

Appendices: 6



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Financial Monitoring Report
---------------------	------------------------------------

AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	13 January 2014
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 October.
- 1.2 To update Committee on car parking income and usage to 30 November.
- 1.3 To update Committee on the position regarding the Council's outstanding debts as at 30 November.

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 30 November (Appendix 5).
- 2.3 To note the latest position in relation to the Council's outstanding debts as at 30 November (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 October 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 October 2013 (Period 7) 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 – £268k 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	235
Debt Financing & HRA	
Recharges	33
Contribution To Reserves	0
General Fund Revenue	268

The major variations are detailed below.

Asset Management

- Other Buildings and Land £9k - reflects mainly a £69k shortfall in rental income due to vacant premises either waiting to be re-let or being marketed for disposal. The use of an earmarked reserve (£60k) is now reflected in the figures.

Head of Major projects and Enterprise

- Head of Major Projects and Enterprise £76k forecast due to the cost of interim cover to the financial year end supporting the Enterprise project and Regeneration areas.

Head of Planning

- Development Control (£294k) favourable mainly due to forecast better fee income than budgeted due to a higher level of planning applications.

Housing

- Housing Services £241k adverse forecast - mainly split over Call Care £18k, Private Sector Housing Solutions £242k, and a budgeted staff

efficiency of £50k that is forecast not to be achieved, partially offset by underspend of (£68k) forecast staff vacancy savings on Home Choice and Resettlement.

Head of Customers and Cultural services

- Car Parking -£36k - The forecast overspend reflects anticipated additional employee and security costs. The forecast variance has taken into account the use of reserve of (£75k), for the August extended free parking, and (£198k) of an earmarked car parking reserve to cover the fund the lower receipts for daily and season tickets.
- Museums - £71k adverse – Agency costs of £102k and reduced donations of £15k are partially offset by vacancy savings £46k.

Corporate Budget

- Debt Financing £237k overspend mainly due to a fall in available investment interest rates in year to date. This shortfall can be mainly met from the debt financing earmarked reserve, which was specifically set up to deal with the budgetary risks of fluctuations in interest rates. The use of this reserve up to (£212k) is now reflected in the figures leaving a £25k adverse position.

3.2.2.2 HRA Revenue – £16k adverse

- Supporting People funding of £550k is being reduced significantly 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 £263k due to increased Right to Buys in 12/13 and current year. Rent Rebate Subsidy deductions are forecast to be nil for the year resulting in a (£96k) saving to the HRA.

3.2.2.3 Capital Programme -

- GF Capital Programme - There are two variations forecast, a saving of (£40k) to St Crispin Football Pitches and a saving to Planning IT Improvements £30k. Due to demand the pressures experienced on the Disabled Facilities Grants budget have been lifted by the bringing forward of budget from 14/15 to cover this demand. The approved budget changes are now reflected.
- HRA Capital Programme – is forecasted to be underspent by £2.1m with £1.7m being re-phased into 14/15 financial year for the Sheltered Housing Improvements scheme

3.2.3 Appendix 5 shows the monthly levels of car parking usage and income to 30 November.

3.2.4 The managed debt analysis and commentary to 30 November 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

Glenn Hammons
Chief Finance Officer, Telephone 01604 366521