

Appendices: 6



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Financial Monitoring Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	23 September 2013
Policy Document:	No
Directorate:	Finance Directorate LGSS
Accountable Cabinet Member:	Cllr Alan Bottwood

1. Purpose

- 1.1 To present Committee with the financial position to 31 July.
- 1.2 To update Committee on car parking income and usage to 31 July.
- 1.3 To update Committee on the position regarding the Council's outstanding debts as at 31 August.

2. Recommendations

- 2.1 To consider the contents of the following finance reports:
 - General Fund Revenue Monitoring (Appendix 1);
 - General Fund Capital Monitoring (Appendix 2);
 - HRA Revenue Monitoring (Appendix 3);
 - HRA Capital Monitoring (Appendix 4).
- 2.2 To note the position on car parking income and usage as at 31 July (Appendix 5).
- 2.3 To note the latest position in relation to the Council's outstanding debts as at 31 August (Appendix 6).
- 2.4 To consider whether Committee requires any additional information in order to fulfil its governance role.

- 2.5 To note that the financial position to 31 July reflects the post transfer of support service functions to LGSS.

3. Issues and Choices

3.1 Report Background

- 3.1.1 A Finance and Performance report is presented to Cabinet quarterly (including the outturn report). Finance reports are published monthly on the intranet except at the beginning, and during the final months, of the financial year.
- 3.1.2 Committee has asked to receive these reports which are brought to the first available meeting following their production.
- 3.1.3 Committee has also asked for more detailed information regarding car parking income and usage, and debt recovery.

3.2 Issues

- 3.2.1 The Council's revenue and capital position as at 31 July 2013 (Period 4) is set out in Appendices 1-4.
- 3.2.2 Significant variances at this point in the year are as follows:
- 3.2.2.1 General Fund Revenue – £63k adverse

Note: for ease of understanding adverse variations (i.e. additional costs or reductions income) are shown without brackets, while favourable variations (increased income or cost savings) are shown within them.

	£000
Controllable Service Budgets	246
Debt Financing	223
Contribution From Reserves	(406)
General Fund Revenue	63

The controllable service budget variation of £246k and Debt Financing variation £223k are offset by a forecast contribution from reserves leaving an overall £63k adverse variance. The major variations are detailed below.

- Car Parking £148k forecast shortfall in income. This is within the level of an earmarked reserve for potential drawdown.
- Debt financing £223k overspend mainly due to a fall in available investment interest rates in recent months. This shortfall can be met from the debt financing earmarked reserve, which was specifically set up to deal with the budgetary risks of fluctuations in interest rates.
- Head of Major Projects and Enterprise £85k forecast due to the cost of interim cover to the financial year end supporting the Enterprise project and Regeneration areas. Other Buildings and Land £94k shortfall in rental income due to vacant premises either waiting to be re-let or being marketed for disposal. This is within the level of an earmarked reserve for potential drawdown.
- Development Control £39k underspend due to staff vacancies.

- Town Centre Team forecast £24k underspend due to delay in restructure implementation.
- Housing Services £84k forecast overspend mainly split over Call Care £91k, Private Sector Housing Solutions £51k, and a budgeted staff efficiency of £50k that is forecast not to be achieved, offset by underspend of £116k forecast staff vacancy savings on Home Choice and Resettlement.
- Head of Partnership Support is forecasting and overspend of £56k reflecting the management costs of interim cover for the Communities programme. This is offset by Environmental Protection saving of £52k due to staff vacancies and change in service working hours.

3.2.2.2 HRA Revenue – (£466k) adverse

- Supporting People funding of £550k is being withdrawn from the end of September and is now forecast. This is partly offset by a forecast underspend in staffing costs within the Wardens service as the result of a restructure. A reserve was prudently created in anticipation of the Supporting People changes occurring and is sufficient to meet the remaining net shortfall in year. Dwelling rents due in year is forecasted to be under-recovered by £85k due to increased Right to Buys in 12/13 and current year.

3.2.2.3 Capital Programme -

- GF Capital Programme - There is currently one variation forecast, a saving of £40k to St Crispin Football Pitches and Play Provision. Due to demand there are currently pressures on the Disabled Facilities Grants budget. These are being reviewed and an update will be incorporated into future monitoring reports.
- HRA Capital Programme – is on target to be delivered.

3.2.3 Appendix 5 shows the monthly levels of car parking usage and income to 31 July.

3.2.4 The managed debt analysis and commentary to 31 July are shown at Appendix 6.

3.3 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 Ongoing monitoring of the Council's budget and capital programme enables early intervention and appropriate remedial action, thus mitigating risks to the Council's financial viability and to its reputation.

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 Regular reporting of the Council's financial position helps to ensure the proper stewardship of the Council's resources. Active financial management contributes to the delivery of value for money services, enabling public money to be used to maximum benefit.

4.7 Other Implications

4.7.1 Not applicable

5. Background Papers

None

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