

Appendices:
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NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Financial Monitoring Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	14 January 2015
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 30 November.
- 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.

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 30 November 2014 (Period 8) 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 – (£83k) favourable

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	(83)
Debt Financing & HRA	
Recharges	(474)
Contribution From Reserves	0
General Fund Revenue	(557)

The major variations are detailed below.

Asset Management

- Asset Management £135k - reflects mainly temporary staff engaged to help with the delivery of higher volumes of property projects. Increased volume of projects has meant forecast of costs higher than budgeted.

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Head of Planning

- Total service area (£210k) – reflecting a number of forecast vacant post savings being carried over what was budgeted. The budgeted higher level of income by this service is forecast to being achieved in year.

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Housing

- Housing Services (£144k) favourable is mainly due to a number of staffing savings from vacant posts, mainly the Director of Housing position. This is partly offset by an adverse variance forecast on Private Sector Housing relating to Disabled Facilities Grant administration.

Borough Secretary

- Local Government Shared Service (£187k) favourable position due to pension auto-enrolment not starting in 2014/15 and transition costs not being incurred.

Head of Customers and Cultural services

- Events £90k adverse- The events budgeted sponsorship income is forecast not to be achieved due to a change in
- Museums - £71k adverse – due to additional staffing costs being incurred.
- Car Parking - £77k adverse due to the implementation of additional free car parking offers directly affecting the income received.
- Bus Station - £112k adverse – forecast reflecting the actual security costs and NNDR costs of the bus station.

Corporate Budget

- Debt Financing (£474k) favourable mainly arising from a lower level of funding by borrowing in 2013/14 due to carry forwards in the capital programme. A further saving is forecast on new long term borrowing premised on the likelihood of using internal borrowing to finance instead of externalising. In addition to this, due to carrying higher level of cash balances, the interest earned is forecast to exceed the budget.

3.2.2.2 HRA Revenue – (£184k favourable)

- 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.
- General Management / Special Services - £339k adverse and (£324) favourable respectively. This largely reflects the work carried to restructure the service ahead of the move to an Arms-Length Management Organisation (ALMO).
- Provision for Bad Debts (£400k) favourable. This reflects the current good work being carried out around arrears keeping arrears levels lower than budgeted and reflects the delayed impact of Welfare Reform rules, (that the budget had assumed would impact earlier), on those arrears. The Bad debt provision continues to be monitored.
- Dwelling rents due in year is forecasted to be under-recovered by £150k due to increased Right to Buys in 13/14 and current year. Rent Rebate Subsidy deductions are forecast to be nil for the year resulting in a (£100k) saving to the HRA.

3.2.2.3 Capital Programme -

- GF Capital Programme – The programme is currently forecast a saving of (£516k) with a forecast £1.6m carry forward into 2015/16. The forecast saving is mainly due to lower demand on Disabled Facilities

Grants (DFG) from owner occupiers (£642k). The carry forwards mainly reflect a £400k carry forward of further DFG budget and the carry forward of the St Crispins Changing Rooms, Toilet and Car Park project..

- HRA Capital Programme – is forecasted to be underspent by £3.2m. This reflects savings being forecast to be achieved on the delivery of the decent Homes programme through changes made in year to the work being delivered.

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

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