

Appendices:
6



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Financial Monitoring Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	4 November 2013
Policy Document:	No
Directorate:	Finance Directorate LGSS
Accountable Cabinet Member:	Cllr Alan Bottwood

1. Purpose

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

2. Recommendations

- 2.1 To consider the contents of the following finance reports:
 - General Fund Revenue Monitoring (Appendix 1);
 - General Fund Capital Monitoring (Appendix 2);
 - HRA Revenue Monitoring (Appendix 3);
 - HRA Capital Monitoring (Appendix 4).
- 2.2 To note the position on car parking income and usage as at 31 August (Appendix 5).
- 2.3 To note the latest position in relation to the Council's outstanding debts as at 31 August (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 August reflects the post transfer of support service functions to LGSS.

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 August 2013 (Period 6) 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 – £88k 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.

	£000
Controllable Service Budgets	63
Debt Financing	25
Contribution From Reserves	0
General Fund Revenue	88

. The major variations are detailed below.

- Car Parking -£11k adverse - The forecast shortfall in daily ticket income has increased to £148k..The forecast variance has taken into account the use of reserve of (£75k), for the August extended free parking, and (£148k) of an earmarked car parking reserve.
- Debt financing £227k overspend mainly due to a fall in available investment interest rates in year to date. 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. The use of this reserve up to (£202k) is now reflected in the figures leaving a £25k adverse position.
- Head of Major Projects and Enterprise £88k forecast due to the cost of interim cover to the financial year end supporting the Enterprise project and Regeneration areas. Other Buildings and Land £62k shortfall in rental income due to vacant premises either waiting to be re-let or being

marketed for disposal. The use of an earmarked reserve (£60k) is now reflected in the figures.

- Development Control (£167k) favourable mainly due to forecast better fee income than budgeted.
- Housing Services £106k adverse forecast mainly split over Call Care £107k, Private Sector Housing Solutions £55k, and a budgeted staff efficiency of £50k that is forecast not to be achieved, offset by underspend of (£116k) forecast staff vacancy savings on Home Choice and Resettlement.

3.2.2.2 HRA Revenue – £467k adverse

- Supporting People funding of £550k is being withdrawn from the end of September and is now forecast. This is partly offset by a forecast underspend in staffing costs within the Wardens service as the result of a restructure. A reserve was prudently created in anticipation of the Supporting People changes occurring and is sufficient to meet the remaining net shortfall in year. Dwelling rents due in year is forecasted to be under-recovered by £200k due to increased Right to Buys in 12/13 and current year. Rent Rebate Subsidy deductions are forecast to be nil for the year resulting in a (£96k) saving to the HRA.

3.2.2.3 Capital Programme -

- GF Capital Programme - There is one variation forecast, a saving of (£40k) to St Crispin Football Pitches. Due to demand there are currently pressures on the Disabled Facilities Grants budget. These are being reviewed and an update will be incorporated into future monitoring reports.
- HRA Capital Programme – is forecast to be on target to be delivered.

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

3.2.4 The managed debt analysis and commentary to 30 September are shown at Appendix 6.

3.3 Choices (Options)

3.3.1 None

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no specific policy implications arising from this report.

4.2 Resources and Risk

4.2.1 Ongoing monitoring of the Council's budget and capital programme enables early intervention and appropriate remedial action, thus mitigating risks to the Council's financial viability and to its reputation.

4.3 Legal

4.3.1 There are no specific legal implications arising from this report.

4.4 Equality

4.4.1 There are no specific equalities implications arising from this report.

4.5 Consultees (Internal and External)

4.5.1 None at this stage.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Regular reporting of the Council's financial position helps to ensure the proper stewardship of the Council's resources. Active financial management contributes to the delivery of value for money services, enabling public money to be used to maximum benefit.

4.7 Other Implications

4.7.1 Not applicable

5. Background Papers

None

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