

**NORTHAMPTON BOROUGH COUNCIL
AUDIT COMMITTEE**

Your attendance is requested at a meeting to be held in the
The Jeffrey Room, St. Giles Square, Northampton, NN1 1DE.

on Monday, 29 July 2013
at 6:00 pm.

**D Kennedy
Chief Executive**

AGENDA

1. APOLOGIES

Please contact Nicola Brindley on 01604 837224 or nbrindley@northampton.gov.uk when submitting apologies for absence.

2. MINUTES

3. DEPUTATIONS / PUBLIC ADDRESSES

4. DECLARATIONS OF INTEREST

5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED

6. TREASURY MANAGEMENT OUTTURN 2012-13

Bev Dixon
Ext 7401

(Copy herewith) **Page 4**

7. FINANCE AND MONITORING OUTTURN REPORT 2012 - 2013

Glenn Hammons
01604366521

(Copy herewith) **Page 32**

8. ANNUAL GOVERNANCE STATEMENT 2012/13 CONSULTATION

Rebecca Smith
Ext 8147

(Copy herewith) **Page 68**

9. CORPORATE PERFORMANCE OUTTURN REPORT 2012-13

Francis Fernandes
Ext 7334

(Copy herewith) **Page 88**

10. TREE AND SHRUB MAINTENANCE

Steve Elsey
Ext 7508

(Copy herewith) **Page 109**

11. FINANCIAL MONITORING REPORT 2013/14.

Glenn Hammons
01604366521

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12. INTERNAL AUDIT UPDATE

C Dickens, Internal
Auditor
(PWC)

(Copy herewith) **Page 129**

13. EXCLUSION OF PUBLIC AND PRESS

THE CHAIR TO MOVE:

“THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE REMAINDER OF THE MEETING ON THE GROUNDS THAT THERE IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH CATEGORIES OF EXEMPT INFORMATION AS DEFINED BY SECTION 100(1) OF THE LOCAL GOVERNMENT ACT 1972 AS LISTED AGAINST SUCH ITEMS OF BUSINESS BY REFERENCE TO THE APPROPRIATE PARAGRAPH OF SCHEDULE 12A TO SUCH ACT.”

Public Participation

Members of the public may address the Committee on any non-procedural matter listed on this agenda. Addresses shall not last longer than three minutes. Committee members may then ask questions of the speaker. No prior notice is required prior to the commencement of the meeting of a request to address the Committee.

AUDIT COMMITTEE

Monday, 20 May 2013

PRESENT: Councillor Larratt (Chair); Councillor Oldham (Deputy Chair); Councillors Lynch, Nunn, Palethorpe, Strachan and Subbarayan.

1. APOLOGIES

Apologies were received from Councillor Bottwood (Cabinet Member for Finance).

2. MINUTES

The Minutes of the meeting held on 18 March 2013 were confirmed and signed by the Chair as a true record.

3. DEPUTATIONS / PUBLIC ADDRESSES

There were none.

4. DECLARATIONS OF INTEREST

There were none.

5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED

There were none.

6. FINANCIAL MONITORING REPORT

The Assistant Head of Finance presented a report on the financial position as at 31 March 2013, the position on car parking income and usage and the position in relation to the Council's outstanding debts as at 31 March 2013.

Officers responded to Members' comments and questions, as summarised below:

- The transfer of £23k to revenue of mortgage repossessions previously held on the balance sheet referred to unclaimed money from the 1970s which could be transferred as the statutory limitations on using the money had expired;
- The cost of £17k for Northampton Alive related to the production of the recent guide. Officers would provide members with detailed information on the cost of the Northampton Alive project;
- The savings that could be made from keeping posts vacant were weighed against the needs for service delivery. Often delays in recruiting to vacant posts resulted from the timescales involved in advertising and interviewing for the posts plus the periods of notice required from successful candidates;
- The cancellation of the contract to monitor Daventry CCTV was thought to have been a decision not to extend the contract which had been due to end in the summer of 2013. (Note: subsequent to the meeting it was found that the Daventry CCTV contract had been cancelled and that the 12 month notice required in the contract had been provided by Daventry.) Officers undertook to provide Members with further information on the contract specifications and the reason for cancellation;
- Officers undertook to provide further information in respect of how the free rat control service was publicised in response to Members' questions about why the service

- had not been taken up;
- In relation to the drop in daily income from car parks, the anticipated income set in the budget for 2012/13 had been revised downwards as a result of the concessions introduced during the previous year. The anticipated shortfall of £200k was against the revised lower income figure and not the figure shown in the original budget. It was noted that further information on car parking and bus use into the town centre had been requested when a detailed report had last been considered by the Committee in November 2012. Members asked that when this report is made to a future meeting information should be included on footfall in the town centre

RESOLVED:

1. That the contents of the report be noted as below:
 - General Fund Revenue Monitoring (Appendix 1 of the report);
 - Housing Revenue Account (HRA) Revenue Monitoring (Appendix 2 of the report);
 - General Fund Capital Monitoring (Appendix 3 of the report);
 - HRA Capital Monitoring (Appendix 4 of the report).
2. That the position on car parking usage and income as at 31 March 2013 be noted (Appendix 5 of the report).
3. That the latest position in relation to the Council's outstanding debts as at 31 March 2013 be noted (Appendix 6 of the report).
4. That a report on car park usage and income, bus usage into the town centre, and footfall in the town centre be made to a future meeting.

7. POLICY FOR NON-AUDIT WORK

The Assistant Head of Finance presented a report outlining a policy to allow the Council's external auditors (KPMG) to conduct non-audit related work for the Council. The policy sets out any threats to audit independence that potentially exist, defining the audit and non-audit work that could be shared by the Council and KPMG and also the approval process and corporate reporting mechanisms. Any assignments that exceeded £20k would be referred to the Audit Committee to test that the independence of audit was not compromised.

RESOLVED:

1. That the policy as provided at Appendix 1 to the report be approved.
2. That it be approved that any assignments related to additional audit work that exceed **£20k** are referred to the Audit Committee to test that the independence of audit is not compromised.
3. That any additional advisory services from KPMG are approved by the Audit Committee prior to commencement.

8. INTERNAL AUDIT ANNUAL OPINION REPORT

The Internal Auditor presented the Internal Audit Annual Opinion Report, stating that there were 1 high, 15 moderate and 48 low rated findings. In many areas the findings had been better than or the same as in the previous year's report. A key weakness had been identified in the area of housing allocations, where there was a lack of availability of key documents providing evidence of compliance with established procedures. The direction of travel was reported as favourable.

The Internal Auditor commented on the report and responded to Members' questions, as summarised below:

- The transfer to LGSS would have a significant impact on the Council. No evidence of that impact had been seen on the Council's control framework for 2012/13 but it was an area of which the Committee needed to be aware;
- The Council might wish to look at the housing allocations area in view of the comments made in the report;
- The asset management review had been deferred from 2012/13 as a result of the workload involved in the transfer to LGSS. It had been agreed with management that the review would take place in the first quarter of 2013/14. There was currently an asset management strategy in place. It was noted that there would always be some deferrals each year as a result of workloads;
- There had been a slight deterioration in housing rents and the Internal Auditor suggested that the Committee might want to look into this area. It was agreed that a Housing officer be invited to attend a meeting of the Committee to give further information on this area.

A Member suggested that when major work was scoped for review the impact on the resources of other departments should also be looked at and that the review should not be in isolation.

RESOLVED:

1. That the report be noted.
2. That a Housing Department officer be invited to attend a meeting of the Committee to give further information regarding the minor deterioration in the collection of housing rents and the record keeping procedures with regard to housing allocations.

9. INTERNAL AUDIT PROGRESS REPORT

The Internal Auditor presented the Internal Audit Risk Assessment and Plan 2013/14 Annual Opinion Report, setting out the programme and methodology to be adopted.

It was noted that the Internal Auditor normally met Directors and Heads of Service to agree the assessment plan, however, as a result of the increased workload of officers in recent months with LGSS and other issues this had not been possible. The Internal Auditor had used his experience and knowledge of the Council to produce the plan, which had then been discussed with the Director of Resources and the Head of Finance and Resources.

It was noted that that the plan included an indicative number of days for each audit to be undertaken. The actual number of days in each case would be agreed with management. The fee for the audit should also be slightly lower than against previous years as a result of a minor change in the internal audit contract.

RESOLVED:

That the report be noted.

The meeting concluded at 6:45 pm.

Appendices

5



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	TREASURY MANAGEMENT OUTTURN 2012-13
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	29 July 2013
Policy Document:	No
Directorate:	LGSS
Accountable Cabinet Member:	Alan Bottwood

1. Purpose

- 1.1 To put the Treasury Management Outturn Report for 2012-13 before Audit Committee for review, prior to it going to Cabinet and Council in September.
- 1.2 To invite Audit Committee to put forward comments or recommendations on the report.

2. Recommendations

2.1 That Audit Committee:

- a) Review the Treasury Management Outturn Report for 2012-13 prior to it going to Cabinet on 11 September 2013 and Council on 16 September 2013
- b) Put forward any recommendations and comments on the report.

3. Issues and Choices

3.1 Report Background

3.1.1 The Audit Committee has been nominated by Council as the body responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. This role includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and the making of recommendations to Council.

3.2 Issues

3.2.1 The Council's Treasury Management Outturn Report for 2012-13 is attached at Appendix 1. This comprises a report and appendices (A to C). This report is timetabled to go to Cabinet on 11 September 2013 and Council on 16 September 2013.

3.2.2 Audit Committee are asked to review the report and to put forward recommendations and comments as they think appropriate.

3.3 Choices (Options)

3.3.1 Audit Committee have the option to comment on the areas considered in the report and to make recommendations.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The CIPFA Treasury Management Code of Practice requires the Council to nominate the body (such as an audit or scrutiny committee) responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. Council has nominated the Audit Committee for this role, which includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and the making of recommendations to Council.

4.2 Resources and Risk

4.2.1 As set out in the attached Cabinet report – Treasury Management Outturn 2012-13

4.3 Legal

4.3.1 As set out in the attached Cabinet report – Treasury Management Outturn 2012-13

4.4 Equality

4.4.1 As set out in the attached Cabinet report – Treasury Management Outturn 2012-13

4.5 Consultees (Internal and External)

4.5.1 As set out in the attached Cabinet report – Treasury Management Outturn 2012-13

4.6 Other Implications

As set out in the attached Cabinet report – Treasury Management Outturn 2012-13

5. Background Papers

As set out in the attached Cabinet report – Treasury Management Outturn 2012-13

Report Author: Bev Dixon, Finance Manager (Treasury), ext 7401



CABINET REPORT

Report Title	TREASURY MANAGEMENT OUTTURN 2012-13
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	11 September 2013
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	LGSS
Accountable Cabinet Member:	Alan Bottwood
Ward(s)	Not Applicable

1. Purpose

1.1 To inform Cabinet of the Council's performance in relation to its borrowing and investment strategy for 2012-13.

2. Recommendations

2.1 That Cabinet recommend to Council that they note the Council's treasury management performance for 2012-13

3. Issues and Choices

3.1 CIPFA Code of Practice on Treasury Management in the Public Services

- 3.1.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (“the Treasury Management Code of Practice”).
- 3.1.2 The Treasury Management Code of Practice includes recommendations on annual reporting requirements after the year-end. The table below shows how these have been incorporated into this report.

Reporting Requirement	Reference
Report on the risk implications of decisions taken and transactions executed	Paragraph 3.2.2
Transactions executed and their revenue (current) effects	Paragraph 3.2.5 to 3.2.8 Appendix B
Performance report	Paragraph 3.2.5 to 3.2.8 Appendix B
Monitoring of treasury management indicators for local authorities.	Paragraph 3.2.9 Appendix C
Compliance report on agreed policies/practices and on statutory/regulatory requirements	Paragraph 3.2.10 to 3.2.11
Report on compliance with CIPFA Code recommendations	Paragraph 3.2.12

3.2 Issues

Economic Environment and Interest Rates

3.2.1 2012-13 was another year of uncertainty in the economic environment, most notably in the Euro zone. Low investment interest rates have been the norm throughout the year, against a background of a Bank of England base rate that has remained unchanged at 0.5%. A short commentary on the economic environment and interest rates, provided by Sector, the Council’s treasury management advisers, is included at **Appendix A1**. Definitions of the key terms used (Bank of England base rate, LIBID rate, LIBOR rate) and an analysis of interest rate movements in the year are included at **Appendix A2**.

Risk implications of decisions taken and transactions executed

3.2.2 The Treasury Management Code of Practice identifies eight main treasury management risks. Definitions of these are included in the Council's Treasury Management Practices (TMPs) for 2012-13 approved by Council 29 February 2012. The management of these risks during 2012-13 is covered in the following paragraphs.

- a) Credit and counterparty risk – In the economic and banking environment that prevailed during 2012-13, this continued to be an area of considerable risk for all local authority investors. The Council managed this risk extremely closely during the year through strict adherence to its treasury management policies and practices and a tightly controlled counterparty list that took into account a range of relevant factors including sovereign rating, credit ratings, inclusion in the UK banking system support package and credit default swap spreads. The advice of the Council's treasury management advisors was also an underlying feature. None of the Council's counterparties failed to meet the contractual obligations of their treasury transactions with the Council during 2012-13.
- b) Liquidity risk – This was managed effectively during 2012-13 through proactive management of the Council's cashflow, including the choice of suitable investment values and maturity dates and the maintenance of sufficient levels of liquid cash in money market funds and deposit accounts. The Council also maintained its access to overdraft facilities and temporary borrowing facilities as a contingency for use in exceptional circumstances. The Council undertook no long or short-term borrowing to manage liquidity during 2012-13.
- c) Interest rate risk - The Council's upper limits for fixed and variable interest rate exposures in respect of investments, borrowing and net external debt are managed as treasury indicators. These are reported at **Appendix C**. The indicators were not breached during 2012-13.
- d) Exchange rate risk - The Council has a policy of only entering into loans and investments that are settled in £ sterling, and has no treasury management exposure to this category of risk.
- e) Refinancing risk – The Council did not refinance any of its debt during 2012-13 and was therefore not exposed to this category of risk during the year.
- f) Legal and regulatory risk - The Council has carried out its treasury management activities for 2012-13 within the current legal and regulatory framework. Officers responsible for strategic and operational treasury management decisions are required to keep abreast of new legislation and regulations impacting on the treasury management function, and have applied any changes as necessary. Legal and regulatory risks associated with other organisations with which the Council deals in its treasury management activities have been managed through counterparty risk management policies.
- g) Fraud, error and corruption and contingency management - Officers involved in treasury management are explicitly required to follow treasury

management policies and procedures when making investment and borrowing decisions on behalf of the Council. All treasury activities must be carried out in strict accordance with the agreed systems and procedures in order to prevent opportunities for fraud, error and corruption. The measures in place to ensure this include a scheme of delegation and segregation of duties, internal audit of the treasury function, detailed procedure notes for dealing and other treasury functions, and emergency and contingency planning arrangements (including a business continuity plan for treasury management).

- h) Market risk – Investments that may be subject to fluctuations in market value in some circumstances include certificates of deposit, gilts, bonds and money market funds.

The Council has deposits placed in money market funds, whereby the underlying assets of the fund are subject to capital fluctuations as a result of interest rate risk and credit risk. However the structure of the fund minimises the movement of capital value due to the restrictions laid down by the credit rating agencies. The Council did not experience any fluctuations in the capital value of its money market funds in 2012-13.

The Council purchased certificates of deposit in 2012-13, which were held to maturity and were therefore not subject to movement in capital value.

The Council did not invest in gilts or bonds during 2013-14.

Accounting & Audit Issues

- 3.2.2 The CIPFA Code of Practice on Local Authority Accounting includes a complex set of regulations on accounting for financial instruments. These requirements have been fully complied with in the preparation of the Council's Statement of Accounts.
- 3.2.3 The regulations include the values at which financial instruments, including borrowing and investments, should be calculated for inclusion on the balance sheet at year-end. In some instances, this is at amortised cost, whereby the balance sheet value is written up or down via the comprehensive income and expenditure account over the life of the instrument to reflect costs or benefits, such as transaction costs or interest earned or due to date. Alternatively, financial instruments may be valued at their original cash value.

3.2.3 In summary, and broadly speaking, the balance sheet values of the Council's debt and investments at 31 March 2013 are shown in the following ways:

Borrowing (Financial Liabilities)	
Long term borrowing	Amortised value
Short term borrowing	Original (cash) value
Investments (Financial Assets)	
Deposit and call accounts (cash equivalents)	Original (cash) value
Money market funds (cash equivalents)	Original (cash) value
Short term money market investments up to three months duration (cash equivalents)	Original (cash) value
Short term money market investments over three months duration	Amortised value
Long term money market investments over 1 years duration	Amortised value

3.2.4 Outturn figures relating to borrowing and investments are shown and discussed at paragraphs 3.2.5 to 3.2.7 below. All outturn figures contained in this report are subject to external scrutiny, through the annual audit of the Council's Statement of Accounts.

Performance Report - Borrowing

3.2.5 Long Term Borrowing

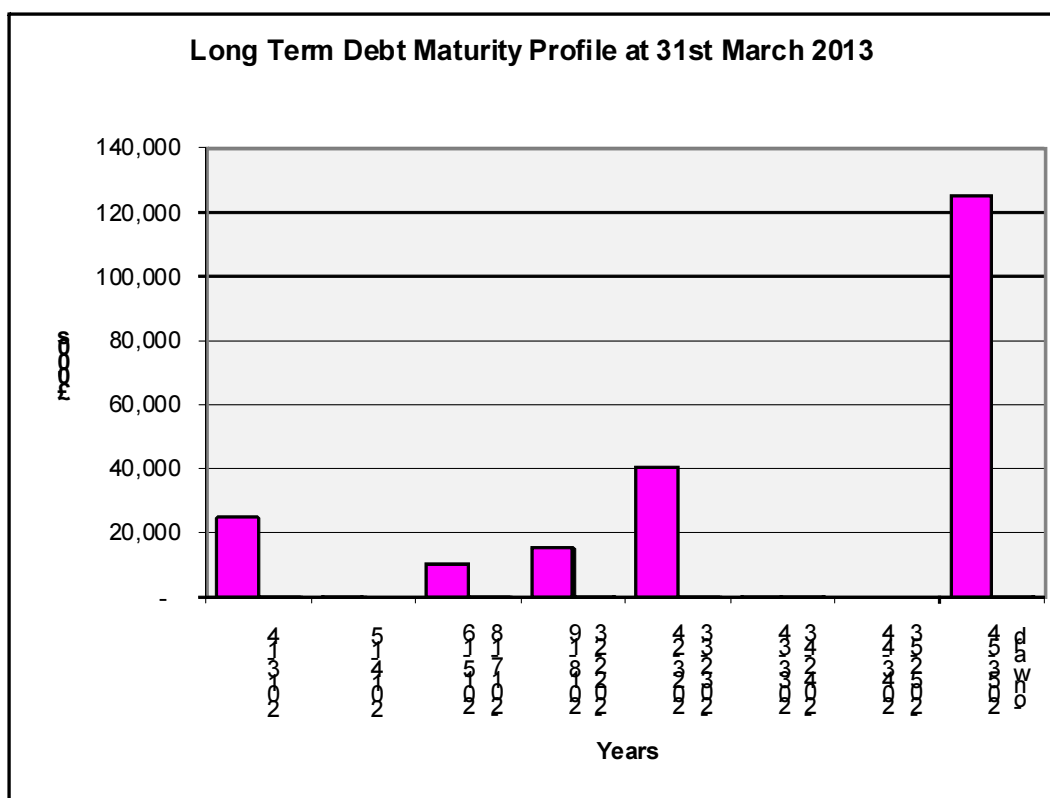
a) The table below shows the Council's long-term debt as at 31 March 2013 at amortised cost. The total debt outstanding is £216m.

Long Term Debt Outstanding at 31 March 2013	Principal	Proportion of Debt	Range of Interest Rates	
			From	To
	£000	%	%	
PWLB	190,113	88	1.24	3.97
Money Market LOBO Loans	24,788	11	4.85	7.03
HCA Annuity Loan	1,170	1	9.25	9.25
Total	216,071	100		

b) Under Section 3 of the Local Government Act 2003, the Council is required to set an annual affordable borrowing limit. This limit is also set as a prudential indicator, i.e. the authorised limit for external debt.

The Council's annual affordable borrowing limit for 2012-13 was £250m.

- c) The Council has adopted a two-pool approach to splitting debt between the HRA and General Fund, whereby loans are assigned internally to either the HRA or the General Fund.
- d) No loans were repaid during the year other than the scheduled repayment of the principal element of the annuity with the Homes and Communities Agency (HCA) (£19k) due in 2012-13. The principal amount due to HCA in 2013-14 (£20k) is treated as short-term borrowing and is included in the discussion at paragraph 3.2.6 below.
- e) The graph below shows the Council's long-term debt maturity profile as at 31 March 2013. The figures are shown at cash value to reflect commitment at maturity.



- f) The Treasury Management Code of Practice requires the maturity of borrowing to be determined by reference to the earliest date on which the lender can require payment. The Council's three LOBO loans are therefore presented as maturing in 2013-14, due to the six monthly break clauses, whereby the lender can opt to increase the rate, and the Council can choose to accept or decline the new rate. However it is not anticipated that the lender will opt to increase the rates at the break dates in the current interest rate environment.
- g) However LOBO loans of £15.6m are due for repayment at final maturity in 2014-15. The Council does not have the option to repay or

reschedule these before the due date unless the lender opts to increase the interest rate. Repayment at maturity will be funded from internal borrowing, new loans, or a combination of both.

3.2.6 Short Term Borrowing

- a) The year-end position on temporary borrowing, and the range of rates applied, is set out below.

Short Term Debt Outstanding at 31 st March 2013	Principal	Proportion of Debt	Range of Interest Rates	
			From	To
	£000	%	%	
Northampton Volunteering Centre	189	63	0.53	0.76
Billing Parish Council	90	30	0.53	0.76
HCA Principal due within 1 year	20	7	9.25	9.25
Total	299	100		

- b) The Council has long-standing agreements with two local organisations, Billing Parish Council and Northampton Volunteering Centre, for the short-term deposit of funds with the Council. Accounting regulations require that these be treated in the accounts as short-term borrowing. The interest rate applicable on these accounts is set quarterly using the Council's average investment rate for the previous quarter, less 0.5% to cover administrative costs.
- c) The repayment of the principal element of the HCA annuity (£20k) due in 2013-14 is also treated as short term borrowing in the accounts in accordance with accounting requirements.

Performance Report - Investments

3.2.7 Investments Strategy

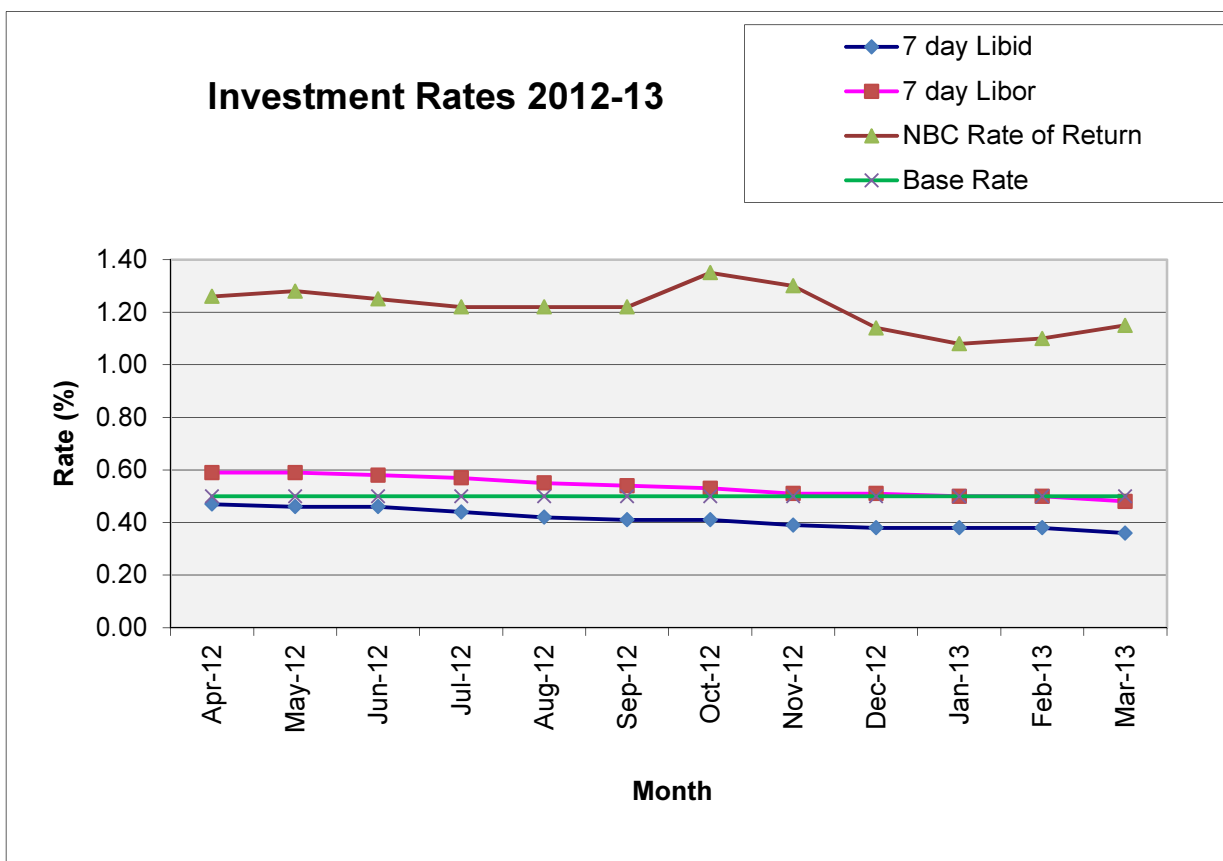
- a) The CLG Guidance on Local Government Investments requires Councils to set an Investment Strategy. This sets out the authority's policies for the prudent management of its investments and for giving priority, firstly to the security of those investments and secondly, to their liquidity. It should therefore identify the procedures for monitoring, assessing and mitigating the risk of loss of invested sums and for ensuring that such sums are readily accessible for expenditure whenever needed.
- b) The Council's Investment Strategy for 2012-13 was included in the Treasury Strategy for 2012-13, approved by Council on 29 February 2012. Updates to some of the counterparty limits in the Treasury Strategy were approved during the year by the Council's Chief Finance Officer and reported to Council on 21 January 2013.

- c) The CLG Guidance on Local Government Investments requires that investments are split into two categories:
- (i) Specified investments – broadly, sterling investments, not exceeding 364 days and with a body or investment scheme of high credit quality.
 - (ii) Non-specified investments – do not satisfy the conditions for specified investments. This may include investment products that would normally be considered as specified investments, but are judged to have a higher level of risk than normal attached to them.
- d) The Council's Investment Strategy for 2012-13 set out the Council's credit rating criteria for specified investments, including its definition of high credit quality, and the types of unspecified investments that it might enter into, including investments over 364 days.
- e) The Council defines high credit quality in terms of investment counterparties as those organisations that:
- Meet the requirements of the creditworthiness service provided by the Council's external treasury advisers (ie have a colour rating) and,
 - Have sovereign ratings of AAA, or are
 - UK nationalised or part nationalised banking institutions, or are
 - UK banks or building societies supported by the UK banking system support package or are
 - UK national or local government bodies or are
 - Triple A rated Money Market funds
- f) Investments periods are determined in line with the maximum periods recommended by Sector, the Council's treasury management advisor. In addition, the Investment Strategy imposes Council specific value and investment period limits for each category of approved counterparty.
- g) The maximum limits in 2012-13 for placements with individual or group counterparties were £20m and 729 days for UK nationalised or part nationalised banking institutions and UK banks or building societies supported by the UK banking system support package, and £15m and 729 days for counterparties having sovereign ratings of AAA (Overseas or UK). Within this framework lower limits applied depending on credit ratings and other factors specific to each institution.
- h) Instant access deposit accounts and call accounts continued to be used during 2012-13 to ensure liquidity and security of funds. The average balance in deposit and call accounts throughout the year was £7.4m.
- i) The Council also makes use of triple-A rated money market funds. These have the benefits of high credit rating, high liquidity, instant access to funds, portfolio diversification, competitive returns, and administrative convenience. The average balance in money market funds throughout the year was £18.7m.

- j) The number fixed term money market investments made during the year was 24, with a range of investment periods from 73 days to 730 days. One investment over 364 days was placed during the year. The average investment period was 205 days.
- k) The total value of investments held at 31 March 2013 - at amortised value for money market investments over three months, and cash values for all other investments - was £46.2m. Investments were placed with reference to the pre-determined lending list, in line with the investment strategy. The breakdown of investments at year-end is shown in the table below:

Investment Type	Balance at 31 March 2013	
	£m	%
<i>Cash & Cash Equivalents</i>		
Deposit accounts	12.1	26.2
Call Accounts	5.0	10.8
Money Market Funds	2.6	5.6
<i>Short Term Investments under 1 year</i>		
Short Term Investments – Fixed Term	25.5	55.2
<i>Long Term Investments over 1 year</i>		
Long Term Investments – Fixed Term	1.0	2.2
Total	46.2	100.0

- l) The graph below shows the analysis of the Council's performance on investment returns during 2012-13 by plotting the Council's average monthly investment rate achieved against the average 7 day London Interbank Bid Rate (LIBID), and the average 7 day London Interbank Offered Rate (LIBOR).



- m) The Council's average rate of return on investments was 1.21%, ranging from 1.08% (January 2013) to 1.35% (October 2012). Performance above 7 day LIBID ranged from 0.70% to 0.94%, averaging 0.80% against a target of 0.50%. The average differential to 7 day LIBID represents an uplift of £8,000 per £1m invested.
- n) The Council does not hold any financial instruments listed or publicly traded on a stock exchange. The Council purchases Certificates of Deposit, which are traded over the counter rather than being listed on any stock exchange, both in the primary and secondary market. Where the Council buys CDs with the intention of holding them to maturity they would be classed as financial instruments issued over the counter, and available for sale in the secondary market.

Performance Report - Debt Financing Budget Outturn

3.2.8 **Appendix B** shows the budget, outturn and variance for the Council's General Fund debt and investment portfolio in 2012-13. This demonstrates the revenue (current) effects of the treasury transactions executed. A summary is set out below:

Budget Comparison	Approved Budget 2012-13 £000	Outturn 2012-13 £000	Variance 2012-13 £000
Debt Financing & Interest	1,743	1,679	(64)

The most significant elements of the outturn variance were as follows:

- Minimum Revenue Provision, which is the amount of money required to be set aside to finance borrowing (including finance leases), was £335k below budget, mainly due to capital financing decisions made in 2011-12 (including the use of capital receipts instead of borrowing), and the carry forward of capital expenditure delaying MRP impact to future years. £141k of this saving was transferred to a debt financing earmarked reserve to mitigate risk in the investment interest budgets in 2013-14 against a background of falling interest rates
- An amount of £109k interest on a backdated VAT claim was received from HMRC. This was also transferred to the debt financing earmarked reserve.
- Interest achieved on investments was £43k below budget. Although the average rate on investments was above the 1% budgeted, average balances were lower than forecast.
- There were savings on interest on finance leases, where actual liability was around £21k less than budgeted.
- Recharges from the HRA were £128k more than budgeted, due to an increase in the levels of forecast average HRA balances, and the achievement of a higher than budgeted rate of return on investments.

Prudential Indicators and Treasury Management Indicators

3.2.9 Throughout the course of the year, the Council's treasury staff have monitored the prudential Indicators and the treasury management indicators set for 2012-13. The outturn indicators are shown at **Appendix C**. Figures are shown at cash value rather than amortised cost, in line with the requirements of the Prudential Code. There have been no breaches of limits during the 2012-13 financial year.

Compliance with agreed policies and practices, and statutory and regulatory requirements

3.2.10 The Council's officers and members have individual and collective responsibilities to comply with agreed policies and practices and statutory and regulatory requirements. These are set out in detail in the Schedules to the Council's Treasury Management Practices (TMPs).

3.2.11 Compliance has been monitored during the year. Two incidences of failure to comply with the policies were reported to Council in January 2013 in the Mid Year Treasury Management report for 2012-13, as follows:

- An investment of £1m was made with Royal Bank of Scotland on 1 May 2012 for a period of two years (730 days). Whilst this investment was within the Council's own duration limits for the counterparty, it exceeded the recommended Sector temporary duration limit of 364 days. The remaining investment period now falls within the recommended limit.
- It was identified during the year that the £7m limit in place for any single investment transaction did not meet the Council's needs, as funds over and above this amount regularly need to be placed in money market funds or deposit accounts. The limit was exceeded on five occasions in the first few months of the financial year, with no increase to the risk level of the Council's investment portfolio. Council were advised that the Chief Financial Officer had approved the raising of the limit to £10m.

Compliance with CIPFA Code Recommendations

3.2.12 Under the umbrella of compliance with regulatory requirements, the Council has sought to comply with the requirements of the CIPFA Treasury Management Code of Practice. No breaches have been recorded during the 2012-13 financial year.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Council is required to adopt the latest CIPFA Treasury Management Code of Practice, and to set and agree a number of policy and strategy documents. These policy documents are reported to Cabinet and Council as part of the budget setting process. The Council's Treasury Strategy for 2012-13 was approved by Council on 29 February 2012. Updates to some of the counterparty limits in the Treasury Strategy were approved during the year by the Council's Chief Finance Officer and reported to Council on 21 January 2013.

4.1.2 This report complies with the requirement to submit an annual treasury management review report to Council.

4.3.2 The updated CIPFA Treasury Management Code of Practice requires the Council to place emphasis on the scrutiny of treasury management strategies and policies. This includes the nomination of the body (such as an audit or

scrutiny committee) responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. The Audit Committee has been nominated for this role, which includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and for making recommendations to Council.

4.2 Resources and Risk

- 4.2.1 The resources required for the Council's debt management and debt financing budgets are agreed annually through the Council's budget setting process. The debt financing budget outturn position is shown at paragraph 3.2.8 and **Appendix B**.
- 4.2.2 The risk management of the treasury function is specifically covered in the Council's Treasury Management Practices (TMPs), which are reviewed annually. Treasury risk management forms an integral part of day-to-day treasury activities.
- 4.2.3 The risk implications of decisions taken and transactions executed during 2012-13 financial year are discussed in the body of the report at paragraph 3.2.2.

4.3 Legal

- 4.3.1 The Council is obliged to carry out its treasury management activities in line with statutory requirements and associated regulations and professional guidance.

4.4 Equality

- 4.4.1 An Equalities Impact Assessment was carried out on the Council's Treasury Strategy for 2012-13, and the associated Treasury Management Practices (TMPs) and the Schedules to the TMPs. This was included as an annex to the report to Council on 29 February 2012.
- 4.4.2 The EIA assessment is that a full impact assessment is not necessary, as no direct or indirect relevance to equality and diversity duties has been identified

4.5 Consultees (Internal and External)

- 4.5.1 Consultation on treasury management matters is undertaken as appropriate with the Council's treasury advisors, Sector, and with the Portfolio holder for Finance.
- 4.5.2 Under the regulatory requirements, the Audit Committee has been nominated by Council as the body responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. This role includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and the making of recommendations to Council. Audit Committee reviewed and noted the draft Treasury Management Outturn 2012-13 report and appendices at their meeting on 29 July 2013.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (“the Treasury Management Code of Practice”).

4.6.2 Under the umbrella of the Treasury Management Code of Practice, the Council’s Treasury Management Policy Statement “...acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.”

4.6.3 This supports the Council’s priority of making every £ go further.

4.7 Other Implications

4.7.1 No other implications have been identified.

5. Background Papers

None

Bev Dixon, Finance Manager (Treasury), ext 7401

Commentary on the economy and interest Rates provided by Sector Treasury Services Ltd (April 2013)

EU Sovereign Debt Crisis

The EU sovereign debt crisis was an ongoing saga during the year. However, the ECB statement in July that it would do “whatever it takes” to support struggling Eurozone countries provided a major boost in confidence that the Eurozone was (at last) beginning to get on top of its problems. This was followed by the establishment of the Outright Monetary Transactions Scheme in September. During the summer, a €100bn package of support was given to Spanish banks. The crisis over Greece blew up again as it became apparent that the first bailout package was insufficient. An eventual very protracted agreement of a second bailout for Greece in December was then followed by a second major crisis, this time over Cyprus, towards the end of the year. In addition, the Italian general election in February resulted in the new Five Star anti-austerity party gaining a 25% blocking vote; this has the potential to make Italy almost ungovernable if the grand coalition formed in April proves unable to agree on individual policies. This could then cause a second general election – but one which could yield an equally ‘unsatisfactory’ result. This result emphasises the dangers of a Eurozone approach heavily focused on imposing austerity, rather than promoting economic growth, reducing unemployment, and addressing the need to win voter support in democracies subject to periodic general elections. This weakness leaves continuing concerns that this approach has merely postponed the ultimate debt crisis, rather than provide a conclusive solution. These problems will, in turn, also affect the financial strength of many already weakened EU banks during the expected economic downturn in the EU. There are also major questions as to whether the Greek Government will be able to deliver on its promises of cuts in expenditure and increasing tax collection rates, given the hostility of much of the population.

UK Coalition Government

The UK coalition government maintained its tight fiscal policy stance against a background of warnings from two credit rating agencies that the UK could lose its AAA credit rating. Moody’s followed up this warning by actually downgrading the rating to AA+ in February 2013 and Fitch then placed their rating on negative watch, after the Budget statement in March. Key to retaining the AAA rating from Fitch and S&P will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within a reasonable timeframe.

UK Growth

2012/13 started the first quarter with negative growth of -0.4%. This was followed by an Olympics boosted +0.9% in the next quarter, then by a return to negative growth of -0.3% in the third quarter and finally a positive figure of +0.3% in the last quarter. This weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing (QE) by £50bn in July to a

total of £375bn on concerns of a downturn in growth and a forecast for inflation to fall below the 2% target. QE was targeted at further gilt purchases. In the March 2013 Budget, the Office of Budget Responsibility yet again slashed its previously over optimistic growth forecasts, for both calendar years 2013 and 2014, to 0.6% and 1.8% respectively.

Inflation

UK CPI inflation has remained stubbornly high and above the 2% target, starting the year at 3.0% and still being at 2.8% in March; however, it is forecast to fall to 2% in three years time. The MPC has continued its stance of looking through temporary spikes in inflation by placing more importance on the need to promote economic growth.

Gilt Yields

Gilt yields oscillated during the year as events in the ongoing Eurozone debt crisis ebbed and flowed, causing corresponding fluctuations in safe haven flows into / out of UK gilts. This, together with a further £50bn of QE in July and widely expected further QE still to come, combined to keep PWLB rates depressed for much of the year at historically low levels.

Bank Rates

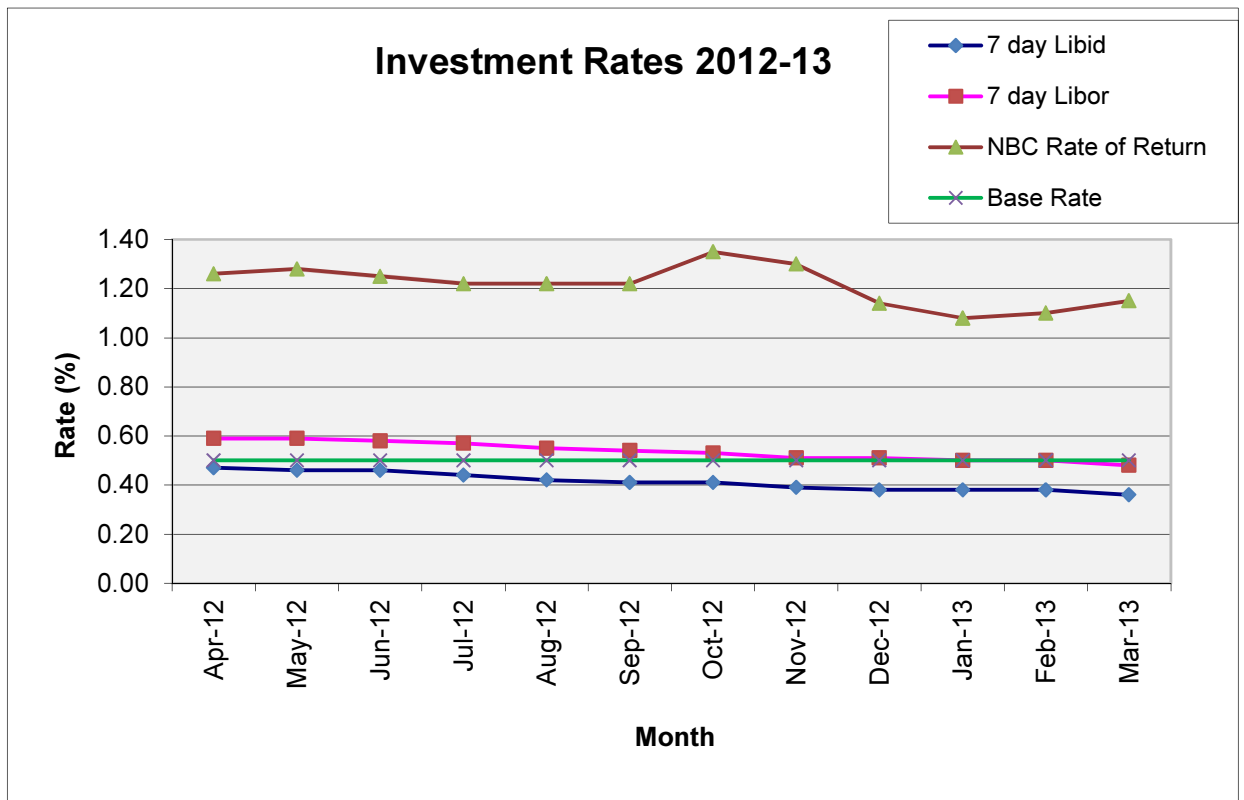
The bank rate was unchanged at 0.5% throughout the year, while expectations of when the first increase would occur were pushed back to quarter 1 2015 at the earliest.

Deposit Rates

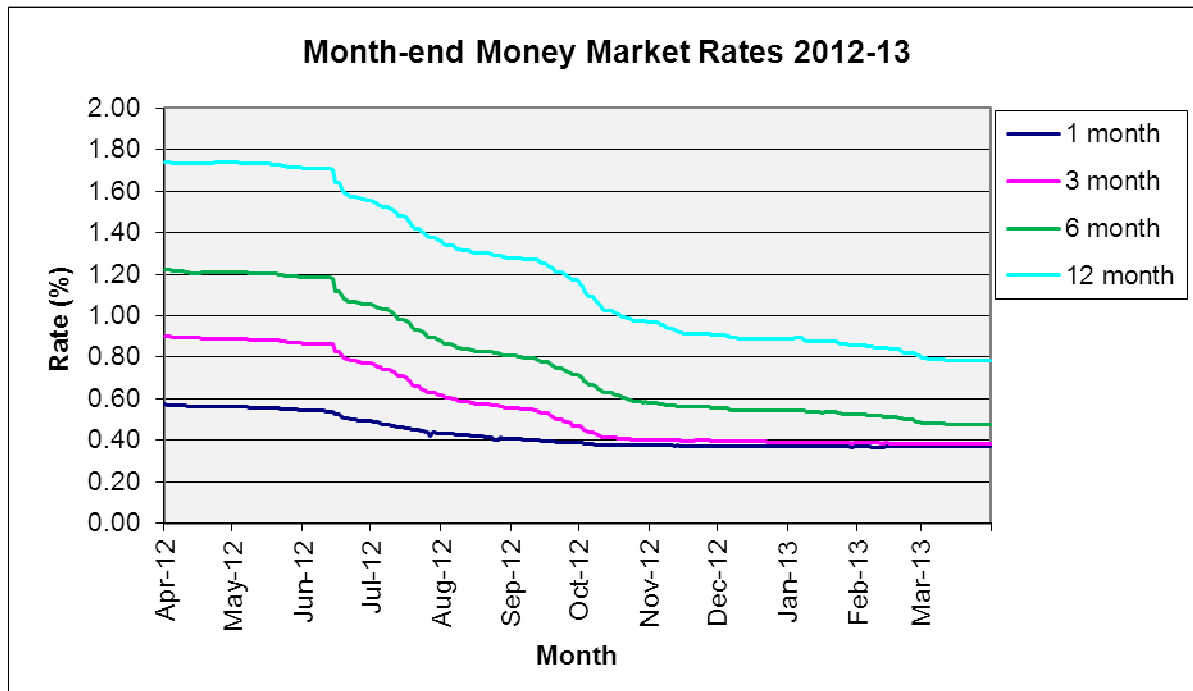
The Funding for Lending Scheme, announced in July, resulted in a flood of cheap credit being made available to banks and this has resulted in money market investment rates falling sharply in the second half of the year. However, perceptions of counterparty risk have improved after the ECB statement in July that it would do “whatever it takes” to support struggling Eurozone countries. This has resulted in some return of confidence to move away from only very short term investing.

Interest Rate Movements 2012-13

Interest rates were closely monitored during the course of the year. The bank base rate remained at 0.5% throughout 2012-13. The average 7 day London Interbank Bid Rate (LIBID), and average 7 day London Interbank Offered Rate (LIBOR) remained within narrow ranges, between 0.36% and 0.47% for LIBID and 0.48% and 0.59% for LIBOR. This is illustrated in the chart below:



Rates achievable for money market investments, as measured by LIBID rates, were fairly flat for the first three months of the year, but then began a period of decline before levelling off at significantly lower levels. This is shown in the chart below:



The following table shows:

- LIBID rates at the start and close of the year
- Minimum and maximum LIBID rates available during 2012-13.

LIBID RATES	1 month	3 months	6 months	12 months
	%	%	%	%
1 April 2012	0.57	0.90	1.22	1.74
31 March 2013	0.37	0.38	0.48	0.78
Minimum rate	0.37	0.38	0.48	0.78
Maximum rate	0.57	0.90	1.22	1.74

Rates rounded to two decimal places

Definitions of key terms used are set out below.

Bank of England Base Rate	The interest rate at which the Bank of England lends to financial institutions. This affects interest rates set by commercial banks, building societies and other institutions. Changing interest rates affects spending in the economy. A reduction in interest rates makes saving less attractive and borrowing more attractive, stimulating spending. The opposite occurs when interest rates are increased.
Labor Rate	The London Interbank <i>Offered</i> Rate is based on the average rate at which banks offer to <i>lend</i> to other banks.
Libid Rate	The London Interbank <i>Bid</i> Rate is the rate bid by banks on Eurocurrency deposits, i.e., the rate at which a bank is willing to <i>borrow</i> from other banks.

Appendix B

DEBT FINANCING BUDGET OUTTURN 2012-13

	Budget 2012-13 £	Actual 2012-13 £	Variance 2012-13 £
Debt Financing & Interest			
Interest Payable			
Interest on Long Term Borrowing	1,283,400	1,275,303	(8,097)
Interest on Short Term Borrowing	390	2,170	1,780
Interest on Finance Leases	45,473	24,708	(20,765)
Other Miscellaneous Interest	3,080	3,624	544
Amortisation Adjustments	1,670	1,869	199
Total Interest Payable	1,334,013	1,307,674	(26,339)
Interest Receivable			
Long Term Investment Interest Received	0	(15,653)	(15,653)
Short Term Investment Interest Received	(317,690)	(256,268)	61,422
Cash Equivalents Interest Received	(317,690)	(260,834)	56,856
Other Miscellaneous Interest	(109,000)	(124,578)	(15,578)
Interest on Finance Leases	(15,337)	(15,337)	(0)
Amortisation Adjustments	(100,000)	(159,682)	(59,682)
Total Interest Receivable	(859,717)	(832,351)	27,366
Other Debt Financing Transactions			
Minimum Revenue Provision	1,096,227	903,159	(193,068)
Recharges to/from HRA - Interest on cash balances	62,450	225,762	163,312
HRA interest (Internal Borrowing) ((Over)/under funded CFR)	110,640	74,980	(35,660)
Total Other Debt Financing Transactions	1,269,317	1,203,901	(65,416)
Total Debt Financing & Interest	1,743,613	1,679,223	(64,390)

2012-13 Prudential Indicators

Outturn Position 31 March 2013

For definitions and background to the prudential and treasury indicators for 2012-13, see the following reports:

- Prudential Indicators - Prudential Indicators for Capital Finance 2012-13 to 2014-15 – Report to Council 29 February 2012 - Appendix B

- Treasury Indicators - Treasury Strategy 2012-13 to 2014-15 – Report to Council 29 February 2012 - Appendix F

Affordability**a) Estimate of the ratio of financing costs to net revenue stream**

Ratio of financing costs to net revenue stream		
	2012-13 Estimate %	2012-13 Actual at 31/03/13 %
General Fund	6.98	6.13
HRA	28.51	35.43

Actual financing costs on the General Fund were slightly lower than estimated due to savings in the debt financing budget in 2012-13, including (i) interest on the investment of cash balances being over achieved against budget, and (ii) MRP savings arising from capital financing decisions made in 2011-12 and the carry forward of capital expenditure delaying MRP impact to future years.

Actual financing costs on the HRA were higher than estimated. However this was mainly due to an increase in the amount of Major Repairs Allowance granted to the Council as a result of the HRA self financing changes introduced by government.

b) Estimate of the incremental impact of capital investment decisions on the council tax

<i>Estimates of incremental impact of new capital investment decisions on the Council Tax</i>	
	2012-13 Estimate £.p
General Fund	0.21

This indicator is set before the start of the financial year, in the context of the budget setting process, which feeds into the setting of Council Tax and Housing Rents. As these are set and fixed for the financial year ahead, any capital investment decisions made during the year cannot impact on the existing Council Tax and Housing rent levels. This means that new capital investment plans approved during the year must be funded externally or from within existing resources.

c) Estimate of the incremental impact of capital investment decisions on the housing rents

<i>Estimates of incremental impact of new capital investment decisions on weekly housing rents</i>	
	2012-13 Estimate £.p
HRA	5.08

This indicator is set before the start of the financial year, in the context of the budget setting process, which feeds into the setting of Council Tax and Housing Rents. As these are set and fixed for the financial year ahead, any capital investment decisions made during the year cannot impact on the existing Council Tax and Housing rent levels. This means that new capital investment plans approved during the year must be funded externally or from within existing resources.

Prudence

d) Net borrowing and the capital financing requirement (CFR)

Net external debt less than CFR			
	2012-13 Estimate £000	2012-13 Position at 31/03/2013 £000	2012-13 Maximum Net to 31/03/2013 £000
Borrowing	215,809	216,070	216,138
Less investments	81,970	46,191	37,071
Net external debt	133,839	169,879	179,067
2010-11 Closing CFR	221,726	215,440	215,440
Changes to CFR:			
2011-12	(7,658)	1,175	1,175
2012-13	(10,974)	2,964	2,964
2013-14	528	(95)	(95)
Adjusted CFR	203,622	219,484	219,484
Net external debt less than adjusted CFR	Yes	Yes	Yes

This is the key indicator of prudence. It is intended to show that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital requirement for the current and new two financial years.

As the Council's estimated net external debt figure was a negative figure – ie investments in excess of debt - it has been presented as zero.

The large increase to borrowing and the CFR subsequent to the original estimate reflect the requirement to make a settlement payment of £193m to the DCLG on 28 March 2012 for the HRA self financing, largely funded by new external borrowing of £184m.

The forward looking changes to CFR are estimates that will be firmed up as more accurate forecasts become available.

Net external debt during the year, and at 31 March 2012, fell below the adjusted Capital Financing Requirement.

Capital Expenditure

e) Estimate of capital expenditure

Capital Expenditure		
	2012-13	2012-13
	Estimate	Actual at
	£000	31/03/2013
		£000
General Fund	12,753	9,829
HRA	17,830	27,446
Total	30,583	37,275

In the General Fund, the underspend against original estimate relates predominantly to planned revisions to the timing of projects and any unspent budget in 2012-13 will be carried forward to 2013-14. In the HRA the capital programme increased due to the re-phasing of the Decent Homes grant from central government, and the implementation of the grant-funded Community Energy Savings Programme (CESP). Full details of capital outturn, variances and carryforwards to 2013-14 are set out in the Capital Outturn Report to Cabinet on 17 July 2013.

f) Estimates of capital financing requirement (CFR)

Capital Financing Requirement (Closing CFR)		
	2012-13	2012-13
	31 March	31 March
	2013	2013
	Estimate	Actual
	£000	£000
General Fund	31,686	29,812
HRA	182,382	186,803
Total	214,068	216,615

The CFR can be understood as the Council's underlying need to borrow money long term for a capital purpose – that is, after allowing for capital funding from capital receipts, grants, third party contributions and revenue contributions. Changes to the CFR are linked directly to the use of borrowing to finance new capital expenditure (including finance leases), and to the repayment of debt through Minimum Revenue Provision (MRP).

The General Fund CFR at 31 March 2013 is below the estimate due to reduced capital expenditure for the reasons set out at (e) above. The HRA CFR at the same date is above the estimate as a result of changes to HRA funding plans following the implementation of HRA self financing; amounts that were originally planned to write down the HRA CFR have been held instead as cash balances for investment.

External Debt

g) Authorised limit for external debt

Authorised limit for external debt			
	2012-13	2012-13	2012-13
	Limit	Actual at	Maximum to
	£000	31/03/2013	31/03/2013
	£000	£000	£000
Borrowing	245,000	216,070	216,168
Other long-term liabilities	5,000	557	557
Total	250,000	216,627	216,725

The long term liabilities figure relates to finance leases.

External debt remained below the authorised limit throughout 2012-13.

h) Operational boundary for external debt

Operational boundary for external debt			
	2012-13	2012-13	2012-13
	Limit	Actual at	Maximum to
	£000	31/03/2013	31/03/2013
	£000	£000	£000
Borrowing	240,000	216,070	216,168
Other long-term liabilities	5,000	557	557
Total	245,000	216,627	216,725

The long term liabilities figure relates to finance leases.

External debt remained below the operational boundary throughout 2012-13.

i) HRA Limit on Indebtedness

The HRA limit on indebtedness is £208.401m. This is the HRA debt cap imposed by the Department for Communities and Local Government at the implementation of HRA self-financing. The HRA CFR of £186.803m, which is the measure of indebtedness, is below the limit.

j) Adoption of the CIPFA code of Practice for Treasury Management in the Public Services

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes. The adoption is included in the Council's Constitution, approved by the Council on 14 March 2011, at paragraph 6.10 of the Financial Regulations.

Treasury Management Indicators

1. Upper limit on the proportion of net debt compared to gross debt

Upper limits on interest rate exposures - Investments			
	2012-13	2012-13	2012-13
	Limit	Actual at	Maximum to
	%	31/03/2013	31/03/2013
	%	%	%
Upper Limit on the proportion of gross debt compared to net debt	100%	79%	83%

This indicator was introduced by CIPFA for 2012-13, with the intention of highlighting where an authority may be borrowing in advance of need. On the advice of the Council's treasury advisors, and so as not to create artificial constraints, the limit be set at 100%, whereby net debt is below or equal to gross debt. This limit was not exceeded during the year. CIPFA have discontinued this indicator from 2013-14.

2. Upper limits on interest rate exposures

Upper limits on interest rate exposures - Investments			
	2012-13	2012-13	2012-13
	Limit	Actual at	Maximum to
	%	31/03/2013	31/03/2013
	%	%	%
Fixed Interest Rate Exposures	100%	57%	68%
Variable Interest Rate Exposures	100%	43%	60%

Upper limits on interest rate exposures - Borrowing			
	2012-13	2012-13	2012-13
	Limit	Actual at	Maximum to
	%	31/03/2013	31/03/2013
	%	%	%
Fixed Interest Rate Exposures	100%	89%	89%
Variable Interest Rate Exposures	100%	11%	12%

Upper limits on interest rate exposures - Net borrowing			
	2012-13	2012-13	2012-13
	Limit	Actual at	Maximum to
	%	31/03/2013	31/03/2013
	%	%	%
Fixed Interest Rate Exposures	150%	97%	112%
Variable Interest Rate Exposures	150%	3%	6%

The purpose of these indicators is to express the Council's appetite for exposure to variable interest rates, which may, subject to other factors, lead to greater volatility in payments and receipts. However this may be offset by other benefits such as lower rates. Separate indicators have been set and monitored for debt and investments, as well as for the net borrowing position. Maximum exposure for fixed and variable rates during the year may add up to more than 100% (or 150% in the case of the combined indicator) as each is likely to occur on a different date. Actual exposure at 31 March 2013, and during the year, remained within the agreed limits.

3. Total principal sums invested for periods longer than 364 days

Upper limit on investments for periods longer than 364 days			
	2012-13	2012-13	2012-13
	Upper Limit	Actual as at	Maximum to
	£000	31/03/2013	31/03/2012
	£000	£000	£000
Investments longer than 364 days	9,000	1,000	1,000

Investment periods have been kept short to minimise counterparty risk in the current uncertain economic environment.

4. Maturity Structure of Borrowing

Maturity structure of borrowing			
	2012-13 Lower Limit %	2012-13 Upper Limit %	2012-13 Actual at 31/03/2013 %
Under 12 months	0%	15%	12%
1-2 years	0%	15%	0%
2-5 years	0%	15%	2%
5-10 years	0%	25%	7%
Over 10 years	0%	50%	21%
Over 10 years	0%	100%	0%
Over 10 years	0%	100%	0%
Over 10 years	0%	100%	58%

The Treasury Management Code of Practice requires the maturity of borrowing to be determined by reference to the earliest date on which the lender can require payment. The Council's three LOBO loans are therefore presented as maturing in 2012-13, due to the six monthly break clauses, whereby the lender can opt to increase the rate, and the Council can choose to accept or decline the new rate. However in the current interest rate environment it is not to the lender's advantage to increase these rates at the break dates and this option has therefore not been exercised.

Appendices

9



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	FINANCE AND MONITORING REPORT 2012/2013
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	10 July 2013
Key Decision:	No
Listed on Forward Plan:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Resources
Accountable Cabinet Member:	Cllr A Bottwood
Ward(s)	N/A

1. Purpose

- 1.1 This report sets out the outturn position for the Council's General Fund, Housing Revenue Account (HRA), and Capital Programme for the financial year 2012/13.

2. Recommendations

- 2.1. That Cabinet note the draft outturn for the General Fund and Housing Revenue Account for the financial year 2012/13 as set out at **Appendix 1** and **Appendix 7**.
- 2.2 That Cabinet note the net contribution to General Fund Revenue Reserves of £863k, and the detailed movements in Earmarked Reserves shown in **Appendix 4**.
- 2.3 That Cabinet note the net movement in Housing Revenue Account Reserves and working balances as set out at **Appendix 8**.
- 2.4 That Cabinet note the draft outturn for the Council's Capital Programme for 2012/13 and how the expenditure was financed as set out at **Appendix 9**.

- 2.5 That Cabinet approve the carry forward of unfinished capital schemes from 2012/13 into the 2013/14 Capital Programme as set out at **Appendix 9**.

3. Issues and Choices

- 3.1 The Council's budget is divided across two accounts, the General Fund and the Housing Revenue Account (HRA). These two accounts, together with their respective sources of funding, are kept entirely separate from each other as required by statute. HRA expenditure and income relate solely to the Council's role as a housing landlord, whilst the General Fund encompasses all other services.

3.2 General Fund

- 3.2.1 The General Fund forecast outturn for controllable service budgets as at Period 10 was an overspend of £35k.
- 3.2.2 Draft outturn for 2012/13 in relation to controllable service budgets shows an underspend of £423k, as listed in **Table 1** below and detailed in **Appendix 1**.

Table 1 - Controllable Service Budget Outturn	Revised Budget £000	Outturn £000	Variance £000
Director of Regeneration, Enterprise and Planning	3,042	2,808	-234
Director of Resources	10,441	10,354	-87
Director of Housing	1,055	1,070	15
Borough Secretary	1,999	1,958	-41
Director of Customers and Communities	15,276	15,200	-76
Total Controllable Spending	31,813	31,390	-423
Debt Financing and Recharges	-30,771	-30,773	-2
Non-specific Grants (mainly New Homes Bonus)		1,471	-1,471
Outturn after technical adjustments	471	-885	-1,326

- 3.2.3 This figure is £458k less than the outturn forecast at Period 10. **Appendix 2** provides a comparison between the Period 10 forecast and actual outturn.
- 3.2.4 Major variations between the revised budget and outturn, which are set out in more detail in **Appendix 3**, are as follows:-
- 3.2.4.1 Regeneration, Enterprise and Planning
- £197k staff savings across the directorate
 - £100k savings arising from additional income from development control fees due to an increase in volume late in the year
 - Offset by insurance claims of £67k in relation to paid and potential claims.
- 3.2.4.2 Resources
- £30k savings on Occupational Health and Nurse Led contracts
 - £79k saving in internal and external audit fees
 - £55k saving in bank charges and cash collection
 - £53k saving on energy prices and
 - £76k saving on financial adjustments to clear balances
 - Offset by £262k additional costs of rent rebates in respect bed and breakfast accommodation for homeless people

3.2.4.3 Housing

- Overall savings from staff vacancies £204k across the directorate
- Savings in relation to the Ecton Road travellers site of £60k
- Overspend of £401k in Call Care as a result of loss of income and other related costs
- £92k increased costs as a result of demand from Home Choice and Housing Options schemes
- Additional income from management fees in relation to capital projects capitalisation of £233k

3.2.4.4 Borough Secretary

- Additional income from Right To Buy sales of £79k
- Savings on Members' training and expenses of £33k

3.2.4.5 Customers and Communities

- Net savings on employees of £80k across the directorate.
- Savings on security and utility bills at the bus station £70k
- Savings on leasing of IT equipment £90k
- £37k net savings on telephony through reduced maintenance costs and better contracting, offset by additional telephony costs
- £50k net savings as a result community centre transfers
- £41k saving arising from lower take up of the rat control service than anticipated
- Net savings of £62k on Markets through the better realisation of resources
- Lower NNDR costs on car parks £102k
- Reduced car parking income £166k after application of the car park reserve.

3.2.5 Many of the outturn variations have already been addressed as part of the 2013/14 budget setting process. Nevertheless all outturn variations are being reviewed to identify on-going issues which need to be reflected within the current forecast and future year budgets.

3.2.6 Further details regarding recommended budget revisions and management actions required to ensure that the budget remains in balance will be included in the next budget monitoring report to Cabinet. This will provide a robust basis for the Medium Term Financial Strategy and service delivery planning.

3.2.7 The General Fund outturn for 2012/13, after technical accounting adjustments, is an underspend of £1.326m as detailed in **Appendix 1**.

General Fund Balances

3.2.8 The Chief Finance Officer has undertaken a risk-based assessment of working balances. This assessment suggests that, taking all known risks into account along with the Council's gross expenditure requirement, the minimum level of balances should be in the order of £3m. The unaudited outturn shows that this can be achieved as at 31 March 2013.

3.2.9 The Council also holds General Fund earmarked reserves of £17.072m to mitigate specific risks to which the Council may be exposed, including the need for service improvement. These are detailed in **Appendix 4**.

3.2.10 After a net contribution to earmarked reserves of £863k, it has been necessary to draw £8k from general balances, leaving a working balance carried forward to underpin the 2013/14 budget of £3.123m, as shown in **Table 2** below.

Table 2 - General Fund Balances	£000
Balance as at 1 April 2012	3,131
Surplus/(Deficit) for the year	-8
Balance as at 31 March 2013	3,123

3.3 Housing Revenue Account

3.3.1 The revised 2012/13 budget was balanced to break-even after allowing for a contribution of £5.922m to HRA reserves.

3.3.2 Period 10 budget monitoring (**Appendix 7**) forecast a net underspend on direct costs of £1.084m. The net underspend, after technical accounting adjustments, was forecast at £0.196m, with a revised contribution to reserves of £6.118m.

3.3.3 The draft HRA outturn position shows an underspend on controllable spending of £1.499m. After technical accounting adjustments this underspend is £0.287m, an improvement against the period 10 forecast of £0.091m. This allows for an increased contribution to reserves of £6.209m, while the HRA working balance remains unchanged at £5m.

3.3.4 Cabinet is asked to note these contributions to reserve levels.

3.3.5 **Appendix 5** provides a summary of the HRA. Major variations in HRA income and expenditure against revised budget are detailed in the analysis and notes contained in **Appendix 6**.

Major Variances

3.3.6 **Table 3** below summarises the main variances detailed in **Appendix 6**. All outturn variations are already being reviewed to identify ongoing issues which need to be reflected within the current forecast and future year budgets.

Table 3 – HRA Service Budget Outturn	Revised Budget £000	Outturn £000	Variance £000
Rent Income - Dwellings	-46,572	-46,810	-238
Service Charge income	-2,453	-2,261	192
General Management	6,469	5,539	-929
Special Services	3,273	3,474	200
Rent Rebate Subsidy Deductions	643	0	-643
Capital Charges	11,394	12,236	842
Interest and Financing	6,072	6,351	279
Other Minor Variations	15,252	15,262	10
HRA Net Expenditure 2012/2013	-5,922	-6,209	-287
Net Contribution to/(from) Reserves	5,922	6,209	287
Housing Revenue Account Deficit/(Surplus)	0	0	0

3.3.7 The major variations between the revised budget and outturn, which are set out in more detail in **Appendix 6**, are as follows:-

3.3.8 General Management:-

- Savings of £334k as a result of Stock Options works funded by the earmarked reserve prudently set up last year end
- £314k corporate insurance lower costs, and
- £70k reduction in utilities and Council Tax costs reflecting lower void levels than budgeted.

3.3.9 Other Major Savings:-

- Rent Rebate Subsidy deductions £643k lower due to the de-pooling of service charges
- £46k net rent and service charge income due to better performance on voids than budgeted.

3.3.10 Offset by:-

- £842k increase in Capital Charges and £279k Interest and Financing as a result of as a result of the implementation of the self-financing HRA, as reported throughout the year.

3.3.11 Further details regarding recommended budget revisions and management actions required to ensure that the budget remains in balance will be included in the next budget monitoring report to Cabinet. This will provide a robust basis for the Medium Term Financial Strategy and service delivery planning.

Contribution to HRA Working Balances and Reserves.

3.3.12 The total balance on all HRA reserves and balances at 31 March 2013 is £17.549m. **Appendix 8** details the movement to and from HRA reserves, excluding working balances. Contributions to and from working balances and earmarked reserves are summarised in **Table 4** below.

Table 4 – HRA Working Balances and Reserves	Balance 1 April 2012 £000	Movement in Year £000	Balance 31 March 2013 £000
Working Balance	5,000	0	5,000
Capital Programme Reserve	2,614	6,181	8,795
Leaseholders Reserve	168	0	168
Service Improvement and Project Reserve	1,000	395	1,395
Stock Options Appraisal	2,000	(667)	1,333
Supporting People Reserve	558	0	558
Insurance reserve	0	300	300
Total HRA Balances	11,340	6,209	17,549

3.4 Capital

3.4.1 The Council's final approved budget for capital expenditure in 2012/13 was £39.96m, a net increase of £12.78m from the original budget of £27.18m. The budget initially increased due to carry forwards from 2011/12 of £9.6m,

but has subsequently been revised downwards by £8.58m to reflect planned carry forwards to 2013/14.

- 3.4.2 The HRA capital programme increased by £7.95m, due to the re-phasing of the Decent Homes grant from central government, and £2.23m in relation to the Community Energy Savings Programme (CESP). Other changes largely relate to increases in external financing from grants and contributions.
- 3.4.3 The overall Capital Programme includes revenue expenditure funded from capital under statute (REFCUS). This is expenditure, such as grants to homeowners for disabled facilities, which can be funded from capital resources under statute and regulations.
- 3.4.4 Capital expenditure for 2012/13 totalled £37.28m against the final approved budget of £39.96m, a net underspend of £2.68m.
- 3.4.5 The position by Directorate is summarised in **Table 5** below, with further details set out in **Appendix 9**, along with explanations of the reasons for any significant variances.

Table 5 - Capital Expenditure by Directorate	Approved Budget £m	Outturn £m	Variance £m
Customers & Communities	0.479	0.419	-0.060
Regeneration, Enterprise & Planning	6.706	6.422	-0.284
Resources	0.794	0.478	-0.316
Housing General Fund	3.223	2.510	-0.713
Total General Fund	11.202	9.828	-1.373
Housing Revenue Account	28.754	27.446	-1.308
Gross Expenditure	39.956	37.275	-2.681

- 3.4.6 **Table 6** below shows how the Capital Programme for 2012/13 has been funded. In line with the approved Capital Strategy and the Treasury Management Strategy, capital receipts have been utilised to fund expenditure on short-life assets, whilst prudential borrowing has been used where assets have a longer life.

Table 6 - Financing of Capital Programme	General Fund £m	HRA £m	Total £m
Prudential Borrowing	2.154		2.154
Capital Receipts	1.734	0.600	2.334
Major Repairs Allowance		9.901	9.901
Government Grants	5.117		5.117
Third Party Contributions	0.523		0.523
Revenue Contributions	0.301	16.945	17.246
Total	9.829	27.446	37.275

Capital Carry Forward 2012/13

3.4.7 **Table 7** below shows the amount of carry forward from 2012/13 into the 2013/14 Capital Programme. Details are shown on a scheme by scheme basis at **Appendix 9**.

Table 7 - Capital Carry Forward 2012/13 by Directorate	£m
Customers & Communities	0.063
Regeneration, Enterprise & Planning Resources	0.293
Housing General Fund	0.300
	0.713
Total General Fund	1.369
Housing Revenue Account	1.882
Total Carry Forward	3.251

3.4.8 The carry forward request for HRA schemes, which is required to finish incomplete schemes, is greater than the net underspend. The overall outturn includes an overspend on Decent Homes of £0.35m due to additional properties being made decent/additional works identified and £0.17m due to additional disabled adaptations required. The impact of the additional financing required will be reflected in future updates of the HRA Business Plan.

3.4.9 The carry forward schemes will be incorporated into the 2013/14 agreed capital programme and monthly monitoring processes.

3.5 Choices (Options)

3.5.1 Cabinet is invited to note the report and the explanations of the actual outturn and reasons for the changes since the Period 10 forecast for the General Fund, Housing Revenue Account and Capital Programme.

3.5.2 Cabinet is asked to note the proposed movements in the General Fund and HRA reserves.

3.5.3 Cabinet is asked to agree the capital budgets to be carried forward to 2013/14.

4. Implications (including financial implications)

4.1 Policy

4.1.1. Actual outturn impacts upon the level of reserves.

4.2 Resources and Risk

4.2.1 This report informs Cabinet of the outturn for the General Fund, Housing Revenue Account and Capital Programme for 2012/13. The impact of individual outturn variances needs to be assessed against current and future years' budgets.

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 equality implications arising from this report.

4.5 Consultees (Internal and External)

4.5.1 Chief Executive, Directors, Heads of Service and Budget Managers have been consulted.

4.6 How the Proposals Deliver Priority Outcomes

4.6.1 Annual outturn reporting contributes to the priority of delivering value for money to protect local services by sustaining effective and prudent financial management.

4.7 Other Implications

4.7.1 Not applicable

5. Background Papers

5.1 Cabinet Reports – Budget Setting and Budget Monitoring throughout 2012/13

Isabell Procter, Director of Resources, 01604 838757

General Fund Summary Outturn 2012/13

Appendix 1

Key

"-" figure denotes a budget under spend or an income budget

"+" figure denotes a budget overspend or an expenditure budget

	Revised Budget £000	Period 10 Projected Outturn £000	Actual Outturn £000	(Under) / Over Spend £000
Director of Regeneration, Enterprise and Planning	3,042	2,942	2,808	-234
Director of Resources	10,441	11,493	10,354	-87
Director of Housing	1,055	1,261	1,070	15
Borough Secretary	1,999	1,993	1,958	-41
Director of Customers and Communities	15,269	15,073	15,200	-68
Total Controllable	31,806	32,763	31,390	-416
Capital Expenditure charged to Revenue Account	0	0	301	301
Provisions	0	0	169	169
Net Support Service Recharges	-4,831	-5,436	-5,172	-341
Interest and Financing	1,811	1,575	1,679	-132
Parish Precepts and Grants	956	955	956	0
Government Funding	-13,294	-13,296	-13,294	0
Council Tax	-15,059	-15,061	-15,059	0
Council Tax Freeze Grant	-353	-352	-352	1
Non Specific Grants (Mainly New Homes Bonus)			-1,471	-1,471
Technical Accounting Adjustments	-30,771	-31,616	-32,245	-1,474
General Fund (under) / over spend	1,035	1,148	-855	-1,889
Net Contribution to/(from) Reserves	-1,203	-1,085	863	2,066
General Fund Deficit (Surplus)	-100	63	8	176
Balance b/fwd			-3,131	
Balance c/fwd			-3,123	

General Fund Revenue Budget Comparison of 2012/13 Period 10 Forecast Outturn Variance and Actual Outturn Variance

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	Period 10 Forecast Variance	Outturn Variance	Forecast Vs Outturn	Explanation
	£000	£000	£000	
DR02	24	9	-16	
	24	9	-16	
FA04	-32	29	61	Year end insurance recharge in respect of paid and potential claims.
FA06	-10	-8	2	
RG01	-2	-7	-5	
RG02	-7	-13	-6	
	-51	1	52	
PE02	-24	-8	16	
PE03	20	-147	-167	Increased Development Control income of £131k income partly due to some high value planning applications received at year end; £41k S106 contribution income was agreed to be transferred to Development Control at year end.
PE06	0	-6	-6	
PE15	-0	-14	-14	
PE17	-19	-20	-1	
RG04	-54	-49	4	
RG09	0	-0	-0	
	-76	-244	-167	
	-103	-234	-131	

General Fund Revenue Budget Comparison of 2012/13 Period 10 Forecast Outturn Variance and Actual Outturn Variance

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	Period 10 Forecast Variance	Outturn Variance	Forecast Vs Outturn	Explanation
	£000	£000	£000	
FA04	0	-0	-0	
Division Total - Corporate	0	-0	-0	
DR03	-19	-8	11	
Division Total - Director of Resources	-19	-8	11	
GC08	35	19	-16	
GC19	10	10	-0	
HR01	4	-28	-32	Training expenditure was lower than anticipated. Further underspend because no employee survey was undertaken and a new contract for Radon testing was delayed.
HR02	0	0	0	
HR14	0	0	0	
PI20	-14	-24	-10	
Division Total - Head of Business Change	35	-23	-59	
FA02	-30	-76	-46	There have been one off adjustments to revenue to clear balances of unidentified income and transfer of proceeds in relation to mortgage repossession previously held on the balance sheet. Also the requirement for the use of Professional Services and Training budgets were less than forecast.
FA03	-71	-79	-7	
FA05	-21	-26	-5	
FA08	-44	-53	-8	
FA19	-17	-29	-12	

General Fund Revenue Budget

Comparison of 2012/13 Period 10 Forecast Outturn Variance and Actual Outturn Variance

Appendix 2

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

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	Period 10 Forecast Variance £000	Outturn Variance £000	Forecast Vs Outturn £000	Explanation
HS01	30	250	220	Various benefit subsidy variations £213k, principally reflecting the higher than anticipated net costs in relation to the use of B&B accommodation and a larger than anticipated contribution in relation to unrecoverable benefit overpayments
HS02	9	9	0	
HS03	16	30	14	
PR01	-2	-16	-14	
Division Total - Head of Finance & Resources	-132	9	141	
Directorate Total - Director of Resources	-116	-22	94	
43				
DR05	0	8	8	
Division Total - Director of Housing	0	8	8	
CS02	248	268	20	Year end stock adjustment £17k
HS05	-51	-5	47	£38k payment to Northampton Association for the Accommodation of the Single Homeless to support rough sleepers in the Borough, had not been forecast at Period 10. Other minor variations £9k
HS12	-12	21	33	Higher than anticipated Deposit Bond Scheme costs £25k, as a result of an increase in the levels of costs which were unrecoverable from individual tenants. Other minor variations £8k.
HS13	48	7	-41	Gateway project costs that had been forecast (£41k) were identified as HIRA costs and transferred accordingly at year end
PE09	-22	-60	-38	Higher than anticipated rental income (£12k), reflecting sustained high levels of occupancy at the Ecton Lane site. In addition, general running costs at the site were lower than projected (£18k), while the contribution to the County Travellers Unit administered by the County Council was also reduced as a result of a refund.

General Fund Revenue Budget

Comparison of 2012/13 Period 10 Forecast Outturn Variance and Actual Outturn Variance

Appendix 2

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	Period 10 Forecast Variance £000	Outturn Variance £000	Forecast Vs Outturn £000	Explanation
PE12	-49	-222	-173	Increase in management fees (£175k) towards the end of year relating to DFG capital projects, as a result of higher levels of completions on disabled facilities works.
RG03	1	-1	-3	
Division Total - Head of Strategic Housing	164	7	-156	
Directorate Total - Housing	164	15	-149	
CX01	1	-4	-5	
GC02	-4	-0	4	
GC05	1	0	-1	
GC06	-12	-38	-26	Additional reduction in members' expenses of £16k and reduced training spend of £7k
LD02	11	26	15	
LD03	-10	-0	10	
LD04	-8	-79	-71	Income was increased by (£50k) due to additional administrative income from Right to Buy in quarters 3 and 4 of 2012/13. Reduction in training gives savings of (£6k). There was a forecast spend of (£10k) for professional services to deal with Legal complaints however the complaints will now be dealt with in 2013/14 and budget has been carried into a reserve to fund the additional costs in 2013/14.
LD08	-7	-10	-3	
Division Total - Borough Secretary	-28	-106	-78	
Directorate Total - Borough Secretary	-28	-106	-78	
GC04	40	-2	-42	Community Governance review was forecasted as an overspend however additional reserve was available to fund the overspend.
GC09	7	-13	-20	
GC10	-62	-58	4	
GC11	-66	-50	16	
LS01	-15	1	16	
SS01	-10	-20	-11	

General Fund Revenue Budget

Comparison of 2012/13 Period 10 Forecast Outturn Variance and Actual Outturn Variance

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	Period 10 Forecast Variance £000	Outturn Variance £000	Forecast Vs Outturn £000	Explanation
Division Total - Head of Partnership Support	-106	-143	-37	
DR01	-41	-38	3	
Division Total - Director of Customers & Communities	-41	-38	3	
CE06	52	36	-16	
4 CS03	-18	-17	1	
CS04	10	32	21	
CS05	47	38	-9	
PI02	-39	-154	-114	Reduction in expenditure on hardware gave a savings of (£8k). Due to part year effect and leases expiring there was an additional savings of (£90k). Vacant posts in ICT not previously forecast gave an additional savings of (£6k). The telephone costs incurred by the Leisure Trust were forecasted in ICT but the income received through the Service Level Agreement for the telephones (£12k) was not.
PI14	0	-37	-37	The telephone rental and call costs exceeded the forecast by £21k however there is savings on the hardware maintenance of the old phone systems of (£30k). Additional income was received for renewing the mobile phone contract (£13k). There were plans to spend (£12k) on professional services however later on in the financial year it was found not to be required.
Division Total - Head of Customer & Cultural Services	51	-102	-153	
CE02	44	2	-41	This is largeley due to S106 income which was higher than anticipated.

General Fund Revenue Budget

Comparison of 2012/13 Period 10 Forecast Outturn Variance and Actual Outturn Variance

Appendix 2

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	Period 10 Forecast Variance	Outturn Variance	Forecast Vs Outturn	Explanation
	£000	£000	£000	
CE04	-7	20	26	Reduced premises insurance costs (£15k) were offset by the provision for known insurance claims £43k.
LD05	6	-2	-7	
PE07	-36	-41	-5	
PE10	7	7	0	
PE11	-114	-177	-63	(£17k) increased income largely due to receipt of prior year income. (£33k) carbon management budgets which are not utilised. (£18k) reduced burial costs due to a greater reimbursement rate from the estates.
PE16	-1	3	4	

General Fund Revenue Budget

Comparison of 2012/13 Period 10 Forecast Outturn Variance and Actual Outturn Variance

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

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	Period 10 Forecast Variance	Outturn Variance	Forecast Vs Outturn	Explanation
	£000	£000	£000	
SS09	0	45	45	Savings: £28k due to performance deductions, £33k other minor savings Offset by £88k over accrual of Recycling Credit income and non-accrual of £36k for Highways tree works in 2011/12.
SS20	18	389	371	One off cost of £90k for bin leases, reduction in income from HRA for supply of skips £153k and for support from the Integrated Admin Team £27k, £65k reduced sports facilities rental income, £27k one off public convenience costs, £29k market-testing income.
47	-83	246	330	
CE03	-33	-5	28	£3k agency costs. £39k in premises and £29k in supplies and services largely due to unforeseen Christmas and Diwali costs.
CE23	14	34	20	£15k employee budget saving which has not been met. £3k reduced town centre BID income.
CE24	410	107	-304	Due to the fluctuating nature of car parking income and the material value of the income budget, a reserve was created to cushion the impact of loss in this area. To this effect, (£200k) has been utilised to reduce the impact of the reduced daily ticket and season ticket income. In addition the actual NNDR is (£102k) less than budget, and forecast.
CE26	-88	-106	-17	

**General Fund Revenue Budget
Comparison of 2012/13 Period 10 Forecast Outturn Variance and Actual Outturn Variance**

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

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	Period 10 Forecast Variance	Outturn Variance	Forecast Vs Outturn	Explanation
	£000	£000	£000	
FA09				
Markets	-5	-69	-63	Lower than estimated electricity (£9k) and NNDR (£9k). (£11k) cleaning and rubbish removal due to better utilisation of resources. (£7k) reduced insurance costs. Transport costs were (£6k) less than forecast due to reduced. Internal responsive works (£10k). (£6k) more income due to higher casual stall hire than forecast.
Division Total - Head of Town Centre Management	298	-39	-337	
Directorate Total - Director of Customers & Communities	118	-75	-194	
Total	35	-423	-458	

General Fund Revenue Budget
Service Budget Outturn Position 2012/13

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

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	2012/2013 Revised Budget	Outturn	Outturn Variance	Explanation
	£000	£000	£000	
DR02	255	264	9	
	255	264	9	
FA04	1,529	1,558	29	Savings of £52k from staff vacancies and £11k from proceeds received from sale of some properties £11k.
FA06	-1,411	-1,420	-8	Offset by: £67k year end insurance charge in respect of paid and potential claims; £26k shortfall in estimated rebates from NNDR review.
RG01	98	91	-7	
RG02	981	967	-13	
	1,196	1,197	1	
PE02	-36	-44	-8	
PE03	393	246	-147	Savings of £82k arising from staff vacancies; additional income of £100k due to high value planning applications received at year end; and £43k section 106 contributions. Offset by: £69k overspend due to Planning Performance Agreement not being implemented; £7k due to increase in number of planning notices and £7k increase in other supplies & services expenditure due to restructure.
PE06	115	109	-6	
PE15	252	238	-14	
PE17	106	86	-20	Savings of £19k as a result of staff vacancy.
RG04	713	663	-49	Savings of £44k as a result of staff vacancy.
RG09	48	48	-0	
	1,590	1,347	-244	
	3,042	2,808	-234	

General Fund Revenue Budget
Service Budget Outturn Position 2012/13

Key

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	2012/2013 Revised Budget	Outturn	Outturn Variance	Explanation
	£000	£000	£000	
FA04	4,057	4,057	-0	
Division Total - Corporate	4,057	4,057	-0	
DR03	299	291	-8	
Division Total - Director of Resources	299	291	-8	
GC08	188	208	19	
GC09	53	62	10	Costs incurred re evacuations of Billing Aquadrome due to flooding.
HR01	936	908	-28	Saving on Occupational Health and Nurse Led contracts of £30k. Offset by: £2k minor variations.
HR02	69	69	0	
HR14	305	305	0	
PI20	155	131	-24	Savings on reduced operational expenditure due to secondments to the Business Improvement Team.
Division Total - Head of Business Change	1,706	1,683	-23	
FA02	1,355	1,279	-76	Savings: due to one off adjustments to revenue to clear balances and transfer of proceeds in relation to mortgage repossession previously held on the balance sheet. Reduced costs of Professional Services (£38k) and Training (£20k)
FA03	336	257	-79	Savings arising from lower payments to both Internal and External Audit as a result of discounts and refunds being given in 2012/13.
FA05	65	40	-26	Savings: on bank charges are as a result of a new contract for banking services.
FA08	1,613	1,560	-53	Savings due to energy price rises not being as high as originally anticipated and NNDR charges being less than budgeted as a result of a change in the rateable of the Guildhall value
FA19	489	460	-29	Savings: mainly due to reduction in costs for cash collection due to renegotiated collection schedule.

General Fund Revenue Budget
Service Budget Outturn Position 2012/13

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	2012/2013 Revised Budget	Outturn	Outturn Variance	Explanation
	£000	£000	£000	
HS01	-118	132	250	Additional £262k subsidy spend largely due to an increase in the net costs associated with non-HRA Rent Rebates, as a result of the use of B&B accommodation to house homeless persons on a temporary basis.
HS02	86	95	9	
HS03	347	377	30	Costs: £19k variance on Cost of Collection plus other small overspends.
PR01	139	123	-16	
Division Total - Head of Finance & Resources	4,313	4,323	9	
Directorate Total - Director of Resources	10,376	10,354	-22	
51				
DR05	172	180	8	
Division Total - Director of Housing	172	180	8	
CS02	-223	45	268	Savings: £128k as a result of staff vacancies Offset by: an income shortfall of £350k relating to lost contracts, £21k year end stock adjustment, and unbudgeted maintenance of Tunstall hardware of £30k.
HS05	455	451	-5	Savings: £76k due to staff vacancies Offset by: lower external income as a result of the delayed implementation of the Support and Enhanced Care scheme £44k, higher expenditure on homelessness prevention schemes £23k, minor variations £4k.
HS12	460	481	21	Savings: £13k minor savings Offset by additional costs of the Deposit Bond Scheme paid out to landlords which were unrecoverable from individuals
HS13	130	137	7	
PE09	27	-33	-60	Savings: in relation to the Ecton Road site, including £13k cleaning and rubbish removal, £21k repairs and maintenance and higher rental income due to low void loss. In addition, the annual contribution to the County Travellers Unit was £13k lower than budget reflecting negotiated reductions.

General Fund Revenue Budget
Service Budget Outturn Position 2012/13

Key

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	2012/2013 Revised Budget	Outturn	Outturn Variance	Explanation
	£000	£000	£000	
PE12	68	-155	-222	£233k higher management fee income in relation to Disabled Facilities Grant works carried out within the capital programme. Offset by £13k additional costs for the provision of temporary accommodation for homeless persons
RG03	-34	-35	-1	
	883	891	7	
	1,055	1,070	15	
CX01	184	180	-4	
GC02	104	104	-0	
GC05	43	44	0	
GC06	563	525	-38	Savings mainly on Members' training of £16k and expenses of £17k
LD02	239	265	26	Savings of circa £13k on supplies and services Offset by £43k Postage for Register of Electors.
LD03	-86	-86	-0	
LD04	713	634	-79	Savings: additional external income has been generated of £105k predominantly due to increase in Right to Buy admin costs Offset by: minor overspends.
LD08	303	293	-10	
	2,064	1,958	-106	
	2,064	1,958	-106	
GC04	152	150	-2	
GC09	1,250	1,236	-13	
GC10	163	105	-58	Savings: £58k due to a vacant post.
GC11	434	384	-50	Savings: as a result of community centre transfers.
LS01	137	138	1	
SS01	148	127	-20	Savings: mainly staff vacancies.

General Fund Revenue Budget
Service Budget Outturn Position 2012/13

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	2012/2013 Revised Budget	Outturn	Outturn Variance	Explanation
	£000	£000	£000	
Division Total - Head of Partnership Support	2,283	2,141	-143	
DR01	276	237	-38	Underspend due to staff vacancies
Division Total - Director of Customers & Communities	276	237	-38	
CE06	654	690	36	Overspend of £32k on employees due to the non achievement of the budgeted vacancy factor and backfilling vacant posts with agency/casual staff.
CS03	106	89	-17	
CS04	1,531	1,562	32	Savings of £17k as a result of non renewal of membership to Institute of Customer Services Offset by: £23k vacancy factor not met, £12k on purchase of blinds for One Stop Shop, £10k reduction in income due to contributions from NCC being lower than anticipated and £7k additional telephone costs due to introduction of 0300 numbers. Savings: £6k staff vacancies. Offset by: £24k additional costs of outsourcing work, and a £16k reduction in income from external organisations using the service.
CS05	223	262	38	
PI02	2,109	1,955	-154	Savings: £61k through staff vacancies, £90k saving in leasing of PCs and hardware equipment (due to part year effect) and £17k on other minor variations. Offset by other minor variations.
PI14	247	210	-37	Savings: £61k on hardware maintenance of the old phone systems, £19k additional income received for renewing the mobile phone contract Offset by: £41k increase in telephone rental and call costs.
Division Total - Head of Customer & Cultural Services	4,871	4,768	-102	
CE02	389	391	2	

General Fund Revenue Budget
Service Budget Outturn Position 2012/13

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	2012/2013 Revised Budget £000	Outturn £000	Outturn Variance £000	Explanation
CE04	946	966	20	Payment of Big Lottery grant received during 2011/ 2012 which was due to the Leisure Trust.
LD05	-239	-240	-2	
PE07	42	1	-41	Savings: The new rat control service for those on Housing or Council Tax benefit was only introduced on 1st October, and take up has been significantly below expectations.
PE10	332	339	7	
PE11	979	802	-177	Savings: £109k largely achieved through the reorganisation of the Neighbourhood Management Service, £33k staff vacancies, and other minor variations.
PE16	73	76	3	

General Fund Revenue Budget
Service Budget Outturn Position 2012/13

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	2012/2013 Revised Budget	Outturn	Outturn Variance	Explanation
	£000	£000	£000	
SS09	6,602	6,647	45	Savings: £28k due to performance deductions, £33k other minor savings Offset by £88k over accrual of Recycling Credit income and non-accrual of £36k for Highways tree works in 2011/12.
SS20	-260	130	389	One off cost of £90k for bin leases, reduction in income from HRA for supply of skips £153k and for support from the Integrated Admin Team £27k, £65k reduced sports facilities rental income, £27k one off public convenience costs, £29k market-testing income.
55	8,865	9,111	246	
CE03	470	464	-5	
CE23	-132	-98	34	Overspends: £14k staffing budget saving not met, £6k bin refurbishment and bollard painting, £5k reduced town centre BID income and other minor variations.
CE24	-1,658	-1,551	107	Savings: £102k NNDR reductions. Offset by: £166k reduction in Car Parking daily ticket income, £252k season ticket income reduction due to cancellation of some contracts off set by application of £200K car parking reserve.
CE26	245	140	-106	Savings: £33k lower than estimated utility bills, £37k reduced supplies and services largely due to realigned security costs, £39k additional income due to the payment of previously disputed invoices.

General Fund Revenue Budget
Service Budget Outturn Position 2012/13

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	2012/2013 Revised Budget	Outturn	Outturn Variance	Explanation
	£000	£000	£000	
FA09	56	-12	-69	Savings: £62k reduced supplies and services spend due to better realisation of resources, £7k reduced insurance costs.
Markets				
Division Total - Head of Town Centre Management	-1,018	-1,058	-39	
Directorate Total - Director of Customers & Communities	15,276	15,200	-75	
Total	31,813	31,390	-423	

31,813,030.78 0.0 31,390,394.31 -422,636.47 -0.00000

Summary of General Fund Earmarked Reserves 2012/13

Appendix 4

Reserve	Audited Balance 1 April 2012 £000	Reallocation of Reserves £000	Earmarked 2012/13 £000	Unearmarked 2012/13 £000	Use of Reserves 2012/13 £000	Unaudited Balance 31 March 2013 £000
Supporting Business/Economic Growth	-283	0	0	58	0	-225
Service Improvements/Performance and Change	-818	0	0	116	0	-702
General	-5,845	76	-1,011	955	249	-5,576
General Grants	-4,802	88	-2,211	1,479	0	-5,447
Building Maintenance Reserve	-309	0	0	75	0	-233
Subsidy Equalisation	-500	0	-62	0	0	-562
Debt Financing	-378	0	-109	1	0	-486
Rent Deposit Scheme	-160	0	0	0	0	-160
Leasing	-7	0	0	0	0	-7
Carbon Management & Salix	-170	0	-15	89	0	-95
Insurance Reserve	-2,143	0	-390	90	0	-2,443
Core Business Systems	-254	0	0	20	0	-234
Arts	-19	0	0	0	0	-19
Delapre Abbey	-522	-164	-226	29	0	-883
	-16,209	0	-4,025	2,913	249	-17,072

Summary of Housing Revenue Account Outturn Position 2012/13**Key**

"-" figure denotes a budget under spend or an income budget

"+" figure denotes a budget overspend or an expenditure budget

	2012/13 Revised Budget	2012/13 Projected Outturn as at Period 10	2012/13 Outturn	(Under) / Over Spend
	£000	£000	£000	£000
Rents - Dwellings Only	-46,572	-46,853	-46,810	-238
Rents - Non Dwellings Only	-1,112	-1,110	-1,094	18
Service Charges	-2,453	-2,169	-2,261	192
Other Income	-85	-51	-77	8
Repairs and Maintenance	10,990	11,042	11,033	43
General Management	6,469	6,236	5,539	-929
Special Services	3,273	3,190	3,474	200
Rents, Rates, Taxes & Other Charges	87	27	19	-69
Increase in Bad Debt Provision	450	275	369	-81
Rent Rebate Subsidy Deductions	643	20	0	-643
Housing Revenue Account Subsidy	0	0	1	1
Total within Budget Managers Control	-28,309	-29,393	-29,808	-1,499
Capital Charges	11,394	12,059	12,236	842
Interest and Financing	6,072	6,366	6,351	279
Net Support Service Recharges	4,921	4,850	5,012	91
Technical Accounting Adjustments	22,387	23,275	23,599	1,212
HRA Net Expenditure 2012/2013	-5,922	-6,118	-6,209	-287
Net Contribution to/(from) Reserves	5,922	6,118	6,209	287
Housing Revenue Account Deficit (Surplus)	0	0	0	0
Balance b/fwd			5,000	
Balance c/fwd			5,000	

HRA Revenue Budget
Service Budget Outturn Position 2012/13

Appendix 6

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	2012/2013 Revised Budget	Outturn	Outturn Variance	Explanation
	£000	£000	£000	
HS05	217	182	-35	Compensation payments made from the Under Occupation Scheme (£35k) were lower than anticipated.
HS07	1,598	1,681	83	Various overspends including: Insurances £21k, Refurbishment & General Maintenance of buildings £42k and IT Hardware £9k.
HS15	819	769	-50	Lower costs incurred in relation to the Path Trainee Scheme that ended part way through the year. Also, lower service training costs incurred within the service.
Division Total - Head of Strategic Housing	2,634	2,632	-2	
HS04	6,567	5,810	-758	Savings on the Stock Options Appraisal works (£334k) are offset by a reduction in the contribution from the earmarked reserve that funds this work, so that the funding is available in future years. Insurance savings (£314k) that have arisen as a result of a lower corporate insurance costs have been used to create an Insurance Reserve to mitigate any future risks. There has also been a reduction in the utilities and council tax costs associated with empty properties (£70k) following the refurbishment of Paget House and the demolition of Robinson House.
HS06	0	1	1	Residual balance on HRA Subsidy - this scheme has now been replaced by Self-financing.
HS08	-49,129	-49,874	-745	The de-pooling of tenants service charges led to a saving on the Rent Rebate Subsidy Limitation mechanism (£643k). The contribution to the Bad Debt Provision was lower than budget (£93k) as a result of lower arrears levels. In addition, overall rental income was greater than budget (£21k).

HS16	Housing Asset Strategy	3,648	4,164	515	Higher costs within the Technical Services team £273k, reflecting additional works to communal heating systems. The Planned & Major Works Team were higher than budget by £260k as a result of additional revenue costs associated with the acceleration of the Decent Homes scheme within the capital programme. Note that this is offset by £128k of staff costs that were transferred to Capital Schemes and reflected in net recharges.
HS17	Head of Landlord Services	115	99	-15	Staff savings as a result of a part-time interim appointment to a full-time post.
HS18	Stock Condition Survey	93	-13	-106	Stock condition work was carried out as part of the Decent Homes capital scheme. Therefore, no revenue expenditure was incurred during the year.
SS18	Housing Property Maintenance	7,762	7,373	-389	This reflects the higher allocation of costs to the capital programme and in particular, the Decent Homes capital scheme, rather than to revenue works. There was also a saving of £100k that had been provided for the potential costs of the implementation of a new pay and productivity scheme that was being considered in 2012/13, but delayed till 2013/14.
	Division Total - Head of Landlord Services	-30,943	-32,441	-1,497	
	Directorate Total - Housing	-28,309	-29,808	-1,499	
	Total	-28,309	-29,808	-1,499	

HRA Revenue Budget

Appendix 7

Comparison of 2012/13 Period 10 Forecast Outturn Variance and Actual Outturn Variance

Key

"-" figure denotes a budget under spend or an income budget or improvement in outturn

"+" figure denotes a budget overspend or an expenditure budget or deterioration in outturn

	Period 10 Forecast Variance	Outturn Variance	Forecast Vs Outturn	Explanation
	£000	£000	£000	
HS05	0	-35	-35	Compensation payments from the Under Occupation Scheme (£35k) did not progress as anticipated.
HS07	36	83	47	Late insurance costs £21k were not anticipated. Also, there were costs incurred in relation to Repairs & Refurbishment of sheltered housing that were not foreseen.
HS15	-11	-50	-39	Lower costs were incurred in relation to IT project works that are being funded from the HRA Service Improvement & Project Reserve. These project costs will be incurred in 2013/14.
Division Total - Head of Strategic Housing	25	-2	-26	
HS04	-37	-758	-721	Pension savings (£269k) were identified at year end following updated actuarial information. Insurance savings (£314k) were used to create an earmarked reserve. The forecast for the Stock Options Appraisal was £339k higher than outturn but this was offset by a reduction in the amount drawdown from the Reserve. There was also a late internal charge from the Voids Team, £130k for work that was carried out for rubbish clearance in the borough.
HS06	0	1	1	Residual balance on HRA Subsidy - now replaced by Self-financing.
HS08	-754	-745	9	Minor variations

HS16	Housing Asset Strategy	168	515	348	Primarily reflects an increase in revenue costs associated with the acceleration of the Decent Homes capital scheme in 2012/13. These are partly offset by an increase in recharges to the capital programme.
HS17	Head of Landlord Services	46	-15	-62	Interim external support costs were lower than projected.
HS18	Stock Condition Survey	-93	-106	-13	Additional savings as a result of a prior year adjustment that had not been projected.
SS18	Housing Property Maintenance	-144	-389	-245	A reduction in the levels of void works in the final quarter of the year and the late capitalisation of void expenditure resulted in a lower spend than had been anticipated. In addition, an internal charge was raised for rubbish clearance (130k) at year end.
	Division Total - Head of Landlord Services	-814	-1,497	-683	
	Directorate Total - Housing	-789	-1,499	-710	
	Total	-789	-1,499	-710	

Summary of HRA Earmarked Reserves 2012/13

Earmarked Reserve	Audited Balance 1 April 2012 £000	Reallocation of Reserves £000	Earmarked 2012/13 £000	Unearmarked 2012/13 £000	Use of Reserves 2012/13 £000	Unaudited Balance 31 March 2013 £000
Capital Programme Reserve	2,614		6,181		0	8,794
Leaseholder Reserve	168				0	168
Service Improvement & Project Reserve	1,000		670		-274	1,395
Stock Options Appraisal	2,000				-667	1,333
Supporting People Reserve	558					558
HRA Insurance Reserve	0		300			300
Total (excluding HRA Working Balance)	6,340	0	7,150	0	-941	12,549

Capital Programme 2012/13 - Outturn and Carry-Forwards

Cost Centre	Capital Scheme	Latest Approved Budget 2012/13	Actual Expenditure 2012/13	Variance	Carry-Forward Requested	Over/(Under)-spend	Reasons for Carry-forward or Over/(Underspend)	Previously Approved Carry Forward (see note below)
General Fund Schemes								
BA144	Playbuilder - Dallington	300	0	-300				
BA150	Change of Scene Activity Trailer	9,500	9,500	0		-300		
BA167	I Love My Parks	15,254	13,032	-2,222	2,222	0	Delay in progression of refurbishment of racecourse Pavilion project	17,000
BA192	Content Management System Upgrade for Websites	3,650	3,199	-451		-451		
BA193	Refurbishment - Northampton Museum and Art Gallery	0	9,957	9,957		9,957	Additional works required - funded from earmarked capital receipts.	
BA207	IT Infrastructure - Servers and Network Storage	169,700	169,741	41		41		
BA211	Extension of Duston Cemetery	2,000	2,000	0		0		40,450
BA764	One Stop Shop, CRM	29,966	0	-29,966	29,966	0	Delays in the implementation of integration have led to delayed options analysis for workflow modules - the funding is still required to support CRM improvements to lead to more efficient ways of working.	
BA786	Data Network Improvements	29,334	16,192	-13,142	9,300	-3,842	O/S Invoice. Project completed.	50,000
BA808	IT Network Replacement Programme	34,236	22,538	-11,698	11,698	0	Additional network equipment required.	
BA872	Night Safe & Target Hardening - SSNP	0	0	0		0		13,825
BA893	Microsoft Office 2010 Upgrade	30,200	29,815	-385		-385	Licenses not required.	145,000
BA895	Allotment Provision	0	15,030	15,030	-15,030	0	Works commenced earlier than expected, therefore need to reduce previously approved carry-forward	100,000
BA896	Guildhall Loft Insulation Salix project	4,842	3,480	-1,362		-1,362	Project completed	
BA897	Grosvenor Car Park T5 Lighting Upgrades	40,117	32,503	-7,614	7,614	-0	To meet some additional cost	
BA898	St Michaels Car Park Led Lighting	88,839	71,628	-17,211	17,211	0	To meet some additional cost	
BA903	Purchase of IT Equip (end of lease)	20,595	20,595	0		0		
	Customers & Communities Total	478,533	419,210	-59,323	62,981	3,658		366,275
BA122	Fire Safety Improvement Works	83,291	75,322	-7,969	7,969	0	Works to be completed	
BA132	St Crispin Changing Rooms, Toilet, Car park	0	0	0		0	N/A - carry forward previously approved	750,989
BA133	St Crispin Football Pitches and Play Provision	126,639	124,523	-2,116	2,116	-0	Project delivery and spend crosses over financial years, Funding S106, any underspend to go back into S106 funds	100,000
BA136	Water Management Works	268,585	267,384	-1,201	1,200	-1	To continue the improvement of watercourses	93,000
BA138	Cemeteries Refurbishment Works	33,234	33,234	0		-0		
BA139	Works to Churchyards (footpaths and boundary walls)	2,000	1,871	-129		-129		
BA140	Corporate Properties - DDA Issues	0	4,527	4,527		4,527	Payment of retention from previous years works	
BA141	Unexpected in year Failures	0	-277	-277		-277		
BA146	Water Hygiene - Monitoring Imps	12,000	0	-12,000	12,000	0	Needed for delayed works	70,000
BA169	Northampton Skatepark	294,105	292,165	-1,940	1,940	-0	on going construction of skatepark facilities building	
BA179	Abington Park, Changing Room refurbishment	197	0	-197		-197		
BA180	Strategic Property Investment	0	0	0		0		500,000
BA181	Refurbishment Abington Park Cottages 1&2	0	1,780	1,780		1,780	Completion of works	
BA183	Improvement to Parks Infrastructure	0	827	827		827	Completion of works	
BA186	Improvement to Parks Infrastructure	275,482	275,482	0		0		27,200
BA187	Racecourse Bowling Green Footpaths	350	0	-350		-350	Works complete	

Cost Centre	Capital Scheme	Latest Approved Budget 2012/13	Actual Expenditure 2012/13	Variance	Carry-Forward Requested	Over/(Under) -spend	Reasons for Carry-forward or Over/(Underspend)	Previously Approved Carry Forward (see note below)
BA188	Royal and Dergate Roof Replacement Works	0	381	381		381	Completion of works	
BA189	Corporate Asset Improvements	251,777	281,777	30,000	-30,000	0	Unexpected in year failures meant that c/f anticipated not required	30,000
BA190	Investment Property Enhancements	76,000	15,893	-60,107	60,107	-0	Projects delayed in 12/13	24,000
BA194	Guildhall Renewals	168,000	168,000	-0		-0		39,000
BA196	Grosvenor/Greyfriars - Stagecoach Relocation	3,000,000	3,000,000	0		0		90,000
BA197	Delapre Abbey Restoration Minor Projects	10,000	28	-9,972	9,972	0	Restoration works are ongoing	
BA208	Easfield Park Improved Park Entrance	0	-140	-140		-140		
BA350	Racecourse Changing Rooms	0	112	112		112		
BA356	Community Centres Refurbishment	20,145	22,801	2,656		2,656		
BA368	Upton Park Pedestrian & Cycle Bridge	208,011	207,264	-747	747	-0	Works not complete, retention	78,400
BA384	Cultural Quarter Signage	50,000	25,000	-25,000	25,000	0	scheme has only been partially completed due to the need to coordinate putting signage in place with the completion of other regeneration projects	
BA385	Town Centre Enhancements	50,000	22,770	-27,230	27,230	0	Commencement of works delayed due to extended negotiations with contractor to ensure acceptable prices and programme.	50,000
BA645	S.106 Transfer to Other Authorities	137,690	51,002	-86,688	86,688	0	This sum is required for the County Council to complete works at Banbury Lane to create a bus link into Swan Valley	
BA883	Planning IT Improvements (HPDG)	2,278	2,278	-0		-0		191,335
BA887	Grosvenor Greyfriars Car Park Improvement Works	73,000	75,311	2,311	-2,311	0	More works completed in year than anticipated	5,000
BA889	Mayorhold Car Park - Drainage Works	5,000	3,275	-1,725	1,725	0	Project delayed due to technical investigations	75,000
BA890	Central Museum - Boiler Replacement	35,000	34,800	-200		-200		
BA891	Bus Interchange	1,216,000	1,263,087	47,087	-47,087	-0	Progress faster than expected, previous carry-forward to be reduced	
BA892	Urgent Lift Renewals	131,500	0	-131,500	131,500	0	Project initiation delayed to achieve better value	4,284,000
BA894	Mounts Baths Roof	175,400	171,025	-4,375	4,375	-0	Required for Phase 2	50,000
	Regeneration Enterprise & Planning Total	6,705,684	6,421,500	-284,184	293,172	8,988		6,457,924
BA145	Cliftonville Move: New ways of working	55,246	40,479	-14,767	14,767	0	Needed for ventilation works (G'hall)	
BA157	COM; Telephony (VoIP)	7,108	-1,011	-8,119		-8,119	Project completed under budget	
BA164	COM; IT Equipment New ways of working	65,900	65,000	-900		-900	Project completed under budget	
BA165	COM; Document Management	98,071	0	-98,071	98,071	0	Project has focused on delivering Housing modules, funding relates to General Fund element which will be complete in 2013/14.	
BA173	Multi-Function Devices (MFD's)	0	0	0		0		29,628
BA209	Hosted Debit and Credit Card Payments	39,173	39,173	0		0		
BA210	Jeffrey Room Audio and Visual Improvements	6,539	4,228	-2,311	750	-1,561	The acoustic boards have moved as the building has moved and works are required to address the cracking.	
BA383	Cinepod - Royal & Dergate Theatre	350,000	159,784	-190,216	190,216	0	Project completion delayed due to additional works required to foundations	
BA646	Re-furbishment of the Great Hall kitchen	60,000	63,805	3,805	-3,805	0	Works have progressed faster than expected, therefore need to reduce previously approved carry-forward.	61,500
BA743	Electronic Record Management	5,911	0	-5,911		-5,911	No longer required	
BA900	Revenue to Capital - Technical Transfer	106,506	106,506	0		0		
	Resources Total	794,454	477,965	-316,489	299,998	-16,491		91,128
BK010	Countrywide Climate Friendly Communities	98,511	51,894	-46,617	46,617	0	Awaited the government to introduce new legislation to incorporate in the New Green deal ECO schemes	

Cost Centre	Capital Scheme	Latest Approved Budget 2012/13	Actual Expenditure 2012/13	Variance	Carry-Forward Requested	Over/(Under) -spend	Reasons for Carry-forward or Over/(Underspend)	Previously Approved Carry Forward (see note below)
BK013	Empty Homes Programme	200,000	0	-200,000	200,000	0	FDA Agreement was not signed with HCA until late Feb 13 which left delivery of numbers almost impossible for Year 1. Therefore this will need to be carried forward to support delivery for 2013/14	432,090
BK015	DFG's Owner Occupiers	2,203,972	2,270,649	66,677	-66,677	0	Expenditure incurred from 2013/14 provision, budget to be brought-forward.	
BK029	Hot Property 3	1,392	-2,482	-3,874	3,874	0	Awaited the government to introduce new legislation to incorporate in the New Green deal ECO schemes	
BK030	Heatstreets		-56	-56		-56		
BK043	Ecton Lane Improvements	11,620	11,620	0		0		
BK044	GOEM Decent Homes Assistance	153,602	114,793	-38,809	38,809	0	Initial pot for emergency Decent homes	
BK050	Wrapped up Scheme	50,000	25,947	-24,053	24,053	0	Works completed early in 2013/14	
BK051	Fuel Poverty Fund County Wide	504,000	37,726	-466,274	466,274	0	Works delayed due to the inclement weather this winter, works completed by end of May by agreement with Department for Energy and Climate Change.	
	Housing General Fund Total	3,223,097	2,510,093	-713,004	712,949	-56		432,090
	Total General Fund	11,201,768	9,828,767	-1,373,001	1,369,100	-3,900		7,347,417
HRA Schemes								
BH003	Garages Roofs & Doors Replacement	65,201	72,538	7,337		7,337	Rolling programme of work	
BH006	Woodside Way New Build	15,966	15,966	30		30	N/A	
BH009	Fire Safety Works - communal areas	150,000	134,948	-15,052		-15,052	Better prices achieved than forecast	
BH011	Capital Improvement Works	101,598	96,935	-4,664		-4,664	Small under spend	200,000
BH014	Estate Regeneration	348,224	496	-347,728	347,728	0	Legal leasehold issues have held up this project, but the work is on site, therefore the funds are required to be carried forward	
BH019	Window Restrictors	26,283	0	-26,283		-26,283	Work is now part of Decent Homes programmes or Legal action; budget no longer required	
BH020	Periodical Electrical Works	185,489	245,772	60,283		60,283	Additional work was required as part of the SCATE project.	
BH021	New Communal Boilers	0	1,705	1,705		1,705	Retention on new boilers from the previous years work	
BH022	Community Energy Savings Programme (CESP)	2,976,828	2,590,234	-386,594	252,060	-134,534	Clarification of external funding caused delay. Some of the work in 2012/13 was coded to BH321, Door and Window Replacement.	
BH023	External Gas Supply Replacement	5,550	2,670	-2,880		-2,880	Metal thefts have stopped; budget no longer required	
BH140	Disabled Grant - Major Repairs	1,200,000	1,372,830	172,830		172,830	Overspend due to increased Major adaptations required	
BH302	Minor Adaptations for People with Disabilities	170,000	168,085	-1,915		-1,915	Minor underspend no need to carry forward	
BH304	Complete Roofs	675,110	339,798	-335,312	335,312	0	Delay due to bad weather; work is on site	216,000
BH305	Structural Repairs	400,000	470,027	70,027		70,027	Structural works St Katherine's	
BH317	Decent Homes and Poor Condition Improvement	17,945,000	18,295,225	350,225		350,225	Continuation of work on site/additional work identified during period	
BH321	Door & Window Replacement	33,495	168,029	134,534		134,534	Overspend relates to CESP projects being coded to this budget, overspend is offset by underspend on BH022.	
BH324	Gas Appliance Replacement - Planned Ptnrship	700,000	814,384	114,384		114,384	Overspend due to increased number of boilers failing in the winter period	
BH325	Gas Appliance Replacement - Responsive	500,000	500,195	195		195	N/A	
BH329	Asbestos Remedial Action	100,000	122,862	22,862		22,862	Additional work identified during period	
BH338	Capital Voids	1,089,557	999,457	-90,100		-90,100	Underspend	
BH345	Kitchen replacement	246,666	234,825	-11,841	11,841	0	Works in progress	
BH351	Door Entry Updates	135,119	109,179	-25,940	25,940	0	Works in progress	
BH354	Lift Refurbishment	14,119	19,744	5,625		5,625	Retention on lift works from the previous years work	
BH364	Environmental enhancements to housing land	327,521	263,456	-64,065	64,065	0	Underspend due to bad weather work will be completed in 13/14	
BH365	Walkways	100,000	0	-100,000	100,000	0	Works identified	
BH366	Sheltered Housing Improvements	350,000	334,998	-15,002		-15,002	Slight underspend on the pilot property at Eleanor House.	650,000

Cost Centre	Capital Scheme	Latest Approved Budget 2012/13	Actual Expenditure 2012/13	Variance	Carry-Forward Requested	Over/(Under)-spend	Reasons for Carry-forward or Over/(Underspend)	Previously Approved Carry Forward (see note below)
BH367	IT Capital	30,000	15,486	-14,514	14,514	0	Carry forward to help support 2013/14 programme. This year was underspent due to having to respond to Government legislation on Localism and Welfare Reform and mostly incurred Revenue costs and not capital. 2013/14 is expected to cover large IT modules that will require large Capital Investment to improve service delivery	170,000
BH368	Communal Area Upgrades	200,000	52,790	-147,210	147,210	0	Work identified on site, will be completed 13/14	-
BH370	Repurchase of Former Council Houses	500,000	0	-500,000	500,000	0	Number of purchases are in process	-
BH371	Off Grid to Renewable Technologies	162,254	3,255	-158,999	82,999	-76,000	This project was delayed in starting due to additional survey works. Work is on site and this HRA funding will be required, although grant funding could not be carried forward.	-
Total HRA		28,753,980	27,445,918	-1,308,062	1,881,670	573,608		1,236,000
Grand Total Programme		39,955,748	37,274,686	-2,681,062	3,250,770	569,708		8,583,417

Note: Previously Approved Carry-Forwards - these budgets have already been carried forward to 2013/14, supported by Variation Forms submitted by budget managers. The Latest Approved Budget for 2012/13 recognises these carry-forwards as a reduction.

SCATE = Safer Cleaner and Tidier Estates

Appendices
1



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Annual Governance Statement 2012/13 Consultation
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	29 July 2013
Policy Document:	No
Directorate:	Finance Directorate, LGSS
Accountable Cabinet Member:	Cllr A Bottwood

1. Purpose

1.1 To present the draft Annual Governance Statement 2012/13 to the Audit Committee and request input to the Statement.

2. Recommendations

2.1 To consider the draft Annual Governance Statement

2.2 To identify areas of concern for inclusion in the Statement

2.3 To identify whether additional comment or content is required on areas considered in the Statement.

3. Issues and Choices

3.1 Report Background

3.1.1 The Council must publish an Annual Governance Statement. For 2010/11 onwards, this statement must accompany the Statement of Accounts, but is not included in the Statement of Accounts.

3.1.2 The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims, and objectives. It can therefore only provide reasonable and not absolute assurance.

3.1.3 In many organisations the system (and statement) of internal control is often seen as an audit or finance function. The responsibility lies with both officers and Members. In summary:

- The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to value for money.
- In discharging this overall responsibility, the Council (elected Members and officers) is responsible for ensuring there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

3.1.4 Audit Committee are requested to

- Consider the draft Annual Governance Statement 2012/13 (attached at Appendix 1);
- Identify any additional areas of concern that the Audit Committee has and which need to be considered for inclusion in the final Annual Governance Statement 2012/13; and
- Identify whether additional comment or content is required on the areas already considered in the Statement.

3.1.5 Following Audit Committee, the draft Annual Governance Statement will receive final consideration by the Chief Finance Officer, the Borough Secretary, Senior Managers, and Internal Audit. It will be reviewed by External Audit and will then be presented back to Audit Committee at its September meeting.

3.2 Issues

3.2.1 As noted within the document, the significant governance issues are detailed in section 6 of the Annual Governance Statement

3.3 Choices (Options)

3.3.1 The Audit Committee may choose to request additional comment or content. Alternatively the Audit Committee may decide that there is no additional comment or content that they wish to make.

3.3.2 The Audit Committee may choose to identify additional areas of concern for consideration for inclusion in the final Annual Governance Statement. Alternatively the Audit Committee may decide that there are no such concerns they wish to raise.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no direct policy implications.

4.2 Resources and Risk

4.2.1 The system on internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims, and objectives. It can therefore only provide reasonable and not absolute assurance.

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 Senior Officers have fed into the draft Annual Governance Statement, and the annual internal audit report information has also been used in the compilation of the draft Annual Governance Statement.

4.6 Other Implications

4.6.1 None

5. Background Papers

5.1 Appendix 1 – Draft Annual Governance Statement

**Rebecca Smith,
Assistant Head of Finance for Northampton Borough Council
01604 838147**

**NORTHAMPTON BOROUGH COUNCIL
DRAFT ANNUAL GOVERNANCE STATEMENT 2012/13**

1 Executive Summary

This document describes Northampton Borough Council's governance arrangements and assesses how closely the Council aligns with good practice. In overall terms this is a positive statement for the financial year 2012/13. This document relies on several assurance mechanisms including the internal audit annual review, internal audit reports throughout the year, the Statement of Accounts, Audit Committee, the overview and scrutiny process and external audit.

External audit was undertaken by the Audit Commission until September 2012, from which time KPMG have taken over. This provides assurance on the controls the Council has in place. Where the auditor identifies weaknesses in the Council's arrangements, these are highlighted in the Annual Audit and Inspection Letter. The Council received an unqualified audit opinion on its 2011/12 accounts, the latest ones published.

The statement reports positive progress on the three significant issues that arose as part of last year's statement:

- Procurement
- Voids
- Performance Indicators (Housing)

2 Statement of Compliance

The authority's financial management arrangements conform with the governance requirements of CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government Framework.

3 Scope of responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. Overview and challenge of the Council's management of risk is performed by the Audit Committee.

Northampton Borough Council has, through its cross party Constitutional Review Working Group, agreed a local code of corporate governance which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Framework 'Delivering Good Governance in Local Government' from 2007. A copy of the local code is on the Council's website at www.northampton.gov.uk.

This Annual Governance Statement explains how the Council has complied with the code and also meets the requirements of regulation 4(3) and 4(4) of the Accounts and Audit Regulations 2011.

4 The purpose of the governance framework

The System of Internal Control and the Governance Framework have been in place at Northampton Borough Council for the year ended 31 March 2013 and up to the date of the approval of the statement of accounts.

The Governance Framework comprises the systems and processes, and culture and values, by which the council is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims, and objectives and can therefore only provide reasonable, not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims, and objectives. It is also designed to evaluate the likelihood of those risks being realised and their impact should they be realised, and to manage them efficiently, effectively and economically.

5 The Governance Framework

The Constitution is the relevant governance document and the Code of Governance forms part of it. The Borough Secretary (the 'Monitoring Officer') has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution regularly to incorporate any necessary changes. A full review of the Constitution was undertaken during 2010/11 to ensure it was accurate and reflected current best practice and legal requirements and Council approved a revised Constitution on 14th March 2011. Various minor changes have occurred since then to respond to changing circumstances and it is currently in the process of being updated to reflect the Council's new partnership with LGSS.

The Council's Governance Framework derives from the six core principles identified in a 2004 publication entitled The Good Governance Standard for Public Services. This was produced by the Independent Commission on Good Governance in Public Services – a commission set up by CIPFA, and the Office for Public Management. The commission utilised work done by, amongst others, Cadbury (1992), Nolan (1995) and CIPFA / SOLACE (2001). These principles were adapted for application to local authorities and published by CIPFA in 2007. The six core principles that this Governance Framework follows and the key elements of each of those core principles are as follows.

5.1 Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

The Council's strategic objectives are set out in the Corporate Plan 2013-16 which was adopted by the Council at its meeting on 25th February 2013. These objectives are based around the two headings:

- Your Town
- You

Progress against the plan is monitored via the Council's Corporate Performance Framework which integrates financial and service planning. The Council's annual financial planning process is driven by the council's Medium Term Financial Strategy to ensure that the future priorities and ambitions are resourced.

Partnership working is an increasingly important way in which Local Government can deliver more efficient and effective services to local residents. The Council is a member of a number of partnerships with organisations across the local area, and in some cases is also the lead authority with responsibility for establishing and leading some of these partnerships.

The Council has adopted a Partnerships Protocol. The protocol establishes minimum standards of governance and management to be followed by partnerships in order to satisfy the Council that the partnerships are being well run and are delivering benefit to the Council and the residents of the Borough. The protocol outlines key requirements for initiating, approving, setting up, operating, reviewing, and exiting partnership arrangements including the Governance Arrangements to be adopted.

The Council maintains a database of all partnerships it is involved in. This contains details of the Council's representatives in the partnership, the Council's contribution, the name of the lead organisation, the resources committed by the Council and the risk register. The Council evaluates each partnership to assess the risks and rewards to the Council and local communities, including legal issues, insurance, implications arising from the Council's Constitution, the Council's own processes and applicable protocols, financial regulations, issues of partnership procurement and whether the benefits from the partnership are likely to justify the costs involved in membership. The viability and validity of continuing with any partnership is reviewed on a regular basis as part of the ongoing service planning process.

The Council undertakes a significant number of consultations with customers. To facilitate this, the Council has adopted a consultation strategy, toolkit and web based portal. This process sets out a clear methodology for defining aims and objectives, resourcing the consultation, defining the level and method of consultation required, identifying whom to consult, ensuring inclusivity, planning the consultation, using the results, and evaluating the effectiveness of the consultation. Through adopting this methodology, the Council can be sure that consultations are more focussed and effective.

The Council has a comprehensive and robust performance management framework. The framework is reviewed annually to ensure that learning and improvement is captured and changes made where necessary. The Council monitors delivery of its priorities and objectives through the performance management framework. A service plan is in place for each of the Council's service areas and the objectives set out in the Corporate Plan are embedded in these plans. The service plans represent the key plan for each service and clearly set out targets and actions for each service and how each service area contributes to corporate objectives and targets. The service plans address service-level improvements, including value for money objectives. Service plans also set out how each service will contribute to a range of corporate performance and improvement imperatives.

A Management Board Data Set is reported on a monthly basis to Management Board and performance data is included in regular combined performance and financial monitoring reports to Cabinet. Service plans are reviewed at Departmental Management Teams, ensuring that plans remain current, that targets remain relevant and appropriately challenging, and that the service is delivering the actions necessary to achieve the corporate objectives.

Through reviews by external auditors, external agencies, Internal Audit, and internal review teams, the Council constantly seeks ways of ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. A corporate procurement strategy/toolkit has been developed to ensure proper arrangements are in place for procurement of goods and services. This was reviewed by Members and senior officers before being adopted.

The Council reviewed its financial regulations during 2010/11 with the updated financial regulations being approved by Council in May 2011. It is currently revisiting these in light of the new partnership with LGSS. Revised procurement rules were adopted in March 2008. All budgets are allocated to named budget officers, who are responsible for controlling spend against budgets, and who are also responsible for assets used in the provision of their services.

The Council's Risk Management Strategy, which incorporates business continuity management, was further improved in 2011. The Strategy clearly sets out the processes and responsibilities for managing risks across the authority and is supported by a Risk and Business Continuity Management Handbook. Risks are identified and registers comprehensively refreshed on an annual basis as part of the Service Planning process and are updated monthly at Departmental Management Team meetings. This enables risks to be associated clearly to objectives and priorities, providing management with valuable monthly reporting information and ensuring resources are targeted to the priorities and objectives most at risk.

The Council has approved critical functions and business continuity plans for these functions are well developed across the authority. A high proportion of these plans have been tested. These business continuity plans are currently being reviewed and a Corporate Business Continuity Plan is being drafted. Assurance on the Council's risk and business continuity function is provided through regular verbal and written updates to the Audit Committee and through internal audits.

5.2 Members and officers working together to achieve a common purpose with clearly defined functions and roles

5.2.1 The Constitution

The Council has adopted a Constitution, which sets out how the Council operates, how decisions are made and the procedures that are followed to ensure these are efficient, transparent, and accountable to local people. The constitution reflects the 'Executive/Scrutiny' model following the Local Government Act 2000. The Constitution has been reviewed and a revised Constitution was adopted in May 2011. The Council is currently reviewing its constitution in light of its partnership with LGSS.

5.2.2 The Cabinet

Cabinet is responsible for making executive decisions as defined by law and operates within the budget and policy framework approved annually by full Council. Meetings are open to the public except when personal or confidential matters are being discussed. Accountable Cabinet Members have authority to make non-key delegated decisions in accordance with the Leader's Scheme of Delegations in the Constitution. Furthermore, senior and other officers of the Council can make decisions under delegated authority – again the extent of these delegations is set out in the Officers' Scheme of Delegations in the Constitution. The Council publishes a key decision notice, which contains details of key decisions to be made by the Cabinet. Each Cabinet member has a specific range of

responsibilities requiring him or her to work closely with senior and other employees in order to achieve the Council's ambitions.

5.2.3 Management Board

The Council's Management Board, which consists of the Chief Executive, Directors (including the S151 officer), the Monitoring Officer, and Head of Business Change, met on a weekly basis during 2012/13. Management Board considers other internal control issues, including strategic risk management, performance management, compliances, efficiency and value for money, and financial management. Management Board has a corporate responsibility for the messages that the Council puts out, both internally and externally.

5.2.3 Corporate Briefing

This group consists of Management Board members and also all Heads of Service. The meetings are diarised fortnightly to meet as required. The agenda and meeting 'go ahead' are agreed weekly by the Chief Executive.

The group, which is non-decision making, provides collective responsibility for:

- Providing corporate leadership
- Employee development
- Internal and external communications
- Performance management
- Co-ordinating and delivering corporate objectives and priorities for action
- Reviewing corporate policy
- Reviewing corporate standards
- Considering key operational matters

5.2.5 Directorate Management Team

Each Directorate has a Directorate Management Team where the Director and Heads of Service meet to discuss Management Board feedback, council wide and service specific matters. These meetings ensure that:

- Directorates contribute to Management Board, Corporate Briefing and other teams/groups
- Feedback from Management Board, Corporate Briefing and other teams/groups is communicated within the Directorate
- Communication of corporate requirements within and between teams within the respective directorate occurs
- Service area performance is reviewed through Performance Report Packs.

5.2.6 Managers' Workshop

The managers' workshop started in 2007/08 and has a planned roll out of corporate subjects. The workshop attendance covers over 100 managers across the council.

5.2.7 Programme and Project Management Governance

During 2012/13 there were 5 Programme Boards reporting into Management Board on the key project streams for the year of Northampton Alive, LGSS, Stock Options, Prevention, and Improvement. Each Programme Board is chaired by a Director, and they report into Management Board by exception.

The 5 Programme Boards will not encompass every single project that NBC is actively delivering, but rather those identified by Management Board as requiring corporate governance controls.

The Programme and project governance framework will signpost to other areas of governance that are required within the organisation. This saves the need for separate governance boards being set up and ensures integration across all of the specialist areas.

The NBC Project Management Best Practice Guide provides direction on the approach and the tools and templates available to support the programmes and projects. This ensures that those projects that are not deemed as requiring corporate governance controls will still maintain the NBC project management approach.

5.2.8 Codes and Protocols

The council has adopted a number of codes and protocols that govern both Member and officer activities. These are mainly reviewed annually:

- Members Code of Conduct
- Members Register of Interests
- Officers Code of Conduct
- Officers Register of Interests
- Protocol for Members and officers regarding probity planning
- Protocol on Member/Employee relations
- Register of Gifts and hospitality – Members and Officers
- Counter Fraud
- Whistleblowing policy
- RIPA Policy
- Complaints and compliments procedures

5.3 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

The Council has designated the Borough Secretary as the Council's Monitoring Officer. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws, and regulations. The Monitoring Officer also supports the Standards Committee and is the nominated officer for Whistleblowing. After consulting the Chief Executive and Chief Finance Officer (section 151 Officer), he will report to the Council, under Section 5 of the Local Government and Housing Act 1989, if he considers that any proposal, decision, or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

The Council has a Standards Committee which is responsible for: -

- Ensuring Councillors and other representatives are trained to carry out their duties effectively;
- Advising on the Members' Code of Conduct and helping Councillors and other representatives to understand what their duties are in relation to the Code;
- Investigating complaints received about elected Borough and Parish Council Members;
- Monitoring the operation of the Code;
- Conducting local hearings and determination of sanctions should a breach of the Code of Conduct be found;

- Granting dispensations to Councillors, co-opted members from requirements relating to interests set out in the Members' Code of Conduct;
- Advising the Council on other Codes and Protocols forming the authority's ethical framework;
- Considering arrangements for the appointment of Independent Members to the Committee;
- Ensuring the authority operates within a robust corporate governance framework; and
- Considering any report referred to it by the Cabinet or any other Committee where there are implications for ethical standards and report back as appropriate.

On 21 June 2012 the Council's internal auditors (PWC) presented a report to Management Board on the electronic governance survey launched in December 2011, as part of the planned 2011/12 audit work. A similar survey was carried out in March 2010, which was compared with the 2011/12 results. PWC's recommendation was that the Council should consider further the responses to statements 2 and 3 where there was a negative change in perception since 2010 and the response to statement 7 where a quarter of respondents felt that the Council doesn't manage large projects and significant contracts effectively. These statements and the context to them are shown below.

- 2 We perform effectively in clearly defined functions and roles
Matters to consider before making your assessment:
Do we all know what we are supposed to be doing? Do we understand our roles and responsibilities and those of others charged with governance? Is there collective responsibility for decisions taken? Do we understand the views of the public and service users and do we obtain robust information about these views?
- 3 We promote values for the whole Council and demonstrate the values of good governance through behaviour.
Matters to consider before making your assessment:
What are the values we expect staff to demonstrate in their behaviour and actions? Does our behaviour (collectively and individually) demonstrate that we take our responsibilities seriously? Can our behaviour weaken the organisation's aims and objectives?
- 7 We manage large projects and significant contracts effectively and efficiently, minimising risk to the Authority and ensuring that the best outcomes are achieved from the resources used.
Matters to consider before making your assessment:
Do we perform effective risk management for large projects and contracts? Do we consult with the public and service users? Do we assess whether outcomes are achieved in line with expectations? Do we assess value for money appropriately before embarking on projects?

The Council has implemented a new governance structure for its key projects during 2012/13 that addresses the issues raised in the Governance Survey Report. (See section 5.2.7 above).

The financial management of the Authority is conducted in accordance with the financial rules set out at Article 13 and the Financial Regulations section within the Constitution. The Council has a designated Chief Finance Officer in accordance with Section 151 (S151) of the Local Government Act 1972. The Assistant Heads of Finance are Deputy S151 officers. The Council has in place a three-year Financial Strategy, updated annually, to support the medium-term aims of the Corporate Plan.

The Council maintains an Internal Audit service provided through a contract with PricewaterhouseCoopers, who operate to the standards set out in the 'Code of Practice for Internal Audit in Local Government in the UK'. Individual services produce annual service plans. These Service Plans are updated each year so as to incorporate the Corporate Plan requirements into service activities, so that services know what they are required to do to achieve the Council's priorities and ambitions. These plans also identify any governance impact.

The Council's external audit services were provided by the Audit Commission until September 2012, when KPMG took over. They audit the Statement of Accounts, grant returns, whole of government accounts and national fraud initiative.

5.4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

The Council has several committees, which carry out regulatory or scrutiny functions:

5.4.1 Cabinet

Cabinet makes executive decisions.

5.4.2 Planning Committee

Planning Committee determines planning applications and related matters.

5.4.3 Standards Committee

Standards Committee promotes monitors and helps to maintain high ethical standards amongst the Council's Members, and this extends to having the same responsibility for all town and parish councils within the Borough.

The Standards Committee has produced periodic newsletters for the benefit of Members, Parish Councillors and relevant officers, to provide updates on the national position, advice on matters in relation to Standards generally and to also remind Members of their obligations under the Code of Conduct, the Register of Interests, Gifts and Hospitality.

5.4.4 Audit Committee

Audit Committee provides assurance about the adequacy of internal controls, financial accounting and performance reporting arrangements, and that effective risk management is in place. Its work is intended to enhance public trust in the corporate and financial governance of the council. It also reviews areas of concern to the committee, particularly around risk, fraud and failure of systems of control.

The Audit Committee has been very effective during 2012/13. There are now no High Risk areas left in the Council. Audit Committee has the opportunity to question and challenge on any reports brought before it. This supports a good internal control framework.

The Committee also reviews risk registers, approved the 2011/12 Annual Governance Statement (AGS) and Statement of Accounts, and will approve these for 2012/13. The committee receives annual training from internal audit.

5.4.5 Licensing Committee

Licensing Committee monitors and reviews the effectiveness of the Council's licensing policy and procedures and make individual licensing decisions as required.

5.4.6 General Purposes Committee

General Purposes Committee, which is a sub-committee of full Council, makes decisions that are not the responsibility of the Executive or other committees,

5.4.7 Appointments and Appeals Committee

Appointments and Appeals Committee has responsibility for appraising senior officers and dealing with certain disciplinary and grievance matters.

5.4.8 The Overview and Scrutiny Committee

Since May 2010 the Council has had one Overview and Scrutiny Committee which sets up time-limited Scrutiny Panels to carry out in-depth Reviews. The Overview and Scrutiny Committee comprises fifteen Members. The Scrutiny Panels now hold their meetings in public and individuals are encouraged to attend.

Some of the Overview and Scrutiny Committee responsibilities are:

- **Co-ordinating Work Programme** – to co-ordinate the work plan to avoid duplication and ensure joint working, or other suitable arrangements.
- **Allocation of Resources** – to consider the overall work loads of Scrutiny Panels and to agree the allocation of resources to each Panel according to need on an equal basis.
- **Involvement of other People in the Overview and Scrutiny Process** – to review arrangements for involving Councillors or people outside the Council, in the Overview and Scrutiny process, such as by co-option, or setting up working parties which include outside representatives and be responsible for agreeing appointments of external parties to relevant Scrutiny Panel.
- **Training and Development** – to review training needs of Overview and Scrutiny Committee Members and of Councillors and Council employees generally in relation to the Overview and Scrutiny process; and to consider the development of operational styles and techniques to aid the usefulness and effectiveness of the Overview and Scrutiny process.
- **Appoint three Overview and Scrutiny Panels**
- **Policy Development and Review** – The Overview and Scrutiny Committee may assist the Council and Cabinet in the development of its Budget and Policy Framework by in-depth analysis of policy issues by a variety of methods.
- **Support Needs** – To consider any general issues which arise with regard to the levels of co-operation and support which the Overview and Scrutiny Committee and Scrutiny Panels receive from other parts of the Council.

Overview and Scrutiny is a key part of the modernised arrangements for governance in local councils and also an important mechanism for driving forward performances in services. The four key legislative roles are: -

- Holding the Executive to account
- Policy development and review
- Best Value Reviews
- External Scrutiny

Overview and Scrutiny provides the opportunity for Councillors that are not members of Cabinet to examine various functions of the Council, to question how key decisions have been made and to champion issues of local concern to residents.

Overview and Scrutiny is charged with finding ways of ensuring that the issues that matter to the public are the focus of their attention, and with finding new ways of getting citizens involved in the things that affect them. Overview and Scrutiny has considerable powers:

- Holding decision makers to account
- Challenging and improving performance
- Supporting the achievement of value for money
- Challenging the ways things are done
- Influencing decision makers with evidence based recommendations
- Bringing the evidence and views of stakeholders, users and citizens

Overview and Scrutiny is Councillor led. As well as Councillors leading on the review of topics, where they research issues and develop recommendations, they are also involved in setting the Overview and Scrutiny Committee agenda, bringing forward topics and issues, identifying who they want to hear from to help their work and what they want to know and how they want it presented to them.

The O&S Committees can “call-in” a decision that has been made by the Executive but not yet implemented, to enable it to consider whether the decision is appropriate. Call in can be referred to O&S by at least two Councillors. There was one call in during 2012/13.

Overview and Scrutiny becomes involved with decisions at an appropriate early stage to apply real influence and therefore play the important role of ‘critical friend’ to Cabinet. The Committee undertook three pre-decision scrutiny activities during 2012/13:

- Tenant Involvement Strategy,
- Housing Allocations Scheme,
- Tenancy Strategy 2012-2015.

This pre-decision scrutiny activity demonstrates non-Executives influencing organisational culture at the Council.

During 2012/13, the scrutiny panels reviewed the following areas: -

- **Infrastructure Requirements and s.106 Agreements** – To evaluate how infrastructure will be delivered through Section 106 Agreements, to identify any gaps and how these would be filled and renegotiate S106s if necessary
- **Retail Experience in the Town Centre** – To enhance the retail experience that makes people want to return to the town and to manage the transition period during the works on Grosvenor/Greyfriars, Riverside etc. and protect current shops
- **Serious Acquisitive Crime/Community Safety** – To investigate, as a bench mark, Northampton’s crime statistics, to identify ‘hotspots’, to provide a research paper to the Police and Crime Commissioner (PCC), and to identify people’s perception of crime

Where relevant Overview and Scrutiny will set up panels to undertake pre-scrutiny of key issues. In 2012/13 for example a panel was set up to “pre-scrutinise” LGSS and review the process as the partnership arrangement was developed.

The Council’s Overview and Scrutiny (O&S) Committee is a very effective model, both for pre-decision investigations, and for a call-in process to scrutinize decisions of the executive. An evaluation of the Overview and Scrutiny process at Northampton took place using the Centre for Public Scrutiny (CfPS)’s framework “Accountability Works for You”, together with two mini peer Reviews undertaken by Officers and Councillors from Broxtowe Borough Council and Rugby Borough Council. It had some very positive outcomes, acknowledging the achievements made, a number of which have been recognised as best practice. The annual report of the Overview and Scrutiny Committee was presented to Council on 10th June 2013.

5.5 Developing the capacity and capability of members and officers to be effective

The Council has a structured Councillor Development programme which is informed by corporate priorities, legislative changes and individual personal development plans for councillors. The programme is overseen by the Councillor Development Group, which comprises of councillors from all political groups and officers to determine priorities and agree programmes of development on a rolling three-month programme. It also evaluates and monitors outcomes from development sessions.

Compulsory training for members on the Community Enabling Fund took place in 2012/13. Members were not permitted to use the fund without completing the course which covered a broad range of topics including Financial Regulation, Standards, legal duties, etc.

The training explained the links between the Local Government Act 2000 and the community leadership role enhanced by the implementation of the Councillor Community Enabling Fund. It went on to cover members' responsibilities under financial Regulations and Standards including value for money and avoiding conflicts of interest.

In terms of legal duties the training covered relevant legislation including the Bribery act 2010, the Fraud Act 2006, and emphasised the importance of keeping the Register of Members' Interests up to date as well as highlighting their duties acting as stewards of the Council's assets and acting in the public interest.

5.6 Engaging with local people and other stakeholders to ensure robust public accountability

The Council's community engagement activities were brought together into one overarching strategy in 2009. The key principles of the strategy are that:

- All communities should be involved in the decisions that affect them
- All communities deserve high quality public services, shaped around their needs
- Council policies and strategies should reflect local priorities, requirements and aspirations.

The Community Engagement Strategy recognises the diversity of our communities, the importance of community capacity building and the need to provide appropriate opportunities for customers and communities to participate at whatever level they wish to influence service delivery, decision making and policy development.

The Community Engagement Strategy aims to support strong, active and inclusive communities, who are informed and involved in decision-making and enable us to improve public services to enhance quality of life in Northampton. By this we mean:

- strong communities, who can form and sustain their own neighbourhoods, bringing people together to deal with their common concerns
- active communities, where people are supported to improve quality of life in their own communities
- influential communities, where all sections of the community feel they have opportunities to be involved in decision-making and influence public services

6 Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of its governance framework including the system of internal control. The process adopted during 2012/13 for a review is below.

- Contributions and comments from Heads of Service
- Internal Audit review for comment
- Audit Committee review for comment
- Review and approval by Management Board
- Review and approval by the Audit Committee

The review of effectiveness is informed by the work of the managers within the Council who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

The contributions from senior managers included suggestions for training to improve clarity of officer and member roles, concerns that members avail themselves of the development opportunities on offer, the need to promote officer challenge, improving project management and transparency of decision making, capacity concerns and other risks arising from the speed of change (driven at a national level), the need to refresh the management vision, and improving engagement with stakeholders and local people. Many of these issues are addressed by the Programme and Project Governance Structure implemented in 2012/13. (See paragraph 5.2.7 above).

Internal Audit, under the terms of engagement, is required to provide those charged with governance with an opinion on the overall adequacy and effectiveness of the council's:

- Risk management
- Control and;
- Governance processes.

Collectively this is referred to as "the system of internal control".

An audit plan is prepared each year and is agreed at the Audit Committee prior to the year commencing. For 2012/13 the audit plan was agreed at the Audit Committee meeting on 19th March 2012.

The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant service manager and/or chief officer. The report includes recommendations for improvements that are included within an action plan and requires agreement or rejection by service manager and/or chief officers. The process includes follow-up reviews of recommendations to ensure that they are acted upon, usually within six months. All Internal Audit reports include a report on the quality and effectiveness of internal control within the Council's systems, and an assessment in accordance with quantification and classification of internal control level definitions. These definitions are summarised below.


Individual Findings are rated using the guidelines shown in the following table.

Finding rating	Assessment rationale
Critical	A finding that could have a: <ul style="list-style-type: none"> • Critical impact on operational performance (quantify if possible); or • Critical monetary or financial statement impact (quantify if possible = materiality); or • Critical breach in laws and regulations that could result in material fines or consequences (quantify if possible); or • Critical impact on the reputation or brand of the organisation which could threaten its future viability (quantify if possible).
High	A finding that could have a: <ul style="list-style-type: none"> • Significant impact on operational performance (quantify if possible); or • Significant monetary or financial statement impact (quantify if possible); or • Significant breach in laws and regulations resulting in significant fines and consequences (quantify if possible); or • Significant impact on the reputation or brand of the organisation (quantify if possible).
Medium	A finding that could have a: <ul style="list-style-type: none"> • Moderate impact on operational performance (quantify if possible); or • Moderate monetary or financial statement impact (quantify if possible); or • Moderate breach in laws and regulations resulting in fines and consequences (quantify if possible); or • Moderate impact on the reputation or brand of the organisation (quantify if possible).
Low	A finding that could have a: <ul style="list-style-type: none"> • Minor impact on the organisation's operational performance (quantify if possible); or • Minor monetary or financial statement impact (quantify if possible); or • Minor breach in laws and regulations with limited consequences (quantify if possible); or • Minor impact on the reputation of the organisation (quantify if possible).
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.

Each of these rating levels attracts a set number of points as shown in the table below.

Findings rating	Points
Critical	40 points per finding
High	10 points per finding
Medium	3 points per finding
Low	1 point per finding

The aggregate number of points an audit has scored indicates the overall level of risk of that control area. The number of points for each level of risk is shown in the table below.

Report classification	Points
 Low risk	6 points or less
 Medium risk	7– 15 points
 High risk	16– 39 points
 Critical risk	40 points and over

The program of internal audit work for the year ended 31 March 2013 included 27 reviews (including value enhancement reviews). This resulted in the identification of 0 critical, 0 high, 16 medium, and 48 low risk findings to improve weaknesses in the design of controls or operating effectiveness.






The audit plan was scoped to address the Council’s key risks and strategic objectives. Each review was mapped to these areas in the 2012/13 Internal Audit plan. The internal audit plan was completed in line with the set timescales and training on fraud awareness was delivered in the year. The plan included 4 pieces of “value enhancement” work:

- Anti-fraud awareness training
- National Fraud Initiative data matching
- Conflict of Interest Review
- Support for HR project.

Based on the work completed, internal audit believe that there is some risk that management’s objectives may not be fully achieved. Improvements are required in those areas to enhance the adequacy and / or effectiveness of governance, risk management, and internal control.

Internal Audit noted that the majority of functions audited in 2012/13 were low risk and that only the Housing Rents function of the areas audited in this year had worse control than in 2011/12. The direction of control is overall one of improvements in control at the Council as shown by the following diagram, which has been amended to reflect the final Housing Allocations Audit Report for 2012/13.

Direction of Control Travel

Finding Rating	Trend Between Current & Prior Year	Number of Findings		
		2012/13	2011/12	2010/11
Critical		0	0	0
High		0	4	5
Medium		16	30	62
Low		48	38	63
Total		64	72	130

It should be noted that the mix and focus of the internal audit plans have differed between years and therefore these results may not be directly comparable.

The Internal Audit service is subject to a review by the council’s external auditors, the Audit Commission, who place reliance on the work carried out by the section.

7 Significant Governance Issues

7.1 Review of the previous year’s Significant Governance Issues

The 2011/12 Annual Governance Statement highlighted significant control weaknesses in the following areas:

Significant Control Weakness areas	Action to address weakness
<p>Procurement Two high risk findings were identified:</p> <p>Copies of Contracts Signed copies of contracts selected for testing could not be located by the services responsible for managing the contracts.</p> <p>Compliance with Procedures Sample testing of procurement transactions pointed to a number of issues with the cases tested; for example members of staff ordering goods often did not obtain the minimum required number of quotations, or comply fully with tender processes prior to purchasing goods or services. This leads to increased risks of poor value for money and inappropriate or unauthorised transactions.</p>	<p>Measures are now in place to remove this risk. Procurement has created, updates and maintains a contract database for all contracts that are notified to Procurement.</p> <p>The Good Procurement Summary Guide was updated and is available on the intranet. A training package has been developed and is expected to go live after the transition to LGSS. It was felt that it would be inappropriate to launch the training package until the LGSS move had been completed and its full implications understood. This risk has been mitigated to some extent through the delivery of high level procurement training at the Managers meeting, targeting everyone from team leader and above. The procurement team also routinely attend senior management team meetings to discuss procurement procedures.</p>
<p>Voids The void properties review (11_12 NBC Voids 02) focussed on controls in place over the management of void council houses. The review focussed on void operational management, void management information, and cost control. We identified one high finding that management information on voids is undermined because data on the Integrated Business Solutions (IBS) housing system is wrong in a number of cases and unlettable periods have been calculated incorrectly. This makes the Council's performance look better than it actually is. The root cause is that IBS is not updated fully when properties become lettable following unlettable periods, such as when major works have occurred.</p>	<p>Management welcomed the information in the report put in place an action plan to address all issues raised. Resources were identified to perform additional work to review the extent of this issue and the impact on the void (or 're-let') period. The average void period was recalculated to determine the overall effect of this on reported data. The procedures were reviewed and updated to ensure they clearly set out this aspect of the voids process and training was put in place. Following training monthly checks were implemented to ensure the accuracy of dates recorded on IBS and to ensure agreed procedures are followed; any necessary corrective and preventative action was then taken. The 2012/13 review of Voids reported positively on the intention of key staff members to put measures in place to improve performance relating to the reduction of unlettable days.</p>

Performance Indicators

The Council sets housing performance indicators to assess their performance against a number of qualitative and quantitative targets. This review looked to understand and comment on the quality of data collated by the Council for measurement of performance.

For indicator HI 16 (Average number of days taken to resolve ASB cases), the start and end dates days for cases used to calculate this indicator should be supported by evidence to verify the case has been opened/closed (e.g. telephone notes or letters issued). In 4/10 cases tested, the dates used to calculate the days did not agree to supporting documentation. It has been established this is because officers are not always certain of the correct trigger for the start date (i.e. the initial contact or when the case was brought to the attention of the Council) In a further 5 cases, there was no evidence retained to support the dates. This is because no paper file was opened when the initial complaint was received.

The correct trigger date has now been identified and documented and all relevant staff have been trained in this area. Evidence to support the dates is now being retained to support those dates; paper files are now opened each time a complaint is received.

7.2 This year's Significant Governance Issues

No significant control weaknesses were identified by Internal Audit for 2012/13.

7.3 Areas of Good Practice

Internal Audit also identified a number of areas where few weaknesses were identified and / or areas of good practice.

The following reviews were classified as low risk for 2011/12:

- Council Tax
- Budgetary Control
- General Ledger (part of core financial systems review)
- Debtors (part of core financial systems review)
- Creditors (Agresso) (part of core financial systems review)
- Cash and Banking (part of core financial systems review)
- Fixed Assets
- Payroll
- Housing Benefits
- Debt Recovery
- Human Resources – Potentially Violent Persons
- Landlord Services – Gas Safety/Property Transfer
- Strategic Housing – Accounting for Grant Income
- Policy and Community Engagement- Equalities
- Cultural Services – Museum Security
- Conflicts of Interest

The majority of functions audited in 2012/13 were low risk and only the Housing Rents function audited in the year was identified as having worse control than in 2011/12.

8 Conclusion

The Council proposes to address the above matters, as set out in the table, to further enhance governance arrangements. The Council is satisfied that these steps will address the need for improvements that were identified in the review of effectiveness and the progress of these will be monitored during the year and their implementation and operation will be reported on as part of our next annual review.

9 Approval of the Annual Governance Statement

In accordance with the appropriate regulations, the Annual Governance Statement was approved by the Audit Committee on **XX September 2013** at the same time as the statement of accounts was approved.

Appendices

1



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Corporate Performance Outturn 2012-13
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AGENDA STATUS: Public

Audit Committee Meeting Date:	29 July 2013
Policy Document:	No
Directorate:	Borough Secretary
Accountable Cabinet Member:	Cllr Alan Bottwood

1. Purpose

- 1.1 To inform the Audit Committee of the Council's outturn performance for 2012-13 monthly and quarterly performance indicators (1 April 2012 to 31 March 2013).

2. Recommendations

- 2.1 That the Audit note the contents of the report and recommends actions to be taken, if any, to address the issues arising.

3. Issues and Choices

3.1 Report Background

- 3.1.1 Performance data is collected across a range of locally developed indicators which are collected on a monthly, quarterly or annual basis and they form the basis of our performance monitoring process. Cabinet members receive detailed information on all the measures monitoring the Corporate Plan within their portfolios on a regular basis.

3.1.2. This report summarises the outturn performance data for 2012-13 (1 April 2012 to 31 March 2013). The appended report details:

Introduction – Summary of overall corporate priority performance

Part 1 – Performance overview by corporate priority – A performance dashboard overview for each of the corporate priorities and summary detail against the priority outcomes

Part 2 – Summary of all corporate measures performance by priority – Scorecards by priority detailing all corporate measure performance for the year

3.2 Issues

3.1.1 Progress against Corporate Plan priorities

Overall, both Corporate Plan priorities met their targets (blue, green, or amber status). 82% of measures (where data is available) have met target, this translates to an overall rating of “Performing”.

3.2.2 Overall indicator performance against targets

- 66% of indicators have ‘blue’ or ‘green’ status
- 16% of indicators have ‘amber’ status
- 18% of indicators have ‘red’ status

3.2.3 Data Quality

The Council has processes in place to ensure that the data and information it provides to support management decision-making is as reliable as possible. The Council has a strategy to improve data quality and service areas are working to achieve the objectives within it. This is closely linked to the Council’s risk assessment processes and is monitored each month as part of the Council’s Performance Management Framework.

3.3 Choices (Options)

3.3.1 Audit Committee are recommended to review the appended performance report

4. Implications (including financial implications)

4.1 Policy

4.1.1 A number of corporate measures are monitored on a monthly basis to track progress towards delivering our priorities, as detailed in the Council’s Corporate Plan. Service areas annually develop objectives, measures and targets to ensure the delivery of the Corporate Plan through the service planning process. The monitoring of progress is through the Performance Management Framework.

4.2 Resources and Risk

4.2.1 The service areas Service Plans underpin the delivery of the Corporate Plan priorities. All objectives, measures and actions within the Service Plans are risked assessed and challenged before final approval. The challenge process

includes the agreement of performance targets and the capacity / ability to deliver the plans with appropriate resource set aside to do so.

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 Heads of Service and Management Board are consulted as part of the performance monitoring process on a monthly basis.

4.5.2 Performance data (financial and non financial) is published on the NBC website.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Performance monitoring (financial and non financial) by exception and using it to improve performance is good practice in terms of efficient and effective management. It focuses on the key areas and therefore contributes directly to the 2011-12 priorities of 'Being a responsive Council' and 'Providing quality Services'.

4.7 Other Implications

4.7.1 There are no other implications arising from this report.

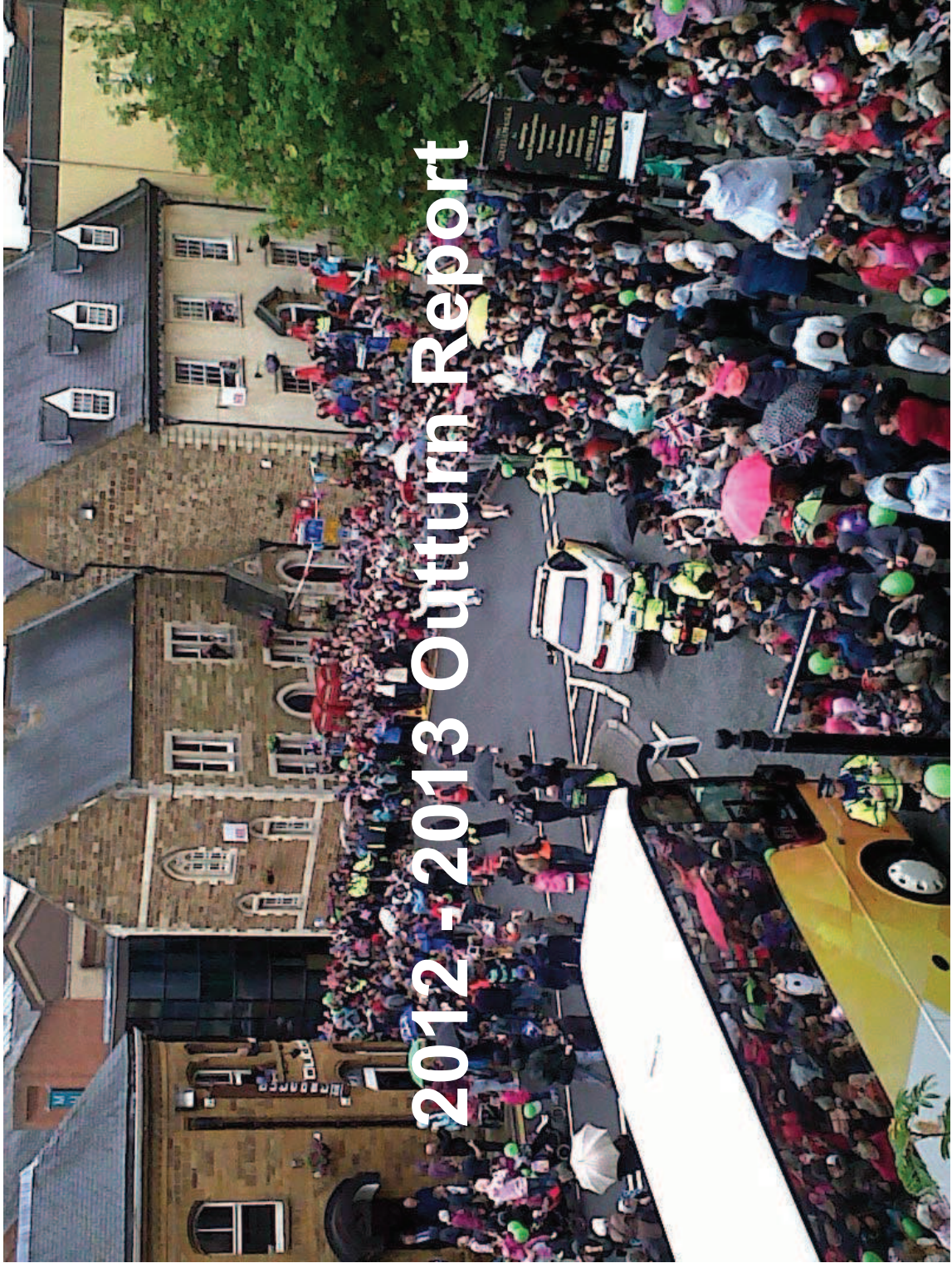
5. Background Papers

5.1 Outturn Performance Report for 2012-13.

Francis Fernandes, Borough Secretary (ext:7334)



NORTHAMPTON
BOROUGH COUNCIL



Part 1

Introduction

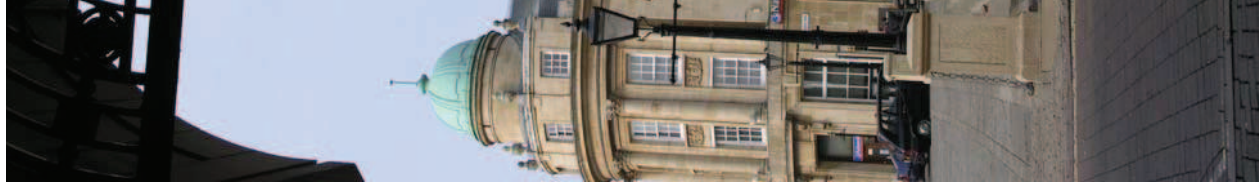
Both the Corporate Plan themes have performed well during 2012-13. Overall, 82% of performance measures (where data is available) reached their targets. Part 1 of this report provides an overview of each priority performance during 2012-13. A full summary of all of the performance measures by priority can be found in Part 2. Performance is shown for 2012-13, 2011-12 and 2010-11 for comparison. A direction of travel indicates if performance has improved, deteriorated or remained the same since last year.

Are we achieving our priorities?

- Exceptional or over performance
- ★ On or exceeding target
- Within target tolerance
- ▲ Outside agreed target tolerance

NBC Corporate Plan		Score YTD
Putting Northampton back on track		82 % ★
Theme		YTD
Your Town - A town to be proud of		●
You - How your Council will support and empower you and your community		●

Performance Indicator alert summary			
▲	9	★	Total
●	8	●	51
★	11		



YOUR TOWN



- Northampton – on track
- Invest in safer, cleaner neighbourhoods
- Celebrating our heritage and culture
- Making every £ go further

Key

- Exceptional or over performance
- On or exceeding target
- Within agreed tolerances
- Outside agreed target tolerance

Your Town



PERFORMANCE SUMMARY

Joint Planning Unit

The Joint Planning Unit, through delivery of the West Northamptonshire Joint Core Strategy (with Daventry District, Northampton Borough, South Northamptonshire and Northamptonshire County Councils):

- Has progressed strategic and spatial policies that relate to the Northampton Related Development Area that includes Northampton Borough to an on-going Public Examination
- instrumental in delivering an economically prosperous and vibrant Northampton as it will enable the delivery of new jobs, homes, business vibrancy, new infrastructure and other elements that will enable Northampton (and the rest of West Northamptonshire) to maximise its potential
- Enables the town to be recognised as an economic hub
- Will result in increased number of visitors coming to Northampton as the profile of the town grows
- Contributes with partners to the delivery of the town centre regeneration: it informs and acts as a strategic context for the Northampton Central Area Action Plan and all that, that Plan seeks to achieve
- Is central to promotion of the Town's history, culture and heritage through its carefully formulated Environment policies
- Contributes to an environment where high quality urban design can flourish and contribute to a safe, secure and protected Northampton
- Will safeguard the Town's heritage to facilitate its promotion, interpretation, protection and attractiveness
- Ensure that growth and its delivery is appropriately managed and it can be demonstrated that every £ spent will deliver maximum benefit to the Town and its residents and visitors
- Ensure that a modern and diverse workforce is available to the Council through partner Councils and the wider and greater partnership beyond in order to assist the Council develop an inclusive and engaging Strategic Planning Policy Framework, including progressing the Community Infrastructure Levy across West Northamptonshire which will ensure that the Council secures development viability sensitive benefits from eligible developments brought forward across the Borough.

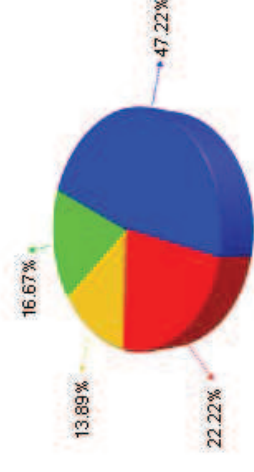
Regeneration & Development

Achievements in 2012/13 were as follows:

- Enterprise Zone website launched
- EZ Marketing Plan and Business Model completed

Your Town: Performance Alert Summary

▲	8	5	6	17	Total
●					36



- Over £1.5m rate relief awarded to businesses in the EZ in 2012/13
- Developed Northampton Alive Brand
- First tranche of EZ land successfully marketed
- Funding for EZ infrastructure secured
- Published EZ Skills Strategy agreed
- £7m secured from SEMLEP for Investment for highways and infrastructure improvements through Growing Places Fund to help unlock sites within the EZ
- New Bus interchange construction commenced
- St Johns - university student accommodation lease completed and construction commenced
- Heads of terms agreed with developer for new hotel and legal work advanced
- Skate Park completed and opened. Continues to be very well used
- Construction of the sustrans national cycleway bridge over the River Nene and Grand Union Canal completed
- Delivery of the Council's capital programme including improvements and renewals at Abington Park, three Community Centres, Victoria Park, Grosvenor lifts and Guildhall works.
- Contributed to Council's achievement of Carbon Certification including delivery of energy efficiently projects in car parks.
- Asset Disposal programme generated over £1.7m in completed sales in year and agreed for sales in 2013/14.
- Managed investment property effectively, meeting target investment returns, keeping arrears below target and improving business tenant satisfaction levels.

94

- Delapre Abbey - Developed HLF Stage 2 bid to advanced stage. Successfully attracted English Heritage Funding of £200k, £180k Travis Trust, £33k Sylvia Wolfstan, and the Country House Foundation £75k.
- Helped secure £20m for Railway Station with partners
- St Peters Waterside and Avon Nunn Mills - major regeneration supported through agreeing land transfers and agreements in support of CPO process.
- Cultural Quarter - Supported Theatre Trust to bring forward cultural cinema ("Cinepod)
- Community Centres - supported process of transfer of management of further centres to community organisations.
- Maintenance of Assets - Delivered effective planned maintenance programme, ensuring safe and functional buildings
- Racecourse Pavilion - Helped to develop and support community led initiatives for innovative uses.

Planning

2012-13 was the first year since 2005-06 when the Council has exercised all development management functions and there were notable achievements with the issuing of planning permission for applications / proposals that had been transferred from WNDG such as the new community at Pineham (up to 650 new homes, local centre, community facilities and primary school), the regeneration of the former sorting office site on Barrack Road and the new Hindu Welfare Centre on Lings Way.

Other noteworthy applications are the student accommodation development at St John's and the Northampton Bus Interchange. Both of these applications are major regeneration projects approved within the statutory determination period and contribute to Northampton Alive.

In spite of their increased quantity and complexity, the processing of the applications within all three of the DCLG categories (Major NI157a, Minor NI157b and Other NI157c) exceeded national targets during 2012-13, and were on target for the more demanding targets set locally. Appeals performance, which is a measure of the quality of decision-making, also remained on target.

The Council adopted the Northampton Central Area Action Plan - a significant step given that the last plan was adopted in 1997. This clearly sets out a vision for the town centre including much of the Enterprise Zone until 2026 and supports a significant amount of development to support economic growth, social needs and improving the environment. In addition a Supplementary Planning Document to ensure development contributes towards necessary social and physical infrastructure and affordable housing in association was adopted. The Division also supported the West Northamptonshire Joint Planning Unit in its submission of the Joint Core Strategy for West Northampton, including Northampton's future to 2026 for examination by the Secretary of State, again critical to the future of the town and delivery of the Council's corporate objectives for Northampton.

Customer & Cultural Services

A wide range of events were successfully delivered during 12/13 including the Olympic Torch Relay, the Queens Diamond Jubilee, Lionheart, Godiva and the Christmas light switch on. The free parking offer has been a great success with increased numbers of visitors into the town centre as a result. A Market Action Group was established which has delivered numerous improvements including WiFi in the market square, an enhanced cleaning programme including street furniture and various promotional activities. The car parks were successfully awarded the prestigious Park Mark standards again. Working in partnership with the Business Improvement District (BID) a wide range of initiatives were supported and delivered including Northampton in Bloom, support for Town Centre Rangers, funding for a PCSO and the Music Festival.

A wide range of exhibitions and events were delivered through the Museum Service and customer satisfaction and visitor numbers were both



In terms of the town's cultural heritage, progress had been made in securing the long term future of Delapre Abbey through a £200K grant from English Heritage to repair the roof and good progress made in relation to the multi-million pound Stage 2 Heritage Lottery Fund bid which will be submitted later this year. In order to assist their long term stewardship, a Northampton Battlefield assessment / management plan has been commissioned in addition to one for Hunsbury Hillfort.

Public Protection

The services provided by Enterprise under this contract have had some initial teething problems although during this period the service has also been expanded to include the collection of food waste. The council has changed the way the contract is managed with increased monitoring of performance and quality of work provided. Enterprise has also restructured its management locally and have been tasked by the council to continue with its service improvement plans.

Though the Community safety partnership that the council hosts, all members have worked together to address identified priorities to reduce all aspects of crime. The council has also increased the number of Neighbourhood Wardens and reintroduced Park Rangers that patrol our streets and open spaces. These services help to provide a local presence to deter criminal behaviour and have a direct impact on environmental crime such as littering and fly tipping.



Better homes for the future
 Creating empowered communities
 Promoting health and wellbeing
 Responding to your needs

Key

- Exceptional or over performance
- On or exceeding target
- Within agreed tolerances
- Outside agreed target tolerance

You

PERFORMANCE SUMMARY

Housing

2012 has been a huge period of change and challenge for Housing by responding to the Localism Act, Welfare Reform Act and changes to how Affordable Housing is delivered. Despite all these changes we have managed to cope with increased levels of homelessness, continued to deliver new homes for households in housing need and radically reformed the way we allocate and provide social housing in Northampton. In 2012/13 we have managed to:

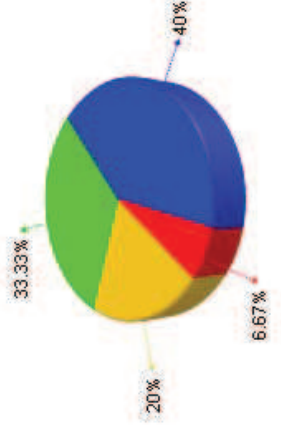
- Develop a Tenancy Strategy and Tenancy Policy which sets out the length and tenancy types we will offer new tenants and what we advise our RSL partners to offer through their own tenancy policies;
- We have started to help those customers that are impacted by the Welfare Reform changes on Under occupancy and move them to more suitable sized accommodation;
- We have continued to deliver our Decent Homes Programme and remain on target to have all our homes decent by 2015;
- We have exceeded the delivery of new affordable homes against our target of 100, which is extremely positive given the economic conditions we are faced with;
- Over the last 12 months the majority of sites coming through the planning route, we have secured 35% affordable housing on.
- We have started the Stock Options process to look at how best the Council's stock could be managed in the future
- We have completed the first stage of the Sheltered Housing Review;
- We have amended our Housing Allocation Policy and this has resulted in our Housing Register going from 10,000 households down to just over 4,000 and given more priority to households that are working;
- We have started to review our Housing Strategy which will set out the overall vision for housing over the next 3 years, and this will include our approach to managing the Private Rented Sector, Independent Living, Homelessness, Supply of new affordable housing, Fuel Poverty, Health and Wellbeing and Empty Homes

Customer & Cultural Services

Customer Services were once again awarded the prestigious Customer Service Excellence Accreditation. Performance improved in both call handling and face to face enquiries with increased number of customers accessing all services.

YOU: Performance Alert Summary

				Total
1	3	5	6	15



Customer Satisfaction increased across all access channels and channel shift and access via mobile technologies is ahead of the curve at 33% against a national average of 25%.

Public Protection

The Leisure Trust has been very successful in its first operating period and has now taken on the new leisure centre provided by Duston Parish council to add to the facilities it is able to offer the public of Northampton. It also continues to take out leisure services to local neighbourhoods with organised games in streets and parks across the town during the summer months

Finance & Resources

Performance within the benefits service meeting the needs of both new and existing customers remained high during 2012/13. The introduction of new technology from the Department for Work and Pensions (DWP) and initial issues with this technology did create some peaks in work levels. However these peaks were quickly addressed to ensure the service continued to deliver for our citizens. The service remains amongst the top quartile nationally based on the latest benchmarking data from the DWP. This means that the Council continues to deliver the best of services at a time when caseloads and large scale national reforms of the welfare system are at their peak.

The service has also continued to ensure that invoices are paid as soon as possible and has performed well against its target for local businesses of 10 days, with 79% of invoices meeting the standard. This is aimed at assisting local businesses across Northampton by ensuring that there are minimal delays to local businesses receiving payment for services. The Council also processed 98.67% of all invoices within 30 days, against an annual target of 97% in 2012/13.

Joint Planning Unit

The Joint Planning Unit, through delivery of The Joint Core Strategy:

- Will enable increased housing delivery to meet the needs of Northampton's residents of today and the future
- Ensures that new houses are of a high quality and that Decent Homes standards are met
- Incorporates an element of affordable housing to help support residents in housing need in the development of new housing around Northampton and across the rest of West Northamptonshire
- Enables all parties, including the public to be involved in the preparation of the Plan and thereby get involved in community life through contributing the planning policy across the Town
- Encourages a healthy and active lifestyle by maximising opportunities to walk, cycle and otherwise engage in healthy activity. This contributes to improvements to general public health

Part 2: The measures that tell us how we have performed under each priority

The following pages detail the performance of the measures that feed the Corporate Priorities.

2012-13 performance is compared to 2011-12 and the latest quartile is displayed where available. Quartile information is based on 'All England' data.

Where population or household figures are required, the following values have been used:

Population: 212,100

Number of households: 92,304

Key

	Exceptional or over performance
	On or exceeding target
	Within agreed tolerances
	Outside agreed target tolerance
	Good to be low: Better
	Good to be low: Worse
	Good to be High: Better
	Good to be High: Worse
	No change
	No data or target available
	No data available
	No target available



YOUR TOWN


















Northampton - on track

Invest in safer, cleaner neighbourhoods

Celebrating our heritage and culture

Making every £ go further

Measure ID & Name	2012-13 Outturn	2012-13 Target	2011-12 Outturn	2010-11 Outturn	Direction of Travel (11-12 to 12-13)	Latest Quartile	Comment
Bigger is Better AST05a External rental income demanded against budgeted income (M)	97.18 %	100.00 %	112.74 %	98.10 %	🔴		
We are below the rental target due to vacant properties. We are continuing to market the remaining vacant properties which continue to generate interest.							
Smaller is Better AST05b % commercial rent demanded within the last 12 months (more than 2 months in arrears) (M)	4.75 %	5.00 %	3.38 %	3.81 %	🔴		
Commercial rent arrears have performed well during 2012/13 with a result of 4.75% against a target of 5%. There are several on-going issues affecting the performance, however these are being dealt with at a senior level and resolution is expected shortly.							
Bigger is Better AST12 % achieved where return on (sub group) investment properties meets agreed target rate (M)	91.25 %	86.00 %	92.50 %	87.50 %	🔴		
Following a successful year of consistently meeting and exceeding the 86% target set in 2012/13, the target for the year 2013/14 has been reviewed and revised and as a result the new target for all investment property is now 90%.							
Smaller is Better BV012_12r Ave. no. of days/shifts lost to sickness for rolling 12 month period (M)	10.68	10.00	11.88	11.46	🟢		
The 2012-13 Outturn figure for Northampton Borough Council was 10.68 days per FTE, with an estimated cost of £905,695. This is an improvement of 1.2 days per FTE when compared with 2011/12, and a saving of approximately £150,000.							
The cumulative Days Lost per FTE year to date result is within tolerance (amber).							
The percentage of short-term sickness absence for the period is 48.42% compared to 51.58% long-term. This is an improvement on the 2011/12 figure of 36% short-term, and 64% long-term.							
Comparing the 2012-13 outturn position to the CIPFA benchmarking club results for 2012 identifies that Northampton Borough Council is moving towards the average and the gap between our result and other organisations is reducing.							
Smaller is Better ESC01 No. of missed Bins/Boxes as a % of those collected (M)	0.03 %	0.02 %	0.07 %	0.02 %	🟢		
Bigger is Better ESC02 % missed bins corrected within 24hrs of notification (M)	82.57 %	100.00 %	84.92 %	100.00 %	🔴		
Bigger is Better ESC04 % household waste recycled							

	Measure ID & Name	2012-13 Outturn	2012-13 Target	2011-12 Outturn	2010-11 Outturn	Direction of Travel (11-12 to 12-13)	Latest Quartile	Comment
is Better	and composted (NI192) (M)	43.82 % 	47.00 % 	42.37 % 	38.77 % 			
Smaller is Better	ESC05 % of Land and Highways assessed falling below an acceptable level - Litter (NI195a) (4M)	2.33 % 	4.00 % 	4.33 % 	3.00 % 			
Smaller is Better	ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M)	4.56 % 	6.00 % 	6.44 % 	7.00 % 			

Measure ID & Name	2012-13 Outturn	2012-13 Target	2011-12 Outturn	2010-11 Outturn	Direction of Travel (11-12 to 12-13)	Latest Quartile	Comment
Smaller is Better ESC07 % of Land and Highways assessed falling below acceptable level - Graffiti (NI195c) (4M)	1.83 % ▲	0.33 %	2.28 %	4.00 %	★		
Enterprise' performance is below the KPI target. We are currently working with the Partnership Unit to develop an improvement plan for graffiti removal.							
Smaller is Better ESC08 % of Land and Highways assessed falling below acceptable level - Fly/Posting (NI195d) (4M)	0.17 % ★	0.33 %	0.61 %	1.00 %	★		
Bigger is Better ESC09 % of Fly Tipping incidents removed within 2 working days of notification (SO2) (M)	100.00 % ★	100.00 %	99.35 %	100.00 %	★		
Fly tipping continues to be collected within the prescribed time frames. Enterprise is represented on the County's Waste Enforcement Group and works with the local authorities to help reduce fly tipping.							
Smaller is Better ESC10 Level of quality against an agreed standard - Open Spaces & Parks - Litter (%) (Q)	0.41 % ●	4.00 %	1.39 %	5.00 %	★		
Smaller is Better ESC11 Level of quality against an agreed standard - Open Spaces & Parks - Detritus (%) (Q)	2.87 % ●	6.00 %	4.51 %	4.00 %	★		
Smaller is Better ESC12 Level of quality against an agreed std - Open Spaces & Parks - Graffiti & Fly Posting (%) (Q)	0.82 % ★	3.33 %	6.25 % ▲		»		New measure introduced in June 2011
Bigger is Better ESC15 No. of Green Flag awards (A)	0 ▲	2	0		»		New measure introduced for the 2012/13 financial year
Applications for the Green flag award for Abington and Delapre park have now been submitted. The assessment process will be on-going for the next few months.							
Smaller is Better HI 01 Average time taken to re-let local authority homes (days) (M)	15.84 ●	20.00	21.32	23.61	●	Q3 Housemark - Upper Quartile	
Bigger is Better The average relet target for the year was set at 20 days. Through continual review and revised performance targets we were able to exceed our set target and deliver voids at an average of 15.84 days. HI 12 Rent collected as a proportion of rent owed on HRA dwellings % exc.arrears brought forward (M)	99.70 % ●	100.10 %	99.87 %	100.29 %	★	Q3 Housemark - Upper Middle Quartile	
The year end collection rate at 99.70% shows a slight decrease on last year, although is generally consistent with the 2011/12 figure of 99.87%, which placed Northampton's performance in the top half of housing providers nationally.							

Measure ID & Name	2012-13 Outturn	2012-13 Target	2011-12 Outturn	2010-11 Outturn	Direction of Travel (11-12 to 12-13)	Latest Quartile	Comment
Smaller is Better HI 13 Rent arrears as a percentage of the annual debit (M)	2.83 %	2.65 %	2.97 %	3.15 %		Q3 Housemark - Lower Middle Quartile	
The year end figure of 2.83% does not achieve target but does represent a year on year continued reduction in arrears levels, when measured by this indicator. The following figures illustrate this: 3.15% (year 10/11), 2.97% (year 11/12), 2.83% (year 12/13).							
Smaller is Better NI154 Net additional homes provided (A)	516.00	641.00	423.00	323.00			
The economic recession has resulted in the pace of development across the Borough slowing significantly. The number of houses built has improved on last year's total, but is still very low. New starts on Greenfield sites requiring significant infrastructure have been non-existent. Sites that had started development previously have been finished off, with only a couple of significant new ones replacing them. There is the capacity available on sites with planning permission to deliver a lot more housing than has been delivered, however the housing industry has decided to not take up the capacity that exists. Assumptions last year about the ability of the market to pick up from what appeared to be an all time low were misplaced. Although there has been slight improvement, the housing market has not significantly improved on last year.							
The Council is actively engaging with developers encouraging them to work to submit planning applications for development. The Council has taken a pragmatic approach to S.106 obligations, deferring, delaying or reducing requirements. The Council has also worked with partners to seek to secure additional funding to support new infrastructure.							
Estimated targets for delivery of houses for the next few years have been dramatically reduced. LAA targets are substantially below those formerly required to meet Regional Spatial Strategy delivery targets.							
Bigger is Better NI157: Percentage of all planning applications determined within 13 weeks (M)	95.41 %	74.00 %	94.02 %	97.26 %			
Over the year, a total of 1023 applications were determined and 976 were within 13 weeks of receipt. This gives an overall performance of 95.41% which is well above target.							
Bigger is Better NI157a LM Percentage of 'large scale' major planning apps determined within 13 weeks (M)	69.23 %	60.00 %	0.00 %	0.00 %			
From Apr'12 to Mar'13 we determined a total of 13 large scale planning applications, 9 of which were within 13 weeks of receipt. Performance for the year was above target.							
Bigger is Better NI157a SM Percentage of 'small scale' major planning apps determined within 13 weeks (M)	76.74 %	60.00 %	57.89 %	75.00 %			
From April 2012 to March 2013 we determined a total 43 small scale planning applications, 33 of which were within 13 weeks of receipt. Performance for the year was above target.							
Bigger is Better NI157b Percentage of 'minor' planning apps determined within 8 weeks (M)	85.54 %	86.00 %	85.14 %	87.15 %			
From April 2012 to March 2013 we determined a total of 241 minor planning applications, 206 of which were within 8 weeks of receipt. Overall performance for the year is within target.							
Bigger is Better NI157c Percentage of 'other' planning apps determined within 8 weeks (M)	92.96 %	90.00 %	90.16 %	92.89 %			
From April 2012 to March 2013 we determined a total of 725 Other planning applications, 674 of which were within 8 weeks of receipt. Performance for the year was on target.							
Bigger is Better NI159 Supply of ready to develop housing sites (A)	48.72	100.00	46.45	47.06			
Although Government has taken some action to stimulate the housing market, current built rates fall well below the regional target, despite there the housing land supply being available. The Localism Act has led to the revocation of the regional plan targets. A new target for West Northamptonshire will have to be set through the development plan process. This will be done through the West Northamptonshire Joint Core Strategy scheduled for adoption in Autumn 2013. The targets for delivery will be reduced significantly, although still challenging to meet given the current low level of activity in the housing market and the need to provide some substantial pieces of infrastructure to open up sites for development.							
Smaller is Better NI170 Previously developed land that has been vacant or derelict for more than 5 years (A)	0.72 %	1.00 %	0.49 %	0.52 %			

Measure ID & Name	2012-13 Outturn	2012-13 Target	2011-12 Outturn	2010-11 Outturn	Direction of Travel (11-12 to 12-13)	Latest Quartile	Comment
Performance is better than the target set - this has largely been down to the development of some older industrial land. There has been a large increase in derelict land due to school sites now being vacant for more than 5 years since closing on the mid to late 2000s.							
The Council will be seeking to work with West Northamptonshire Development Corporation and the Homes and Communities Agency to channel more public investment into derelict and vacant land to assist in regenerating areas of decline, particularly near to the town centre in the Enterprise Zone and also ensuring that delivery to meet housing needs occurs.							

Measure ID & Name	2012-13 Outturn	2012-13 Target	2011-12 Outturn	2010-11 Outturn	Direction of Travel (11-12 to 12-13)	Latest Quartile	Comment
Smaller is Better PP06 % change in serious acquisitive crime from the baseline (M)	17.14 % ▲	-5.00 %	5.60 % ▲	-5.16 % ★	✗		
Serious acquisitive crime has increased this year by 17.3%. This has occurred across the whole borough, but primarily in SW and Central sectors. Vehicle crime has increased by 14.1% whereas domestic burglary has increased by 30.8% (this increase is primarily due to significant increases in the last quarter of 2012-13 (+18%)). The partnership have identified priority locations for 2013-14 and are currently preparing a bid for funding from the Police & Crime Commissioner to contribute to multi-agency crime prevention activity.							
Bigger is Better PP07 % change in anti social behaviour victimisation (A)	11.32 % ●	10.00 %	8.50 % ●		▶		
The partnership exceeded its goal for reducing ASB incidents (-10%), reducing incidents by 11.3%. Work focussing on ASB for 2013-14 will aim to improve service delivery, therefore improve public confidence and satisfaction, through the implementation of agreed service standards for victims and the piloting of ASB screening tools and restorative practices across agencies. The CSP will also aim to improve communications strategies to improve public perceptions of safety, as this is the key performance issue for ASB, greater emphasis will be placed upon enviro-crime and the cleanliness of the borough, as this is a key contributory factor towards individuals personal feelings of safety.							
Smaller is Better PP09 Overall crime figure for the period (M)	20,068.00 ●	20,518.00	20,518.00 !	20,222.00 !	▶		New measure definition for the 2012/13 financial year. Data shown for 2011/12 and 2010/11 is for informational purposes, and does not have a performance alert.
All crime in Northampton has reduced by 2.2% during 2012-13. This is namely due to strong performance in tackling violent crime. The reductions have been made across every sector, albeit crime in the central sector has been reduced very slightly (-1.1%). The other three sectors combined have had a 11.8% reduction in crime. Whilst Northampton has reduced crime by 456 offences in 2012-13, this is a lesser reduction to that of similar boroughs nationally.							
Smaller is Better PP14 % change in Violence Offences (M)	-17.75 % ●	-3.50 %			▶▶		New measure introduced for 2012/13 financial year
The Community Safety Partnership (CSP) have achieved a 8.5% reduction in violent crime, following a focussed effort by partners to tackle violence, led by the Northamptonshire Police's Op Challenge. Every month of the year has seen a reduction, excluding August, which is traditionally a peak year for violence. The CSP will continue to tackle violence in 2013-14, focussing on the key strategic areas of night time economy, domestic abuse and young people.							
Smaller is Better RB07 Total % of debt outstanding, not in recovery and overdue (M)	4.40 % ●	8.00 %	4.43 % ●	7.95 % ●	▶		
A strong performance has been maintained throughout the year, and the target has consistently been bettered. The overall result of 4.4% against a target of 8% shows our commitment to recovering debt.							
Bigger is Better TC001 Number of events delivered in partnership: Town Centre (Q)	19 ●	10	13 ●		▶		New measure definition from April 2011
The yearly target for the number of events in the Town Centre with partners was exceeded due to the Olympics and Diamond Jubilee year.							
Bigger is Better TC002 Number of events delivered in partnership: parks and open spaces (Q)	12 ●	8	5 ●		▶		New measure definition from April 2011
12 events have been delivered in partnership this year. This is better than the targeted 8, and more than double held the previous year.							
Bigger is Better TC005n Town Centre footfall (Q)	14,663,067 ▲	15,498,280	15,344,833 ▲		✗		New measure definition from April 2011
Footfall targets fell below expected levels which followed the trend across all town centres.							
Bigger is Better AST13 Appropriate disposals agreed at Corporate Asset Board progressed effectively	112.50 ★	100.00	112.50 ★	112.50 ★	▶		
Over the year disposals have performed to target. This is expected to continue for the 2013/14 year.							

	Current Progress
<p>EZ - Progress the NORTHAMPTON WATERSIDE ENTERPRISE ZONE with partners as a key investment and employment opportunity for Northamptonshire</p> <p>3 year Delivery Plan and Action Plan produced and submitted to CLG along with site specific detail sheets</p> <p>Over £1.5m rate relief awarded to business within the EZ in 2012/13. This is projected to increase to up to £3m per annum in future years</p> <p>EZ Skills Strategy produced and work on Action Plan commenced. Consultant's reports commissioned and completed. Further reports due by Summer 2013</p> <p>Report on utility infrastructure commissioned</p> <p>£7m Growing Places Fund agreed. £20m secured for new railway station</p> <p>Local Infrastructure Fund bids submitted</p> <p>Site 11a sold subject to contract</p>	<p>★</p>
<p>SEMLEP - Progress the Northampton Waterside Enterprise Zone within the SEMLEP and with partners as a key investment and employment opportunity for Northamptonshire and SEMLEP</p> <p>Project completed</p>	<p>★</p>
<p>Grosvenor/Greyfriars Project - Continuing to work closely with Legal & General and potential funders and partners to develop the Town Centre, together with an improved retail offer</p> <p>The relocation of Stagecoach and their move onto a temporary licence for use of the existing bus station has been achieved.</p> <p>Work with Legal & General regarding a retail extension has been advanced but not to submission of planning application.</p> <p>Mayorhold Car Park works have not been completed this year due to complex investigatory issues, pursued in the year by consultants employed by the Council. Investigations and possible solutions continue to be pursued.</p>	<p>🟡</p>
<p>Bus Interchange - Delivery of a new Bus Interchange at the Fish Market site which will help facilitate Stagecoach relocation and delivery of a new mixed use retail centre at Grosvenor/Greyfriars</p> <p>The demolition of the Fish Market and the buildings to the rear of 5 and 7 Sheep Street is now complete.</p>	<p>🟡</p>
<p>Asbestos and uncharted cellars resulted in additional cost and time lost but it is anticipated that the lost time will be recovered and the project completed within budget.</p> <p>St Johns - Delivery of the development with key partners, including the University of Northampton, to provide residential accommodation.</p> <p>The student accommodation is on programme for an opening in January 2014.</p> <p>Heads of Terms agreed with the hotel developer and lawyers instructed to draft the Agreement for Lease.</p> <p>Pre application discussions held between the hotel developer and NBC Planning Officers. A planning application is expected in late May/early June 2013.</p> <p>Hotel programmed for a winter 2014 opening.</p>	<p>★</p>



Better homes for the future
 Creating empowered communities
 Promoting health and wellbeing
 Responding to your needs

Measure ID & Name	2012-13 Outturn	2012-13 Target	2011-12 Outturn	2010-11 Outturn	Direction of Travel (11-12 to 12-13)	Latest Quartile	Comment
BV008 Percentage of invoices for commercial goods & serv. paid within 30 days (M)	98.68 %	98.50 %	98.06 %	87.09 %	▲		
Overall, the invoices paid within 30 days continues to exceed the target.							
The March result is below target due to Service Areas clearing invoices in preparation of year end.							
The local suppliers target of paid within 10 days is below but improving.							
Smaller is Better CEX01 Total number of Local Government Ombudsman First Enquiries (cases completed) (Q)	14	20	15		▶▶		New measure definition from April 2011
A good result with only 14 Ombudsman queries for the year.							
Smaller is Better CEX02 AV no. of days taken to deal with LG Ombudsman First Enquiries (cases completed) (Q)	19.64	28.00	20.67		▶▶		New measure definition from April 2011
On average, each Ombudsman query has taken 19.64 days to complete. This compares favourably with last year's result of 20.67 days, and the statutory requirement of 28 days. Our performance in this area is very strong.							
Bigger is Better CS05 Percentage satisfied with the overall service provided by the Customer Service Officer (M)	93.11 %	90.00 %	91.16 %	84.93 %	▲		
Satisfaction has shown an improvement over the last three years with results of 85%, 91%, and 93% respectively.							
Customer feedback is being analysed and used to improve the service to ensure future satisfaction is maintained.							
Bigger is Better CS13 Percentage of ALL calls into the Contact Centre answered (M)	85.06 %	89.83 %	88.02 %	93.57 %	▲		
Contact Centre performance fell slightly below target in 2012/13 due to a number of contributing factors.							
<ul style="list-style-type: none"> Channel Shift has resulted in an additional 24357 calls being transferred to the Contact Centre from the One Stop Shop. Alongside this we have seen a 22% increase in the number of emails in 2012/13 over 2011/12. 2012/13 saw Welfare Reform impact heavily on call volumes in Tenancy Management and Benefits with both services. Tenancy Management increasing by 67% in 2012/13 over 2011/12 and Benefits increasing by 4%. There were events in Streetscene in 2012/13 that saw huge jumps in volumes for sustained periods before levelling off. These events were caused due to incorrect calendars being issued or missed collections during snow periods in winter. 							
Bigger is Better CS14 One-Stop shop: Percentage of all cust. waiting less than 15 mins (excl. licensing) (M)	86.64 %	90.00 %	85.12 %	96.96 %	▲		
This is a good year end result. Whilst footfall has not increased, there has been more demand on the service which we have successfully chanel shifted as appropriate. This year has provided us with valuable insight on how to steer the service towards the requirements which will arise from welfare reform.							

Measure ID & Name	2012-13 Outturn	2012-13 Target	2011-12 Outturn	2010-11 Outturn	Direction of Travel (11-12 to 12-13)	Latest Quartile	Comment
Smaller is Better HI 07 Number of households living in B&B accommodation (M)	17	50	38	27	▲		
<p>Over the year the team have negotiated to allow applicants to remain at home temporarily wherever possible to prevent homelessness. In addition, the number of properties available as council stock temporary accommodation has also been increased, and this had a positive impact on the amount of households in B&B.</p> <p>The number of applicants in temporary accommodation is likely to increase. The introduction of bedroom tax has resulted in the majority of those approaching the authority having a 2 bedroom need for housing but the supply does not meet the demand. This results in applicants waiting much longer for permanent housing in both the social and private rented sector, which in turn leads to increased pressures on families keeping applicants on a short term basis.</p>							
Bigger is Better HI 09 Homeless households for whom casework advice resolved their situation (M)	1,586 ▲	2,000	2,006 ★	2,147	✖	Q3 Housemark - Upper Quartile	
<p>It has been more challenging this year to prevent homelessness as the economic climate and anticipated welfare reforms have led to landlords being more reticent to work with the authority and accept tenants in receipt of any benefit. Financial pressures on families have meant that they are less willing to have their family members remain in the home.</p>							
Smaller is Better HI 10 Total number of people sleeping rough on the streets (A)	5 ★	5	15 ▲	4	★		
<p>The rough sleepers count was completed on 22nd November and the figure submitted to Homeless Link was 5.</p> <p>This is an improved figure on last years count and this is because of the alternative options presented to the clients by the outreach team.</p>							
<p>107</p> <p>Additionally NBC has entered into a partnership to work together on a No Second Night Out Project. This scheme aims to assist those new to rough sleeping and to re-connect people who have arrived in Northampton from another area. Two previously entrenched rough sleepers are now using the facilities provided by this project.</p>							
Smaller is Better HI 33 Percentage of non-decent council homes (NI 158)(A)	48.90 %	46.00 %	50.70 %	51.74 %	▼		The results shown are the latest known which were from June 2012, 2011, and 2010 respectively.
<p>Performance has shown an improving trend over the last three years with results of 51.7%, 50.7%, and 48.9% respectively.</p>							
<p>Further improvement is expected for the June 2013 survey, with a 41% target being set.</p>							
Bigger is Better HI 36 Number of affordable homes delivered (NI 155)(Q)	190	150	101	114	▼		
<p>The target for 12/13 was exceeded by an additional 40 properties which equates to performance of 27% over and above the target.</p>							
Smaller is Better HR32 Stonewall Equality Index rating (A)	199 ★	200	210		▼		
<p>In the Equality Index 2013, a ranking of 199 was achieved against a target of 200. This was an improvement of 11 places when compared with 2012.</p>							
<p>Our Community Engagement and Diversity policies were given positive feedback.</p> <p>In terms of focusing on improvement next year we were given the following advice:</p> <ul style="list-style-type: none"> - Continuing the community engagement work - Developing a staff network - Procurement review 							
<p>Our aim next year is to get a 25 point increase, and further improve our ranking.</p>							
Bigger is Better LT01 Total Visits to Leisure Centres (M)	888,961	875,190	875,567	867,503	▼		
<p>Leisure centre visits have increased 1.5% in 2012/13 compared with 2011/12. A total of 888,961 people visited during the year.</p>							
Bigger is Better LT02 Total No. of people enrolled in	2,479	2,165	2,054		▼		New measure definition

Measure ID & Name	2012-13 Outturn	2012-13 Target	2011-12 Outturn	2010-11 Outturn	Direction of Travel (11-12 to 12-13)	Latest Quartile	Comment
Better swimming program (M)							introduced in April 2011
The number of people enrolled in the swimming program has increased by 20.7% when compared with 2011/12. A total of 2,479 people were enrolled as of 31 March 2013.							
Smaller is Better RB01 Time taken to process Housing Benefit/CTB new claims and change events - days (M)	9.9	10.9	9.3	11.3	★		
Overall this year's performance is very pleasing having had to contend with an unexpected reduction in staff numbers in addition to the welfare reforms that have been and continue to be introduced. These are likely to impact on next year's results as well. An established work allocation practice and hard work from all team members has meant that we have been able to achieve target performance.							

Appendices



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Tree and Shrub maintenance
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	Monday 29 July 2013
Policy Document:	
Directorate:	Customers and Community
Accountable Cabinet Member:	Cllr Mike Hallam

1. Purpose

- 1.1 To confirm that the Environmental Services contract with Enterprise will deliver the standard of tree maintenance required by the authority.

2. Recommendations

- 2.1 That the committee note the report.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The request for this report came when the Audit Committee was discussing the Environmental Services Review on 14th January 2013. The following is the minute of the Audit Committee that asked for the report:
- 3.1.2 “A Member expressed concern regarding how tree pruning and cutting work was being undertaken. It was noted that this did not fall within the risks relating to the delivery of service but Members expressed the view that there was a risk to the Council’s reputation with regard to work undertaken on behalf of the local authority. As such, it was agreed that a monitoring report on tree pruning and cutting be made to a future meeting of the Committee.

3.2 Issues

3.2.1 Tree and Shrub Maintenance

3.2.2 The maintenance of the majority of trees and shrubs that are in the ownership of NBC, are maintained by Enterprise. Enterprise also maintains Highways trees and shrubs, as part of the agency agreement we have with NCC.

Enterprise is not responsible for tree or shrub maintenance in certain Housing areas e.g. residents gardens, communal areas within the curtilage of flats, although they are prepared to offer advice on maintenance in these areas if asked.

3.2.3 All trees, irrespective of whether their maintenance is funded from the General fund or the HRA, are maintained to the same standards. The standards/policies and inspection regimes relating to the trees are those which were in place prior to Enterprise taking over the services. Continuity is also achieved by the two officers at Enterprise who manage the trees, being the same people that previously managed the trees on behalf of NBC.

Enterprise has internally allocated the same level of budgets to tree maintenance as those allocated when NBC managed the trees.

3.2.4 The contract deals with the general maintenance of the existing trees and shrubs and hedge lines, which are the responsibility of NBC or maintained on behalf of NCC, apart from those Housing areas mentioned above. Any maintenance requested to be carried out that would not be deemed to be general maintenance would be outside the scope of the contract. For example, if NBC requested the removal of a tree that was not causing an obstruction to a public footpath, was not dead or dying and causing a health and safety issue or was not causing structural damage to nearby buildings, then the removal would be outside of the scope of the contract and an additional payment would be required. Any work that was requested for purely cosmetic reasons would also be outside of the contract.

3.2.5 I have not seen any reduction in the standard of tree maintenance since the contract with Enterprise commenced, and I still work directly with the tree department at Enterprise to ensure that these standards are maintained. I believe that the provisions of the contract with Enterprise will continue to deliver the standards we expect.

3.3 Tree maintenance - NBC trees

3.3.1 All arboriculture works is carried out in accordance with recognised good arboriculture practice including BS 3998: Recommendations for Tree Work. Tree maintenance will only be undertaken where there is a requirement to do so.

3.3.2 A programme of inspections and surveys is in place to identify any maintenance issues with trees and develop work programmes.

- 3.3.3 An Enterprise tree officer is on call 24 hours to deal with emergencies such as trees brought down during high winds.
- 3.3.4 There are some time restrictions on when maintenance work can be carried out, due to nesting birds and protected species.
- 3.3.5 Any complaints from residents about individual trees will be investigated by the tree officers and the resident informed of their findings.
- 3.3.6 Customers will be contacted within 5 working days of their initial enquiry to arrange a site visit. Customers will then be informed within 2 working days of the site visit if any work will/can be carried out on the tree. In most cases the work will be carried out within 28 days of the agreement to carry out the work. Exceptions may be due to weather, emergencies or large/difficult jobs, and trees with tree preservation orders or those in conservation areas.
- 3.3.7 A list of “frequently asked questions” is available.

3.4 **Tree maintenance - NCC trees (Highways)**

- 3.4.1 Highways trees on strategic and main distributor roads, are inspected and work undertaken on safety grounds and to ensure visibility and prevent obstruction.
- 3.4.2 Only reactive and emergency work will be carried out on trees on other roads.

3.5 **Shrubs and shrub bed maintenance – (NBC and NCC Highways)**

- 3.5.1 NBC and NCC shrubs are maintained to the same specification.
- 3.5.2 Highway and Amenity shrub beds are visited on an annual basis as part of the winter works programme and receive full containment pruning operations
- 3.5.3 The main period of shrub and shrub bed maintenance takes place between Oct/Nov until the end of March/April.
- 3.5.4 Shrub bed maintenance will include the removal of litter and weeds. Weed control will include a combination of chemical treatment and manual removal.
- 3.5.5 Shrub maintenance will also include the removal of self-set trees and shrubs from grassed areas and around the curtilage of NBC owned properties.
- 3.5.6 During the growing season, shrubs will be maintained to ensure that they do not cause obstruction or damage, or present health and safety implications.

3.6 **Budgets**

- 3.6.1 Northampton Borough Council received an allocation of £186,500 for the financial year 2012/13, from Northamptonshire County Council, for the Cyclic Highway maintenance agreement. This funding covers not only highways tree

and shrub maintenance, but also grass cutting and weed control on adopted highways.

3.6.2 NBC have allocated £331,157 from the general Fund as expenditure on trees within the contract payment to Enterprise.

3.6.3 Unfortunately, the element of the HRA budget that contributes to the contract payment in relation to trees is not shown as a separate item. The HRA contributes a total of £796,891 to the contract payment, but this includes all aspects of grounds maintenance and cleansing on Housing land.

3.7 Choices (Options)

3.7.1 That the Performance Unit continue to monitor the contract with Enterprise, to ensure that the requirements of the contract are met.

4. Implications (including financial implications)

4.1 Policy

None

4.2 Resources and Risk

None

4.3 Legal

4.3.1 None

4.4 Equality

4.4.1 None

4.5 Consultees (Internal and External)

4.5.1 None

4.6 Other Implications

4.6.1 None

5. Background Papers

5.1 None

Mick Tyrrell, Contract Manager Ext. 8437

Appendices: 6



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Financial Monitoring Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	29 July 2013
Policy Document:	No
Directorate:	Resources
Accountable Cabinet Member:	Cllr Alan Bottwood

1. Purpose

- 1.1 To present Committee with the financial position to 31 May.
- 1.2 To update Committee on car parking income and usage to 31 May.
- 1.3 To update Committee on the position regarding the Council's outstanding debts as at 30 June.

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 May (Appendix 5).
- 2.3 To note the latest position in relation to the Council's outstanding debts as at 30 June (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 May here presented is prior to the transfer of support service functions to LGSS. Following the transfer of functions on 1 June, budgets have been realigned which will be reflected in future reports to Committee.

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 May 2013 (Period 2) 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 – £29k 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.

- Car Parking £117k forecast shortfall in income, since daily ticket income is £33k less than estimated for the first two months of the year. This is within the level of an earmarked reserve for potential drawdown.
- Debt financing £100k overspend mainly due to a fall in available investment interest rates in recent months This shortfall can be met from the debt financing earmarked reserve, which was specifically set up to deal with the budgetary risks of fluctuations in interest rates.
- Asset Management (£23k) underspend mainly due to vacant posts
- Other Buildings and Land £53k shortfall in rental income due to vacant premises either waiting to be re-let or being marketed for disposal. This is within the level of an earmarked reserve for potential drawdown.
- Development Control £24k overspend on employees due to vacancy factor not being met.
- Legal (£26k) additional income forecast in respect of land charges.
- Community Centres £20k overspend on agency staff required to maintain the community centres that have yet to be transferred to a third party.

- 3.2.2.2 HRA Revenue – (£16k) favourable

- Vacancies within Repairs and Maintenance (£36k), partially offset by £15k increase in Council Tax on void properties due to changes in legislation.

3.2.2.3 Capital Programme - On Programme

- There are currently no variations to the capital programme forecast.

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

3.2.4 The managed debt analysis and commentary to 30 June 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
Section 151 Officer, Telephone 01604 366521

General Fund Revenue Budget Forecasts 2013/14

May 2013

Division	Ksa	Service Area	Revised Budget £000s	Forecast £000s	Forecast Variance £000s	RAG Status	Description
	DR02	Director of Regeneration, Enterprise & Planning	184	184	0	G	
Director of Regeneration, Enterprise and Planning			184	184	0	G	
	FA01	Asset Management	1,461	1,438	(23)	G	Saving mainly due to vacancies
	FA06	Other Buildings & Land	(1,508)	(1,455)	53	A	£53k shortfall in rental income due to vacant premises either waiting to be re-let or being marketed for disposal. This is within the level of an earmarked reserve for potential drawdown.
	RG01	Head of Regeneration & Development	94	94	0	G	
	RG02	Regeneration & Investment	1,048	1,048	0	G	
Head of Regeneration and Development			1,094	1,124	30	G	
	PE02	Building Control	(33)	(27)	6	G	
	PE03	Development Control	361	387	26	G	Mainly due to vacancy factor not being met
	PE06	Head of Planning	114	114	(0)	G	
	PE15	Joint Planning Unit Manager	258	258	0	G	
	PE17	Planning & Regen Central Support	107	105	(2)	G	
	RG04	Planning Policy & Conservation	709	695	(14)	G	
Head of Planning			1,515	1,531	16	G	
Director of Regeneration, Enterprise & Planning			2,794	2,839	45	G	

Division	Ksa	Service Area	Revised Budget	Forecast	Forecast Variance	RAG Status	Description
	FA04	Non Distributed Costs	4,571	4,571	0	G	
Corporate			4,571	4,571	0	G	
	DR03	Director of Resources	61	61	0	G	
Director of Resources			61	61	0	G	
	HR01	Human Resources	876	876	0	G	
	GC08	Communications	204	204	0	G	
	GC15	Emergency Planning	52	52	0	G	
	PI20	Performance and Change	163	163	0	G	
Head of Business Change			1,296	1,296	0	G	
	HS02	Head of Finance & Resources	88	88	0	G	
	FA02	Financial Services	1,108	1,108	0	G	
	FA03	Audit	215	215	0	G	
	FA05	Investments	55	55	0	G	
	FA08	Office Accommodation	1,548	1,556	8	G	
	FA19	Exchequer Service	481	481	0	G	
	HS01	Benefits	294	294	0	G	
	HS03	Revenues	257	257	0	G	
	PR01	Procurement	140	140	0	G	
Head of Finance & Resources			4,186	4,193	8	G	
Director of Resources			10,113	10,121	8	G	

Division	Ksa	Service Area	Revised Budget	Forecast	Forecast Variance	RAG Status	Description
	DR05	Director of Housing	138	138	0	G	
Director of Housing			138	138	0	G	
	CS02	Call Care	4	11	7	G	
	HS05	Home Choice & Resettlement	485	485	0	G	
	HS12	Housing Options	485	479	(6)	G	
	HS13	Head of Strategic Housing	136	136	0	G	
	PE09	Travellers Sites	24	25	1	G	
	PE12	Private Sector Housing Solutions	60	71	11	G	
	RG03	Housing Strategy	59	65	6	G	
Head of Strategic Housing			1,253	1,271	18	G	
Housing			1,391	1,409	18	G	
	CX01	Chief Executive	179	180	1	G	
	GC02	Civic and Mayoral Expenses	97	98	1	G	
	GC05	Overview and Scrutiny	44	45	1	G	
	GC06	Councillor & Managerial Support	535	536	1	G	
	LD02	Electoral Services	173	173	0	G	
	LD03	Land Charges	(64)	(90)	(26)	G	Forecast additional income received from land charges services
	LD04	Legal	719	734	15	G	
	LD08	Democratic Services	300	300	0	G	
Borough Secretary			1,983	1,975	(7)	G	
Borough Secretary			1,983	1,975	(7)	G	

Division	Ksa	Service Area	Revised Budget	Forecast	Forecast Variance	RAG Status	Description
	DR01	Director of Customers and Communities	130	130	0	G	
Director of Customers and Communities			130	130	0	G	
	GC04	Policy	8	14	6	G	£20k overspend on agency staff required to maintain the community centres that are yet to be transferred to a third party.
	GC09	Community & Other Grants	1,220	1,220	0	G	
	GC10	Community Development	99	82	(16)	G	
	GC11	Community Centres	364	383	20	G	
	LS01	Head of Partnership Support	99	103	4	G	
	SS01	Neighbourhood Management	28	3	(0)	G	
Head of Partnership Support			1,816	1,806	14	G	
	CE02	Community Safety	434	434	0	G	
	CE04	Leisure Contract	769	769	0	G	
	LD05	Licensing	(230)	(230)	0	G	
	PE07	Pest Control	42	42	0	G	
	PE10	Commercial Services	339	339	0	G	
	PE11	Environmental Protection	1,134	1,134	0	G	
	PE16	Head of Public Protection	75	75	0	G	
	SS09	Environmental Services Contract	6,298	6,298	0	G	
	SS20	Environmental Services	(74)	(74)	0	G	
Head of Public Protection			8,786	8,786	0	G	
	CE06	Museums and Arts	658	657	(1)	G	
	CS03	Head of Customer & Cultural Services	107	107	(0)	G	
	CS04	Customer Access	1,564	1,564	(0)	G	
	CS05	Print Unit	221	221	0	G	
	PI02	Information Technology	2,099	2,104	5	G	
	PI14	Telephones	219	219	0	G	
Head of Customer & Cultural Services			4,867	4,871	4	G	
	CE03	Events	237	237	0	G	Car parking daily ticket income £33k less than the profiled budget for period 2. This is within the level of an earmarked reserve for potential drawdown.
	CE23	Town Centre Management	(1)	(1)	0	G	
	CE24	Car Parking	(1,584)	(1,467)	117	R	
	CE26	Bus Station	256	256	0	G	
	FA09	Markets	65	65	0	G	
Head of Town Centre Management			(1,028)	(911)	117	R	
Director of Customers and Communities			14,572	14,682	134	R	

Division	Ksa	Service Area	Revised Budget	Forecast	Forecast Variance	RAG Status	Description
Total Service Budgets			30,852	31,027	199	R	
		Debt Financing	1,643	1,743	100	R	Mainly due to a fall in available investment interest rates. The shortfall can be met from the debt financing earmarked reserve, specifically set up to deal with the budgetary risks of fluctuations in interest rates.
		Recharges to the HRA			0	G	
		Contributions from reserves			0	G	
		Council Tax and other funding			0	G	
		Contribution to GF Balances			0	G	
Total Corporate Budgets			1,643	1,743	100	R	
Potential Earmarked Reserve Drawdown				(270)	(270)	B	Potential use of reserves to cover budget pressures on Other Buildings and Land, Car Parking and Debt Financing. Budget managers are working to mitigate this position and protect existing reserves.
Total General Fund			32,495	32,500	29		

For Period Ending 31 May 2013

	£000s Current Budget	£000s Actuals	£000s Forecast Outturn	£000s Variance	RAG Status
INCOME					
Rents - Dwellings Only	(49,464)	(7,083)	(49,469)	(5)	
Rents - Non Dwellings Only	(1,091)	(209)	(1,091)	0	
Service Charges	(2,748)	(381)	(2,748)	0	
Other Income	(85)	(23)	(78)	7	
Total Income	(53,388)	(7,695)	(53,386)	2	G
EXPENDITURE					
Repairs and Maintenance	12,741	2,154	12,706	(36)	
General Management	6,507	549	6,513	6	
Special Services	3,598	923	3,595	(3)	
Rents, Rates, Taxes & Other Charges	81	0	96	15	
Increase in Bad Debt Provision	750	125	750	0	
Rent Rebate Subsidy Deductions	96	0	96	0	
Total Expenditure	23,774	3,752	23,756	(18)	G
Net Cost of Services	(29,614)	(3,943)	(29,630)	(16)	G
Net Recharges to the General Fund	4,530	756	4,538	8	
Interest & Financing Costs	6,047	1,009	6,055	8	
Depreciation/MRA	11,823	1,971	11,823	0	
Net Contribution (from) / to Earmarked Reserves	7,215	1,202	7,215	0	
Net Transfer From / (To) Working Balance	0	996	0	0	G
Working Balance b/f	(5,000)	(5,000)	(5,000)	0	
Working Balance Outturn	(5,000)	(4,004)	(5,000)	0	G

Notes on Forecast Variances

Repairs and Maintenance

Vacant posts within the service have resulted in a projected saving on staff costs.

C1 C3 C4

Project Code & Project Description	Approved Budget February 2013	Budget Brought Forward	Additions In Year	Approved Changes In Year	Approved Changes In Year	Latest Approved Budgets	YTD Actual Expenditure	Forecast Year End Spend	Forecast Under(-)/Over(+)Spend	Budget Carried Forward	Forecast Variance RAG	Slippage RAG
A	I1	I2	I3	B	C=A+B	D	E	F=E-C	G			
£	£	£	£	£	£	£	£	£	£	£		
Chris Cavanagh (CC4)												
BA122 - Fire Safety Improvement Works	0	0	0	0	0	0	-6,031	0	0	0	G	G
BA132 - St Crispin Changing Rooms, Toilet, Car park	0	750,989	0	0	750,989	750,989	0	750,989	0	0	G	G
BA133 - St Crispin Football Pitches and Play Provision	0	100,000	0	90,000	190,000	190,000	61,115	190,000	0	0	G	G
BA136 - Water Management Works	100,000	93,000	0	0	93,000	193,000	4,991	193,000	0	0	G	G
BA138 - Cemeteries Refurbishment Works	25,000	0	0	0	0	25,000	0	25,000	0	0	G	G
BA146 - Water Hygiene - Monitoring Improvements	0	70,000	0	0	70,000	70,000	0	70,000	0	0	G	G
BA180 - Strategic Property Investment	0	500,000	0	0	500,000	500,000	0	500,000	0	0	G	G
BA186 - Improvement to Parks Infrastructure	150,000	27,200	0	0	27,200	177,200	-72,809	177,200	0	0	G	G
BA188 - Royal and Derrogate Roof Replacement Works	297,000	0	0	0	0	297,000	0	297,000	0	0	G	G
BA189 - Corporate Asset Improvements	200,000	30,000	0	0	30,000	230,000	-47,703	230,000	0	0	G	G
BA190 - Investment Properties Enhancements	50,000	24,000	0	0	24,000	74,000	0	74,000	0	0	G	G
BA194 - Guildhall Renewals	75,000	39,000	0	0	39,000	114,000	9,750	114,000	0	0	G	G
BA197 - Delapre Abbey Restoration Minor Projects	100,000	90,000	0	149,000	239,000	339,000	4,173	339,000	0	0	G	G
BA368 - Upton Park Pedestrian & Cycle Bridge	0	78,400	0	0	78,400	78,400	-1,237	78,400	0	0	G	G
BA385 - Town Centre Enhancements	0	50,000	0	0	50,000	50,000	37,358	50,000	0	0	G	G
BA648 - Allotments	58,000	0	0	0	0	58,000	0	58,000	0	0	G	G
BA649 - Skate Park Toilet & Kiosk	150,000	0	0	0	0	150,000	6,331	150,000	0	0	G	G
BA650 - Lifts - Improvement Works	150,000	0	0	0	0	150,000	0	150,000	0	0	G	G
BA651 - Car Parking Signage	200,000	0	0	0	0	200,000	0	200,000	0	0	G	G
BA652 - Visitor Signage in Town Centre	80,000	0	0	0	0	80,000	0	80,000	0	0	G	G
BA653 - Delapre Abbey Restoration	50,000	0	0	0	0	50,000	0	50,000	0	0	G	G
BA654 - St Lukes Field - Improvement works	0	0	50,000	0	50,000	50,000	0	50,000	0	0	G	G
BA655 - Sea Cadets Building - Refurbishment	0	0	13,475	0	13,475	13,475	0	13,475	0	0	G	G
BA887 - Grosvenor Greyfriars Car Park Improvement Works	0	5,000	0	0	5,000	5,000	0	5,000	0	0	G	G
BA889 - Mayorhold Car Park - Drainage Works	0	75,000	0	0	75,000	75,000	0	75,000	0	0	G	G
BA891 - Bus Interchange	1,500,000	4,284,000	0	219,494	4,503,494	6,003,494	336,572	6,003,494	0	0	G	G
BA892 - Urgent Lift Renewals	70,000	50,000	0	0	50,000	120,000	0	120,000	0	0	G	G
BA894 - Mounts Baths Roof	0	0	0	0	0	0	225	0	0	0	G	G
Total for Head of Regeneration and Development	3,255,000	6,266,589	63,475	458,494	6,788,558	10,043,558	332,734	10,043,558	0	0	G	G
Fran Rodgers (FR2)												
BK013 - Empty Homes Programme	632,090	216,045	0	0	216,045	848,135	0	848,135	0	0	G	G
BK015 - DFG's Owner Occupiers	1,475,000	0	0	0	0	1,475,000	676,702	1,475,000	0	0	G	G
BK044 - GOEM Decent Homes Assistance	0	0	0	0	0	0	631	0	0	0	G	G
BK050 - Wrapped Up Scheme	0	0	0	0	0	0	31,649	0	0	0	G	G
BK051 - Fuel Poverty Fund County Wide	0	0	0	0	0	0	234,365	0	0	0	G	G
Total for Head of Strategic Housing	2,107,090	216,045	0	0	216,045	2,323,135	943,347	2,323,135	0	0	G	G
Isabell Procter (IP1)												
BA383 - Cinepod - Royal & Derrogate Theatre	0	0	0	50,000	50,000	50,000	86,479	50,000	0	0	G	G
BA647 - IT Infrastructure - PC Replacement with VDI Terminals	65,000	0	0	0	0	65,000	0	65,000	0	0	G	G
Total for Director of Resources	65,000	0	0	50,000	50,000	115,000	86,479	115,000	0	0	G	G
Julie Seddon (JS14)												
BA167 - I Love My Parks	0	17,000	0	0	17,000	17,000	-857	17,000	0	0	G	G
Total for Director of Customers & Communities	0	17,000	0	0	17,000	17,000	-857	17,000	0	0	G	G
Marion Goodman (MG3)												
BA173 - Multi-Function Devices (MFD's)	0	29,628	0	0	29,628	29,628	0	29,628	0	0	G	G
BA193 - Refurbishment - Northampton Museum and Art Gallery	0	0	0	0	0	0	-60	0	0	0	G	G
BA207 - IT Infrastructure - Servers and Network Storage	270,000	0	0	0	0	270,000	55,939	270,000	0	0	G	G
BA384 - Cultural Quarter Street & Building Signage	0	0	0	0	0	0	-750	0	0	0	G	G
BA786 - Data Network Improvements	0	50,000	0	0	50,000	50,000	7,617	50,000	0	0	G	G
BA893 - Microsoft Office 2010 Upgrade	0	40,000	0	0	40,000	40,000	0	40,000	0	0	G	G
Total for Head of Customer & Cultural Services	270,000	119,628	0	0	119,628	389,628	62,747	389,628	0	0	G	G
Nicci Marzec (NM3)												
BA356 - Community Centres Refurbishment	50,000	0	0	0	0	50,000	1,850	50,000	0	0	G	G
Total for Head of Partnership Support	50,000	0	0	0	0	50,000	1,850	50,000	0	0	G	G
Robin Bates (RB4)												
BA145 - Cliftonville Move; New ways of working	0	0	0	0	0	0	-10,000	0	0	0	G	G
Total for Corporate	0	0	0	0	0	0	-10,000	0	0	0	G	G
BA646 - Re-furbishment of the Great Hall kitchen	0	61,500	0	10,200	71,700	71,700	0	71,700	0	0	G	G
Total for Head of Finance & Resources	0	61,500	0	10,200	71,700	71,700	0	71,700	0	0	G	G
Susan Bridge (SB11)												

123



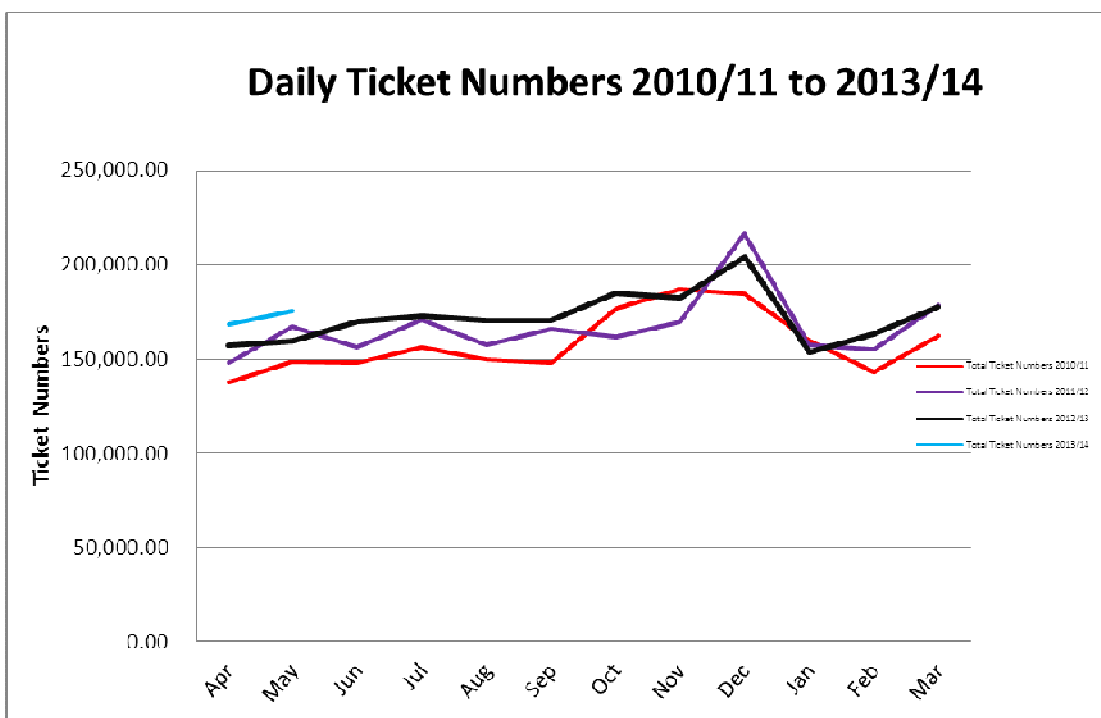
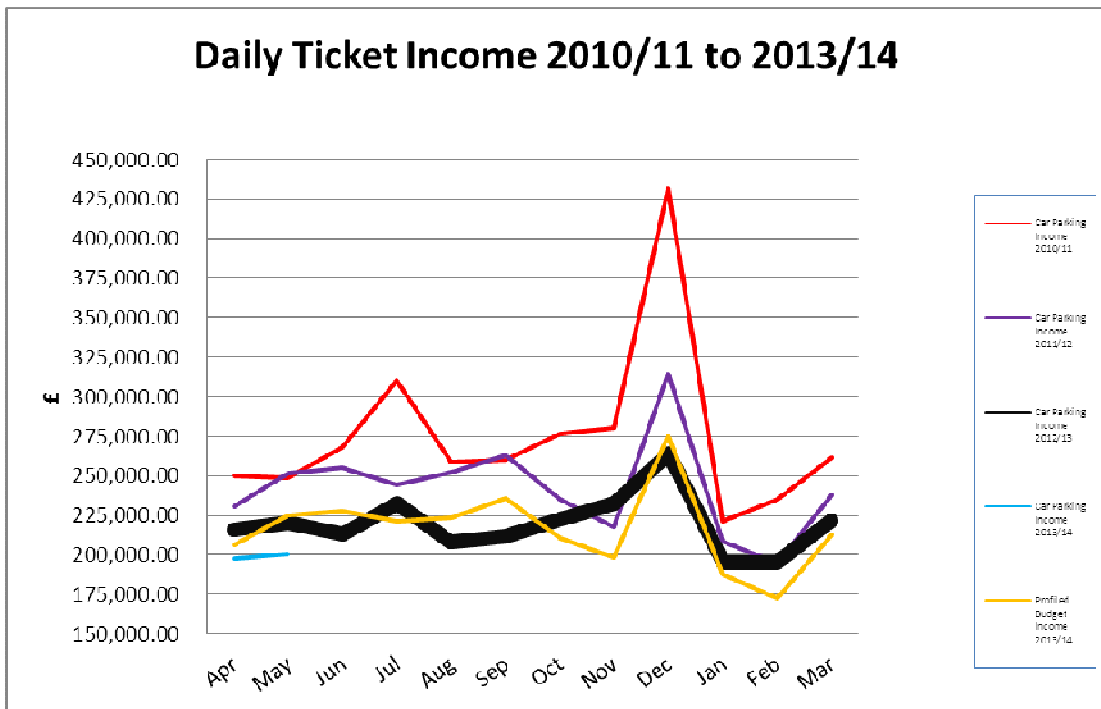
GF CAPITAL

Project Code & Project Description	C1	C3	C4									
	Approved Budget February 2013	Budget Brought Forward	Additions In Year	Approved Changes In Year	Approved Changes In Year	Latest Approved Budgets	YTD Actual Expenditure	Forecast Year End Spend	Forecast Under(-)/Over(+)spend	Budget Carried Forward	Forecast Variance RAG	Slippage RAG
	A	I1	I2	I3	B	C=A+B	D	E	F=E-C	G		
£	£	£	£	£	£	£	£	£	£	£		
BA645 - S106 Contributions to Other Local Authorities	0	0	0	25,000	25,000	25,000	0	25,000	0	0	G	G
BA883 - Planning IT Improvements (HPDG)	0	191,335	0	0	191,335	191,335	0	191,335	0	0	G	G
Total for Head of Planning	0	191,335	0	25,000	216,335	216,335	0	216,335	0	0	G	G
Steve Elsey (SE3)												
BA211 - Extension of Duston Cemetery	0	40,450	0	0	40,450	40,450	0	40,450	0	0	G	G
BA872 - Night Safe & Target Hardening - SSNP	0	13,825	0	0	13,825	13,825	0	13,825	0	0	G	G
BA895 - Allotment Provision	0	100,000	0	0	100,000	100,000	-2,950	100,000	0	0	G	G
BA896 - Guildhall Loft Insulation Salix project	0	0	0	0	0	0	-658	0	0	0	G	G
Total for Head of Public Protection	0	154,275	0	0	154,275	154,275	-3,608	154,275	0	0	G	G
TOTALS	5,747,090	7,026,372	63,475	543,694	7,633,541	13,380,631	1,412,694	13,380,631	0	0	G	G

HRA CAPITAL

Project Code & Project Description	Approved Budget February 2012	Approved Changes In Year	Latest Approved Budgets	YTD Actual Expenditure	Forecast Year End Spend	Forecast Under(-) /Over(+)-spend	Budget Carried Forward	Forecast Variance RAG	Slippage RAG
	A	B	C=A+B	D	E	F=E-C	G		
	£	£	£	£	£	£	£		
Fran Rodgers (FR2)									
BH366 - Sheltered Housing Improvements	1,000,000	650,000	1,650,000	851	1,650,000	0	0	G	G
BH367 - IT Capital	200,000	170,000	370,000	0	370,000	0	0	G	G
<i>Total for Head of Strategic Housing</i>	1,200,000	820,000	2,020,000	851	2,020,000	0	0	G	G
Head of Landlord Services (Mary Wood) (HOLS)									
BH003 - Garages Roofs & Doors Replacement	40,000	0	40,000	700	40,000	0	0	G	G
BH009 - Fire Safety Works - communal areas	100,000	0	100,000	0	100,000	0	0	G	G
BH011 - Capital Improvement Works	0	200,000	200,000	0	200,000	0	0	G	G
BH014 - Estate Regeneration	100,000	0	100,000	0	100,000	0	0	G	G
BH020 - Periodical Electrical Works	125,000	0	125,000	13,348	125,000	0	0	G	G
BH021 - New Communal Boilers	0	0	0	4,218	0	0	0	G	G
BH022 - Community Energy Savings Programme (CESP)	0	0	0	88,653	0	0	0	G	G
BH140 - Disabled Grant - Major Repairs	1,000,000	0	1,000,000	194,152	1,000,000	0	0	G	G
BH302 - Minor Adaptations for People with Disabilities	100,000	0	100,000	39,475	100,000	0	0	G	G
BH304 - Complete Roofs	100,000	216,000	316,000	134,205	316,000	0	0	G	G
BH305 - Structural Repairs	300,000	0	300,000	42,677	300,000	0	0	G	G
BH317 - Decent Homes and Poor Condition Improvement	17,752,900	0	17,752,900	2,934,169	17,752,900	0	0	G	G
BH321 - Door & Window Replacement	30,000	0	30,000	114,264	30,000	0	0	G	G
BH324 - Gas Appliance Replacement - Planned Ptrnship	500,000	0	500,000	478,046	500,000	0	0	G	G
BH325 - Gas Appliance Replacement - Responsive	500,000	0	500,000	4,073	500,000	0	0	G	G
BH329 - Asbestos Remedial Action	50,000	0	50,000	15,554	50,000	0	0	G	G
BH345 - Kitchen replacement	115,000	0	115,000	0	115,000	0	0	G	G
BH351 - Door Entry Updates	100,000	0	100,000	-1,937	100,000	0	0	G	G
BH364 - Environmental enhancements to housing land	100,000	0	100,000	1,100	100,000	0	0	G	G
BH365 - Walkways	100,000	0	100,000	0	100,000	0	0	G	G
BH368 - Communal Area Upgrades	200,000	0	200,000	20,644	200,000	0	0	G	G
BH373 - Change of Use	100,000	0	100,000	0	100,000	0	0	G	G
BH374 - CCTV	50,000	0	50,000	0	50,000	0	0	G	G
BH375 - Lift Refurbishment St Katherines Court	100,000	0	100,000	0	100,000	0	0	G	G
BH376 - Little Cross Street Walkway Renewal	562,000	0	562,000	0	562,000	0	0	G	G
<i>Total for Head of Landlord Services</i>	22,124,900	416,000	22,540,900	4,083,342	22,540,900	0	0	G	G
Lesley Wearing (LW3)									
BH370 - Repurchase of Former Council Houses	1,000,000	0	1,000,000	0	1,000,000	0	0	G	G
BH371 - Off Grid to Renewable Technologies	0	0	0	37,447	0	0	0	G	G
BH372 - Green Deal Contribution & Energy Efficiency	50,000	0	50,000	0	50,000	0	0	G	G
<i>Total for Director of Housing</i>	1,050,000	0	1,050,000	37,447	1,050,000	0	0	G	G
TOTALS	24,374,900	1,236,000	25,610,900	4,121,639	25,610,900	0	0	G	G

125



Notes:

- The volume of tickets issued to the end of period 2 was 27,000 higher than for the same period in 2012/13;
- however, income to the end of May was £33,000 less than budgeted for the first two months of 2012/13.

Managed Debt Analysis - Rolling Year 2012/13 into 2013/14

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
TOTAL ARREARS	15,440,900	14,869,067	14,542,390	14,040,261	12,975,601	12,427,852	12,108,299	11,863,070	12,491,254	17,325,924	16,640,530	17,005,343
Awaiting Action	1,067,494	1,198,759	1,319,232	1,003,214	577,223	691,227	680,363	837,742	521,415	641,349	602,565	572,748
Debt in Progress	14,343,406	13,670,307	13,223,158	13,037,047	12,398,378	11,736,625	11,427,936	11,025,327	11,969,838	16,684,575	16,037,965	16,432,595
% Inactive debt [PI]	6.91%	8.06%	9.07%	7.15%	4.45%	5.56%	5.62%	7.06%	4.17%	3.70%	3.62%	3.37%
CTAX	7,290,809	6,995,888	6,748,462	6,816,581	6,079,436	5,851,338	5,628,763	5,456,867	6,090,188	8,797,424	8,477,350	8,149,267
Inactive	103,463	155,201	190,988	61,718	87,926	119,645	119,590	74,444	111,528	130,826	86,370	71,102
In progress	7,187,346	6,840,687	6,557,474	6,754,863	5,991,510	5,731,693	5,509,173	5,382,423	5,978,660	8,666,598	8,390,980	8,078,165
Inactive debt	1.42%	2.22%	2.83%	0.09%	1.45%	2.04%	2.12%	1.36%	1.83%	1.49%	1.02%	0.87%
NNDR	1,618,141	1,455,859	1,454,169	1,190,202	1,048,011	792,303	711,325	817,539	776,782	2,691,043	2,175,195	1,630,136
Inactive	0	0	0	0	0	0	0	0	0	0	0	0
In progress	1,618,141	1,455,859	1,454,169	1,190,202	1,048,011	792,303	711,325	817,539	776,782	2,691,043	2,175,195	1,630,136
Inactive debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FTA	1,093,926	1,098,773	1,101,424	1,141,274	1,087,911	1,108,105	1,083,038	817,980	814,503	924,649	887,309	883,694
Inactive	24,451	88,542	87,568	93,895	41,540	78,244	14,594	34,978	30,016	38,339	30,293	20,639
In progress	1,039,476	1,010,231	1,013,856	1,047,379	1,046,371	1,029,861	1,068,444	783,002	784,487	886,310	857,016	863,054
Inactive debt	2.23%	8.06%	7.95%	8.22%	3.82%	7.06%	1.35%	4.28%	3.69%	4.15%	3.41%	2.34%
HBOP	4,042,524	4,139,805	4,090,115	4,062,487	4,113,948	4,152,394	4,186,745	4,167,924	4,122,698	4,158,957	4,245,908	4,313,173
Inactive	420,694	432,663	409,456	427,157	351,527	402,007	447,019	700,472	328,701	430,087	452,654	452,655
In progress	3,621,830	3,707,142	3,680,659	3,635,330	3,762,421	3,750,387	3,739,726	3,467,452	3,793,997	3,728,870	3,793,254	3,860,518
Inactive debt	10.41%	10.45%	10.01%	10.51%	8.54%	9.68%	10.68%	16.81%	7.97%	10.34%	10.66%	10.49%
SD	1,395,500	1,178,742	1,148,220	829,717	646,295	523,712	498,428	602,760	687,083	753,851	854,768	2,029,074
Inactive	518,886	522,353	631,220	420,444	96,230	91,331	99,160	27,848	51,170	42,097	33,248	28,352
In progress	876,613	656,388	517,000	409,273	550,065	432,381	399,268	574,911	635,912	711,754	821,520	2,000,722
Inactive debt	37.18%	44.31%	54.97%	50.67%	14.89%	17.44%	19.89%	4.62%	7.45%	5.58%	3.89%	1.40%

- Overall debt levels as at 30th June 2013
 Compared to the same period last year, unmanaged debt is £1,030,396 less, and the outstanding arrears are £1,282,107 more, although £1,320,397 of these arrears relates to two overdue invoices that were paid on the 2nd July.
- Council Tax as at 30th June 2013
 Unmanaged debt is £47,825 less than the same period last year and the overall outstanding arrears are £558,551 more.
- Business Rates as at 30th June 2013
 Unmanaged debt remains unchanged. The overall outstanding arrears are £79,258 less than the same period last year.
- Former Tenant Arrears (FTA) as at 30th June 2013
 Unmanaged debt is £110,999 less than the same period last year and the overall outstanding arrears are £229,018 less.
- Housing Benefit Overpayments (HBO) as at 30th June 2013
 Unmanaged debt is £71,699 more than the same period last year and the overall outstanding arrears are £250,389 more, due to an increase of appeals and an increase in pending overpayments, and the financial climate of trying to recover a low priority debt.
- Sundry Debts as at 30th June 2013
 Unmanaged debt is £943,271 less than the same period last year and the overall outstanding balance is £781,444 more, although £1,320,397 of these arrears relates to two overdue invoices that were paid on the 2nd July.
- Priority Debts 19th April 2013
 As a result of priority debt as defined by the Corporate Debt Policy, we now have debt on hold awaiting clearance of priority debts. This is broadly broken down as FTA £79.2k, Sundry Debt £3.7k and (HBO) £152.8k, as at 19th April 2013. As more cases reach consideration for court action this category of debt pending other priority debt will increase.

Appendices:
1



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Internal Audit Progress Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	29 th July 2013
Policy Document:	No
Directorate:	Borough Secretary
Accountable Cabinet Member:	Councillor Alan Bottwood

1. Purpose

1.1 To provide the Audit Committee with a report summarising progress made against the Internal Audit Plan for 2013/14.

2. Recommendations

2.1 Receive the report.

3. Issues and Choices

3.1 Report Background

3.1.1 The report is produced to inform the Committee on internal audit activity in the current year up to the date of the Committee meeting.

3.2 Issues

3.2.1 As detailed in the report.

3.3 Choices (Options)

3.3.1 N/a.

4. Implications (including financial implications)

4.1 Policy

4.1.1 No implications other than enabling monitoring of internal audit reporting performance.

4.2 Resources and Risk

4.2.1 Risks may be highlighted as a result of audit issues being reported..

4.3 Legal

4.3.1 N/a.

4.4 Equality

4.4.1 N/a.

4.5 Consultees (Internal and External)

4.5.1 Borough Solicitor and Head of Finance.

4.6 Other Implications

4.6.1 N/a.

5. Background Papers

5.1 Appendices to the report

- Appendix 1 – Internal Audit Progress Report

Chris Dickens
Senior Manager
PricewaterhouseCoopers LLP
01509 604041

Internal Audit Progress Report

Update to the Audit Committee on
Internal Audit activity

Northampton
Borough Council

July 2013

Introduction

We are committed to keeping the Audit Committee up to date with internal audit progress and activity throughout the year. This summary has been prepared to update you on our activity since the last meeting of the Audit Committee and to bring to your attention matters that are relevant to your responsibilities as members of the Authority's Audit Committee.

2013/14 audit plan

We have undertaken work in accordance with the 2013/14 Internal Audit Plan which was approved by the Audit Committee at its meeting in May 2013.

An outturn statement detailing assignments undertaken and actual activity for the year is shown in Appendix One.

Reporting activity and progress

For the 2013/14 Audit Plan to date, final reports have been issued in the following areas:

- Bring Your Own Devices
We have classified our findings in this area as **Low Risk**. The system of control in operation within 'bring your own devices' is generally sound. Management attention is, however, required in implementing data encryption of externally connected USB devices.

Draft reports have been issued / are being prepared for the following areas:

- Treasury Management
- Car Parking

Fieldwork has also been undertaken / is in progress in the following areas:

- Asset Management
- Collection Fund

Conclusion of 2012/13 audit plan

When we issued our Annual Report for 2012/13 in May 2013, a number of reports were still in draft pending receipt of management comment and action plans. These reports have been concluded as follows, with no change to the previously reported draft risk ratings:

Review	Status / Comment	Overall risk rating
Payroll	Final	Low
Human Resources – Potentially Violent People	Final	Low
Landlord Services - Gas Safety Checks & Property Transfer Process	Findings discussed with management. No comment provided to draft report.	Low
Housing Allocations	Final	Medium
Use of EFECT to rate progress on Equalities	Final	Low
Shared Services Transition Planning	Findings discussed with management. No comment provided to draft report.	N/A (non assurance)
Anti Fraud Health Check (follow up review)	Findings discussed with management. No comment provided to draft report.	N/A (non assurance)

Appendix 1 – Plan Progress

Ref	Auditable Unit	Planned audit days	Actual audit days to date	Status update
A	Cross-cutting			
	Risk Management	8		
	Business Continuity	10		
	Governance	10		
	Corporate Fraud	8		
	Procurement	10		
	Treasury Management	5	5	Draft report issued
	Budgetary Control	8		
	Insurance claims	8		
	General Ledger	7		
	Debtors	7		
	Creditors	6		
	Payroll	6		
	Cash	6		
	Creditors (IBS)	7		
	Fixed Assets	8		
	Expenses	5		
	Housing Benefits	8		
	Debt Recovery	5		
	Collection Fund	7	4	Field work in progress
	Housing Rents	8		
Total		147	9	
B	Departmental			
	Human Resources - <i>Sickness and absence</i>	8		
	Finance – <i>IT GCC review</i>	10		
	Landlord Services - <i>Travis Perkins</i>	15		
	Strategic Housing - <i>Housing allocations</i>	8		
	Planning	8		
	ICT Operations/ Business Development - <i>Bring your own devices</i>	14	14	Final report issued
	Environmental Services	15		

	Regeneration and Development - <i>Regeneration project</i>	15		
	Asset management	7	4	Field work in progress
	Town Centre Management – <i>Car Parking</i>	10		Field work complete, report being drafted
	Culture and Leisure - <i>Delapre Park concerts</i>	8		
Total		118	18	
VE	Value Enhancement			
	Post LGSS reviews	30		
Total		30		
PM	Project Management/Other			
	PwC tracker	-	-	System design has commenced
	Project management	20	4	Ongoing
Total		20	4	
TOTAL PLANNED DAYS		315	31	

Appendix 2 – Recent PwC Publications

As part of our regular reporting to you, we plan to keep you up to date with the emerging thought leadership we publish. The PricewaterhouseCoopers Public Sector Research Centre (‘PSRC’) produces a range of research and is a leading centre for insights, opinion and research on best practice in government and the public sector.

All publications can be read in full at www.psrc.pwc.com/



The Local State We're In PwC's annual local government survey, 2013

This PwC publication finds that UK local authorities have once again successfully delivered against an ambitious programme of financial savings over the last year without impacting the quality or quantity of services. But the survey points to nervousness about meeting rising demands for services and protecting the frontline in future in the face of further public spending cuts.



Gaming the Cuts: Local government in 2018

Local authority decision makers in the UK are attempting to bridge a widening financial gap. Against this backdrop this report sets out the potential implications of future spending reviews out to 2018. The purpose is not to add more detail to an already fatalistic picture but to recommend new policies and approaches that can be applied to future fiscal challenges.



At risk? Dealing with failure

No government wants a provider of public services to fail. But as public services are opened up to more competitive pressures, it is likely that under performance will no longer be hidden and provider failure will then appear to occur more frequently.



Brave new world? Different ways of working

Today's pressures will significantly impact on the way public services are delivered in future, whether by public sector organisations or by a mix of other providers. Here we examine how public sector organisations need to re-define their purpose and future ways of working by becoming more agile and managing demand more effectively.



Opening out? New approaches to service delivery

The UK Government has committed to opening up public services to a diverse range of providers competing to offer a better service for users. But why is opening up public services to new providers such a priority? Does a new market for 'public service partnerships' exist yet? Here we discuss the implications for the partnership models needed to deliver public services.

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