

Appendices: 5



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Financial Monitoring Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	14 November 2016
Policy Document:	No
Directorate:	Finance Directorate LGSS
Accountable Cabinet Member:	Cllr Brandon Eldred

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.

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 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).
- 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 2016 (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 – (£902k) 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	(599)
Debt Financing & HRA	
Recharges	(303)
Contribution From Reserves	0
General Fund Revenue	(902)

The major variations are detailed below:

Asset Management

- Asset Management £96k adverse mainly relates to additional temporary staff covering vacant positions and professional services to carry out valuations. Offset by overachievement of NNDR rebates following challenges.

Head of Planning

- Head of Planning (£268k) favourable is due to the higher level of development control income for the whole year offset by a drop in anticipated building control income due to market conditions.

Director of Customers and Communities

- Director of Customers and Communities (£499k) favourable reflecting additional deductions made through the Environmental Services Contract and additional car parking income.

Corporate Budget

- Debt Financing (£303k) favourable due to lower Interest on borrowing and lower MRP charges due to repayment of borrowing on short-life assets during 2015-16 and carry forward of some capital expenditure into 2016-17.

3.2.2.2 HRA Revenue – (£2,767k) favourable

- The forecast underspend position on the HRA of £2.8m relates mainly to the ongoing NPH work with the Council in identifying void costs to capitalise and the careful management of Void budget spend. It has been identified that £2.3m of this revenue budget can be invested into the Capital Programme to help fund a programme of additional units and help to ensure that the Council fully utilises the retained 141 Right to Buy receipts it currently holds.

3.2.2.3 Capital Programme -

- General Fund Capital Programme - Cabinet in July approved carry forwards from 2015/16 of £7.3m. 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 £392k, are predominantly funded from section 106 contributions, existing revenue budgets or earmarked reserves and therefore have no impact on the forecast funding from capital receipts and borrowing. The General Fund Capital Programme now stands at £21.9m.
- HRA Capital Programme – The approved HRA Capital Programme includes £9.3m to fund the construction of 100 new dwellings at Dallington. The phasing of the construction programme and the approved borrowing limits set by Central Government is currently being considered by the Treasury with a view to extending the debt cap determination into 2017/18 financial year to take into account the technical issues that are impacting against the delivery. A further update will come to Cabinet at a later date. The HRA capital programme is currently forecast to be delivered in line with the budget.

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

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

5.1 None

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