

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

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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

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