

Appendices: 6



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Financial Monitoring Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	9 November 2015
Policy Document:	No
Directorate:	Finance Directorate LGSS
Accountable Cabinet Member:	Cllr Mike Hallam

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 30 September.
- 1.3 To update Committee on the position regarding the Council's outstanding debts as at 30 September.

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 September (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 July 2015 (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 – (£271k) 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	61
Debt Financing & HRA Recharges	(332)
Contribution From Reserves	0
General Fund Revenue	(271)

The major variations are detailed below.

Corporate Service Budgets

- Local Government Shared Services £116k adverse – This reflects the forecast underachievement of budgeted savings for Revenues and Benefits partially offset by the pension auto enrolment scheme not starting in 2015/16.

Corporate Budget

- Debt Financing (£332k) favourable mainly arising from a lower level of funding by borrowing in 2014/15 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 – (£43k) favourable

- The HRA position reflects a forecast position more favourable than budgeted mainly on Non-dwelling rent income, the leaseholder charges and garage rents. In addition to this the Interest and Finance costs are forecast to be under due to the higher level of HRA balances due to carry forwards in the capital programme from 2014/15.

3.2.2.3 Capital Programme -

- General Fund Capital Programme - Cabinet in July approved carry forwards from 2014/15 of £7.23m. In line with approved processes, the Capital Programme Board has approved changes to the General Fund capital programme as set out in Appendix 3. These additions, totalling £185k, are predominantly funded from section 106 contributions and therefore have no impact on the forecast funding from capital receipts and borrowing. The General Fund Capital Programme now stands at £69.05m. There are no significant variances reported to the end of July.
- HRA Capital Programme – The HRA Capital programme is managed by Northampton Partnership Homes apart from the New Build and Repurchase of Former Council Houses. Cabinet in July approved carry forwards from the 2014/15 budget of £7.77m. The approved Capital Programme includes £9.3m to fund the construction of 100 new Council dwellings at Dallington. The phasing of the construction programme and the approved borrowing limits by Central government requires the budget to be re-phased with £0.6m in 2015/16 and £8.7m in 2016/17. This explains the forecast of £8.7m.

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

3.2.4 The managed debt analysis and commentary to 30 September 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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