

Appendices: 6



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Financial Monitoring Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	16 March 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 31 January.
- 1.2 To update Committee on car parking income and usage to 31 January.
- 1.3 To update Committee on the position regarding the Council's outstanding debts as at 31 January.

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 January (Appendix 5).
- 2.3 To note the latest position in relation to the Council's outstanding debts as at 31 January (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 31 January 2015 (Period 10) 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 – (£27k) 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	(27)
Debt Financing & HRA	
Recharges	(573)
Contribution From Reserves	0
General Fund Revenue	(600)

The major variations are detailed below.

Asset Management

- Asset Management £250k - 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.

Head of Planning and Major Projects and Enterprise

- Total service area (£190k) favourable and £132k adverse respectively – reflecting a number of forecast vacant post savings across the service. The budgeted higher level of income by this service is forecast to be achieved in year. This has offset the costs of an Interim Enterprise Zone Coordinator.

Housing

- Housing Services (£116k) 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 £151k adverse - The events budgeted sponsorship income is forecast not to be achieved due to a change in approach. Additional costs have been incurred delivering the extended events programme.
- Car Parking £69k adverse - due to the implementation of additional free car parking offers directly affecting the income received.
- Bus Station £127k adverse – forecast reflecting the actual security costs and NNDR costs of the bus station.

Corporate Budget

- Debt Financing (£573k) 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 – (£477k) favourable

- General Management / Special Services (£113k and (£324k) favourable respectively. This largely reflects the work carried to restructure the service ahead of the move to Northampton Partnership Homes and the forecast underspend on the Service Enhancement budget.
- 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 £175k 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 (£1.8m) with a forecast £2.7m carry forward into 2015/16. The forecast saving is mainly due to lower demand on Disabled Facilities Grants (DFG) from owner occupiers (£1,442k). The carry forwards mainly reflect a number of re-phasing issues on a number of schemes including St Crispins Changing Rooms, Toilet and Car Park project, Delapre Abbey Restoration, Superfast Broadband and Moulton Athletics Track.

- HRA Capital Programme – is forecasted to be underspent by £5.9m. 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. The forecast roll forward of £3.7m mainly reflects the Decent Homes project expected to be delivered by May.

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

3.2.4 The managed debt analysis and commentary to 31 January 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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