965	1,012,965	1,012,965	Not Avail	Not Avail	276,007	876,613	656,388	517,000
Inactive debt	18.22%	6.36%	6.73%	6.73%	6.73%	6.73%	Not Avail	Not Avail	77.88%	37.18%	44.31%	54.97%

All figures given below, are the movement in the last eleven months.

- Overall debt levels as at 30th September 2012
Unmanaged debt is £297.4k more, primarily due to the issues with the Agresso complaint codes, however the outstanding arrears continue to reduce, as they are £1,390k less.
- Council Tax as at 30th September 2012
Unmanaged debt is £235.4k less and the overall outstanding arrears are £926.2k less.
- Business Rates as at 30th September 2012
Unmanaged debt remains unchanged. The overall outstanding arrears are £179.8k more, This is primarily due to companies struggling to pay and the Council are actively pursuing the recovery.
- Former Tenant Arrears as at 30th September 2012
Unmanaged debt is £51.1k less and the overall outstanding arrears are £255.9 less.
- Housing Benefit Overpayments Payments as at 30th September 2012
Unmanaged debt is £216.8k more, this due to an increase of £100k of appeals and an increase in pending overpayments. The overall outstanding arrears are £184.9k less.
- Sundry Debts as at 30th September 2012
Unmanaged debt is £385.1k more, although this is overstated as the new complaint codes, introduced as part of the Agresso implementation, have not been updated on all accounts. The individual service areas are currently working on this and the value will drop in the next audit report. The overall outstanding balance is £202.8k less.
- Priority Debts 30th September 2012 (Current figures are be collated)
As a result of priority debt as defined by the Corporate Debt Policy we now have debt on hold awaiting clearance of priority debts. This is broadly broken down as FTA £122k, Sundry debt £20k and OPHB £134k, as at 30th September. As more cases reach consideration for court action this category of debt pending other priority debt will increase.

Appendices
0



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	The Welfare Reform Bill – Further update
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	5 th November 2012
Policy Document:	No
Directorate:	Resources
Accountable Cabinet Member:	Cllr Alan Bottwood

1. Purpose

- 1.1 The purpose of the report is to highlight further welfare benefit reforms which take effect from 2013, with particular emphasis on the changes to the Housing and Council Tax Benefit Schemes.
- 1.2 The report also seeks to provide an overview to the Committee on how these changes may affect tenants, landlords and residents in Northampton.

2. Recommendations

- 2.1 That the Committee note the forthcoming changes to Housing Benefit and Welfare Reform proposals contained in this report.
- 2.2 That the Committee notes the potential risks and service delivery implications for the council arising from these changes.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The government remain committed to further transformational changes to the welfare benefit system, with the aim of managing rising costs, delivering fairness and increasing employment. Consequently, further significant welfare reforms are due to take effect from 2013.

3.1.2 The key changes planned for 2013 are highlighted below.

Universal Credit

3.1.3 The main feature of the Bill is Universal Credit, which is set to replace the present benefit structure by bringing together a range of working-age benefits, including Housing Benefit, into a single streamlined payment. The timetable for implementation of the Universal Credit commences in October 2013 and will apply to all new claimants who are out of work. This will be followed by the gradual closure of existing benefits and Tax Credit claims and their transfer to the new system, with full transfer completed by October 2017.

Administrative arrangements

3.1.4 The preferred administrative arrangements are that the Universal Credit (UC) will be administered centrally by the Department for Work and Pensions (DWP). However, the DWP has indicated that they are keeping all options open for approaches to delivery in the longer term.

3.1.5 The DWP have established a universal credit learning network, with the aim of sharing knowledge and promoting good practise. Over the next few months the DWP intend to highlight the key activities all authorities need to undertake in order to be UC ready.

Universal Credit Pilots

3.1.6 Local authority led pilots are to run for a year and will explore how LAs can use their expertise to provide local support to future Universal Credit claimants. The pilots will allow the LAs to investigate ways of promoting digital inclusion to claimants, including internet access and improving online skills.

3.1.7 Pilots will also test how claimants can manage housing benefit monthly payments ahead of the introduction of Universal Credit from October 2013. The pilots will also look at the appropriate level of safeguards needed to help secure landlord income streams if tenants fall behind on their rent. This will entail testing out different elements of the project, including testing different trigger points when social landlords should receive direct payments if tenants fall into specified levels of arrears.

3.1.8 The projects will also inform how best to communicate the changes to claimants, provide assistance with budgeting to successfully pay their rent. The council continues to work closely with the DWP regarding the introduction of the Universal Credit and is looking at the provision of support to those claimants who need additional help in accessing on line services

Supported Housing and Universal Credit

3.1.9 The Government has decided that help with housing costs for those vulnerable claimants living in supported housing will not be included in their claim for Universal Credit when it is introduced in 2013.

Instead:

- In the short-term, there will be an interim system that is broadly similar to current arrangements- i.e. whilst claimants living in supported accommodation will receive their income from Universal Credit, they will continue to claim help with their rent from their Local Authority in the form of Housing Benefit.
- In the medium term, the DWP will design, develop and potentially pilot a more localised system for managing these costs.

3.1.10 The Government see this as the best way forward to ensure the new benefit system is flexible enough to cover the various costs within 'supported housing'.

Local Council Tax Reduction Scheme

3.1.11 Council Tax Benefit will be abolished to be replaced by a new system of support from April 2013.

3.1.12 Under the new arrangements the Government will provide the Council with 10% less than the anticipated level of expenditure on Council Tax Benefit. This will equate to around £2 million.

3.1.13 This means that the Council has to decide whether to find an extra £2 million from its finances to bridge the funding gap created by the new grant or whether to reduce its expenditure on Council Tax Support. Council Tax Benefit is available to people on low incomes including those in low paid employment. It should be noted that pensioners will be protected so any reductions would fall on people of working age, increasing the reduction in support to this group from 10% to around 20%.

3.1.14 Under the new scheme local authorities are allowed to decide how support, discounts and exemptions are applied to Council Tax. Twelve options are being suggested as to how the cost of the scheme could be funded. Because these are such important changes, residents and stakeholders are being asked how the shortfall should be covered within the Council's financial constraints.

3.1.15 The consultation runs until the 22nd October, as it is very important that the Council understand how any proposed changes may affect people before deciding on a final policy.

3.1.16 We are working to a very demanding timetable and, following considered analysis of the consultation feedback, aim to have a scheme approved by full council by the 31st January 2013. Anybody who receives Council Tax Benefit prior to April 2013 will be automatically assessed under the new local scheme rules adopted by the council and households will be advised of the amount they will need to pay when we send out annual Council Tax bills in Feb/March 2013.

Local Council Tax Reduction Scheme Support – new £100 million transition fund

3.1.17 The Department for Communities and Local Government (DCLG) acknowledge that many authorities are proposing to deliver savings using their local flexibilities with discounts and exemptions, without unfairly increasing the burden on those who are currently on benefits. However, the DCLG has expressed concern regarding the fact that some authorities are asking for very large additional contributions from those on benefits.

3.1.18 The DCLG is also of the view that councils can make savings in the new localised system from cutting fraud and error. However, the DCLG appreciate these savings may not be delivered immediately in the first year.

3.1.19 In view of the above concerns and to further assist the transition process, the DCLG has recently announced an additional £100 million of funding for councils to help support them in developing well-designed council tax support schemes, which maintain positive incentives to work.

3.1.20 This voluntary grant will be available to councils (billing and major precepting authorities) who choose to design their local schemes so that:

- Those who would be on 100% support under current council tax benefit arrangements pay between zero and no more than 8.5% of their council tax liability.
- The taper rate does not increase above 25%
- There is no sharp reduction in support for those entering work
- There is no large additional increase in non-dependent deductions.

3.1.21 The DCLG also suggest that councils will want to avoid collecting small payments and that it may consequently be better value for money for councils to avoid designing schemes which seek to do so. They anticipate that those councils seeking additional funding will make applications after 31 January 2013 and that funding will be paid in March 2013.

Council tax on empty homes

3.1.22 The Local Government Finance Bill includes provisions that will allow a billing authority to charge an empty homes premium on empty dwellings. Individual billing authorities will design their own schemes for applying the premium in their local area including the circumstances in which it may be charged, and the level at which it will be set. The government recently announced that it considered that there are circumstances in which it would be inappropriate for the premium to apply. It has therefore launched a consultation on possible exemptions which closes on 9 November 2012.

Localisation of the Social Fund

3.1.23 Community care grants and crisis loans will be replaced by localised support from April 2013. Crisis Loans are for anyone needing help in an emergency or because of a disaster. Community Care Grants support vulnerable people on benefits to return or stay in their community.

- 3.1.24 The County Council is leading on Social Fund Reform, having recently received details on the transfer of funding for a new provision from the DWP. They are currently seeking information and views of partners regarding current emergency provision, local schemes and demand / need in the area, etc.
- 3.1.25 Engagement and consultation with key stakeholders, including the Borough Council, on emerging policy and scheme design options is high priority. Councils are required to develop systems that meet the needs of local people and this could be through payment in kind, i.e. the granting of second-hand furniture or white goods rather than cash payments. It is anticipated that the County Council will want to consider how to support vulnerable people without increasing pressures in budgets.
- 3.1.26 It is proposed that options will be submitted to County Council members in November 2012, with final scheme implementation in April 2013.

Household Benefit cap

- 3.1.27 From April 2013 the Government will put a limit on the total amount of benefit that working age people can receive. This means that households claiming out of work benefits will no longer receive more in benefits than the average wage paid to those who are working. Total benefit payable will be limited to a maximum of £500 each week for couples and lone parents and £350 for single people, though entitlement to certain other benefits will exempt claimants from the Household Benefit cap.
- 3.1.28 Local authorities will be responsible for applying the Household Benefit cap to new and existing claims from April 2013, through Housing Benefit deductions closely supported by DWP colleagues. From October 2013 new claims will start to be taken through Universal Credit and the cap will be applied directly to those claims.

Introductions of the Size Criteria in the Social Sector

- 3.1.29 From April 2013 there will be a restriction on housing benefit paid to working age claimants living in social sector tenancies who are under occupying their property.
- 3.1.30 The restriction is to be levied at two rates, 14% of rent for under occupancy by one bedroom and 25% for 2 or more bedroom under occupancy. The shortfall between the rent and housing benefit will be payable by the tenant. The restriction is to be based on the number of bedrooms a claimant's household requires measured against the current size criteria applied in relation to HB claims for private tenants. The DWP impact assessment indicates that around 30% of social tenants will be impacted by this change.

3.2 Issues

3.2.1 It is anticipated that, as a result of these changes, the council may see, particularly in the short - term:

- The possible migration of families to cheaper localities;
- An increase in the use of bed and breakfast and temporary accommodation;
- Overcrowding in lower cost, but smaller properties.
- Direct payments to individuals could affect rent/debt collection
- Higher demand for debt counselling services
- Higher demand on homelessness and housing options services
- Increased enquiries for assistance in obtaining alternative accommodation
- Increased applications and demand from young people
- Increased transfer applications and bidding via choice based lettings
- Increased levels of council tenant rent arrears
- Potential impact on the council tax collection rate and recovery of wider Council debts

3.3 Choices (Options)

3.3.1 These changes relate to national reforms across the welfare system and require the Council to implement the new system in line with the planned transitional arrangements.

4. Implications (including financial implications)

4.1 Policy

4.1.1 Welfare Reform changes could impact on revenue collection by the council either as a result of reduced funding or income, additional expenditure or increases in rent and council tax arrears.

4.1.2 The Collection of tax and debts from people on minimum income used to receiving full benefit is expected to be very challenging. This will necessitate a review of the Council's collection targets and possible increases in staffing costs on recovery.

4.1.3 The council recognises that the next few years of transition to the new welfare benefit system will potentially transform current working practices as many of the reforms will impact on both the council and our stakeholders. We are therefore working together with key stakeholders to consider the role respective organisations could play going forward in terms of the help and support we offer our mutual customers.

4.2 Resources and Risk

4.2.1 The timeline for delivering Local Council Tax Reduction schemes could pose an issue in terms of assessing the financial implications of a chosen scheme. The timeline for implementation in terms of creating, amending systems and going live with a new scheme are also very challenging.

4.3 Legal

4.3.1 The Council will have a statutory duty to comply with the provisions of the new Welfare Reform Bill.

4.3.2 Any local scheme will require full review to ensure that the local regulations created to support the scheme are compliant with prescribed legislation.

4.4 Equality

4.4.1 The Government has carried out equality Impact Assessments and screening for equalities group impacts will be undertaken once service changes are known. An equality screening has been made available on our website as part of the Local Council Tax Support consultation and a full assessment will be conducted based on the scheme chosen.

4.5 Consultees (Internal and External)

4.5.1 Internal – The Councils Revenues and Benefits service have been working closely with the Councils Housing Directorate in order to develop both reactive and pro-active support for those most affected.

4.5.2 External - We will continue to consult and work closely with all stakeholders on all matters relating to the welfare reform agenda.

4.6 Other Implications

4.6.1 N/A

5. Background Papers

5.1 N/A

Author: Robin Bates, Head of Finance and Resources

Appendices - 1



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Internal audit progress report 2012/13
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	5 November 2012
Policy Document:	No
Directorate:	Resources
Accountable Cabinet Member:	Councillor Alan Bottwood

1. Purpose

1.1 To provide the Audit Committee with a report summarising progress made against the approved internal audit plan for 2012/13.

2. Recommendations

2.1 Receive the report.

3. Issues and Choices

3.1 Report Background

3.1.1 The report is produced to inform the Committee on internal audit activity in the current year up to the date of the Committee meeting.

3.2 Issues

3.2.1 As detailed in the report

3.3 Choices (Options)

3.3.1 N/a

4. Implications (including financial implications)

4.1 Policy

4.1.1 No implications other than enabling monitoring of internal audit reporting performance.

4.2 Resources and Risk

4.2.1 Risks may be highlighted as a result of audit issues being reported.

4.3 Legal

4.3.1 N/a

4.4 Equality

4.4.1 N/a

4.5 Consultees (Internal and External)

4.5.1 Director of Finance and Support and Head of Finance.

4.6 Other Implications

4.6.1 N/a

5. Background Papers

5.1 Appendices to the report

- Appendix 1 –Internal Audit Progress Report

Chris Dickens
Senior Manager
PricewaterhouseCoopers LLP
01509 604041

Internal audit progress report for Audit Committee

November 2012



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Plan outturn

2012/13 Audit Plan

We have completed our reviews in relation to Council Tax, NNDR, Housing Benefits and Museums Security and a summary of findings is included in this report. We have also scoped a number of other reviews and terms of reference have been agreed and in some cases work has commenced.

An outturn statement detailing assignments undertaken and actual activity for the current year is shown in Appendix One. We have completed, at the time this report was produced, **59 days out of a total planned 299 days (30%)**. The majority of our work is planned for quarters 3 and 4 and we are confident that we will complete all planned reviews within the financial year.

Reporting Activity and Progress

Final reports issued since the previous meeting

- **Council Tax** – We have classified our findings in this area as **Low Risk**, this is comparable with performance in the previous year. Within this report we noted one low risk issue in relation to suspense accounts which had not been reviewed or cleared on a timely basis.
- **NNDR– Medium Risk**. This is again comparable with previous years. Three medium risk issues were identified in relation to the Academy system (user access, disaster recovery and standing data changes), performance and review of reconciliations and the supply of management information in relation to the Consortium contract.
- **Housing Benefits** – We have classified our findings in this area as **Low Risk**, which is comparable to performance in the previous year. Within this report we noted four low risk issues in relation to processing of change of circumstances, rent officer determinations and backdates and approval of new user access.
- **Museum Security** – Our findings from this review will be reported to the next Audit Committee meeting.

Appendix A – Plan Outturn Statement

Ref	Auditable Unit	2012/13				Planned audit days	Actual audit days	Progress
		Q1	Q2	Q3	Q4			
A Cross-cutting								
A.1	Risk Management and Business Continuity		X			5	1	Planning
A.2	Council Tax	X				6	6	Final report
A.3	NNDR	X				10	10	Final report
A.4	Core Financial Systems Review			X		40	3	Planning
A.5	Budgetary Control				X	8		
A.6	Creditors (IBS)			X		8	1	Planning
A.7	Fixed Assets				X	6		
A.8	Housing Benefits		X			8	8	Final report
A.9	Housing rents			X		6		
A.10	Debt Recovery				X	10		
Total						107	29	
B Departmental								
B.1	Human Resources		X			8	1	Initial discussions
B.2	Customer Services and ICT			X		15		
B.3	Landlord Services				X	15		
				X		5		
B.4	Strategic Housing				X	8		
			X			8	1	Review delayed
B.5	Communications Team		X			5	1	Initial discussions
B.6	Policy and Community engagement	X				8	2	Planning
B.7	Asset Management		X			8	1	Possible defer
B.8	Environmental Services			X		5		
B.9	Cultural Services			X		5		
B.9	Cultural Services	X				8	8	Final report
B.10	Corporate Performance and Change			X		8		
B.11	Democratic and Chief Executive Services	X				8	2	Planning
B.12	Borough Solicitor Function			X		5		

Northampton Borough Council Internal Audit Progress report

Ref	Auditable Unit	2012/13				Planned audit days	Actual audit days	Progress
		Q1	Q2	Q3	Q4			
Total						119	16	
VE	Value Enhancement							
VE.1	Governance and controls workshop		X			2		
VE.2	Audit Committee Effectiveness Training		X			2		
VE.3	Anti-fraud awareness training			X		4		
VE.4	Data Matching/CAATS			X		20	1	Initial discussions
VE.5	Support on HR project	X	X	X	X	12		
VE.6	Conflicts of Interest		X			5		
Total						45	1	
PM	Project Management/Other							
PM.2	TeamCentral	X	X	X	X	10	4	
PM.3	Audit Management	X	X	X	X	18	9	
Total						28	13	
TOTAL DAYS						299	59	

Appendix B – TeamCentral Report

Summary of outstanding recommendations 2011/12 (28 September 2012)

Review title and number of recommendations in the final report	Responsible Head of Service	Total Outstanding	Outstanding and Overdue	Outstanding but not yet due	Total Implemented
11_12 NBC 02 - Voids (7)	Mary Wood	1	0	1	6
11_12 NBC 07 – Leisure Trust Contract Review (1)	Julie Seddon	1	1	0	5
11_12 NBC 08 – Core Financial Systems (12)	Catherine Wilson	1	1	0	11
11_12 NBC 10 – Performance Indicators (12)	Lesley Wearing	3	1	2	8
11_12 NBC AFHC – Anti Fraud Health Check (12)	Robin Bates	1	1	0	11
11_12 NBC 14 – Local Induction Training (3)	Catherine Wilson	3	0	3	0
11_12 NBC 15 - Debt Recovery (3)	Mary Wood	1	1	0	2
11_12 NBC 17 – Fixed Assets (2)	Robin Bates	2	0	2	0

In the event that, pursuant to a request which Northampton Borough Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PricewaterhouseCoopers (PwC) promptly and consult with PwC prior to disclosing such report. Northampton Borough Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and Northampton Borough Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, Northampton Borough Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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Appendices: 1



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Annual Audit Letter 2011/12
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	5 November 2012
Policy Document:	No
Directorate:	Resources
Accountable Cabinet Member:	Cllr Alan Bottwood

1. Purpose

1.1 To present to the Audit Committee the annual audit letter for 2011/12.

2. Recommendations

2.1 That the Audit Committee notes the final annual audit letter.

3. Issues and Choices

3.1 Report Background

3.1.1 The Council's external auditors, the Audit Commission, audit the Statement of Accounts and major grant claim and returns.

3.1.2 The Audit Commission have completed their audit and reported back the outcome, along with their opinion, to the audit committee on 26 September 2012.

3.2 Issues

3.2.1 This report merely presents the final annual audit letter to the committee.

3.3 Choices (Options)

3.3.1 That the audit committee notes the final annual audit letter for 2011/12.

4. Implications (including financial implications)

4.1 Policy

4.1.1 None.

4.2 Resources and Risk

4.2.1 There are no specific resources and risk implications arising from this report.

4.3 Legal

4.3.1 There are no specific legal implications arising from this report.

4.4 Equality

4.4.1 There are no specific equalities implications arising from this report.

4.5 Consultees (Internal and External)

4.5.1 None.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Protecting and enhancing the reputation of Northampton Borough Council.

4.7 Other Implications

4.7.1 Not applicable

5. Background Papers

Appendix 1 – Annual Audit Letter for 2011/12

Isabell Procter
Director of Resources, ext 8757



11 October 2012

David Kennedy
Chief Executive
Northampton Borough Council
The Guildhall
St. Giles Square
Northampton
NN1 1DE

Direct line 0844 798 4057
Email n-bellamy@audit-commission.gov.uk

Dear David

Northampton Borough Council Annual Audit Letter 2011/12

Further to our previous email correspondence, please find attached the annual audit letter for 2011/12.

Please could you ensure that it is made available to all members of the Council. I have sent an electronic version separately.

Can I also take the opportunity to thank you, Isabell and the rest of the team for your help and cooperation during the audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Neil Bellamy'.

Neil Bellamy
District Auditor

Cc **Isabell Procter, Director of Resources**
Trevor Croote, Audit Manager



10 October 2012

Members
Northampton Borough Council
The Guildhall
St. Giles Square
Northampton
NN1 1DE

Direct line 0844 798 4057
Email n-bellamy@audit-
commission.gov.uk

Dear Member

Northampton Borough Council - Annual Audit Letter 2011/12

I am pleased to submit my Annual Audit Letter which summarises my 2011/12 audit of Northampton Borough Council.

Financial statements

On 26 September 2012 I presented my Annual Governance Report (AGR) to the Audit Committee outlining the findings of my audit of the Authority's 2011/12 financial statements. I will not replicate those findings in this letter.

Following the Audit Committee on 26 September 2012 I:

- issued an unqualified opinion on the Authority's 2011/12 financial statements;
- concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources;
- certified completion of the audit.

Closing remarks

I have discussed and agreed this letter with the Chief Executive and Director of Resources. While this has been another challenging year for the Authority I wish to thank the finance staff for their positive and constructive approach they have taken to my audit. I also wish to thank senior management and the Audit Committee for their support and co-operation during the audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Neil Bellamy', with a long, sweeping tail that extends to the right.

Neil Bellamy
District Auditor