

Appendices: 5



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Financial Monitoring Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	18 January 2016
Policy Document:	No
Directorate:	Finance Directorate LGSS
Accountable Cabinet Member:	Cllr Mike Hallam

1. Purpose

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

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 30 November (Appendix 5A and 5B).
- 2.3 To note the latest position in relation to the Council's outstanding debts as at 30 November (Separate agenda item and report)
- 2.4 To consider whether Committee requires any additional information in order to fulfil its governance role.

3. Issues and Choices

3.1 Report Background

- 3.1.1 A Finance and Performance report is presented to Cabinet quarterly (including the outturn report).
- 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 30 September 2015 (Period 6) is set out in Appendices 1-4.
- 3.2.2 Significant variances at this point in the year are as follows:
- 3.2.3 General Fund Revenue – (£336k) favourable

Note: for ease of understanding adverse variations (i.e. additional costs or reductions on income) are shown without brackets, while favourable variations (increased income or cost savings) are shown within them.

	£000
Controllable Budgets	903
Debt Financing & HRA Recharges	(439)
Contribution From Reserves	(800)
General Fund Revenue	(336)

The major variations are detailed below.

3.2.3.1 Controllable Budgets

Planning £722k adverse - The Council is currently subject to two planning appeals, one in Hardingstone, the other in Collingtree. At present, the final total costs associated with these appeals are uncertain. Current estimates place the value at £0.8m, with the Council actively working to limit the final total cost. Committee is asked to note this position to date, and to note that these appeals will be funded from in year underspends and reserves, once full costs have been substantiated.

Local Government Shared Services £116k adverse. Forecast overspend relates to the underachievement of budgeted savings for Revenues and Benefits offset by a saving due to the pension auto enrolment not starting in 2015/16.

3.2.3.2 Debt Financing & HRA Recharges

Debt Financing (£439k) favourable. Forecast saving reflecting lower interest on new borrowing and additional investment interest due to investment balances being higher than budgeted

3.2.4 HRA Revenue – (£521k) favourable

	£000
Controllable Budgets	(355)
Debt Financing & General Fund Recharges	(166)
General Fund Revenue	(521)

The major variations are detailed below.

3.2.4.1 Controllable Budgets

The forecast underspend relates mainly to continued good performance of arrears management resulting in lower arrears than anticipated leading to a reduction in the required contribution to the Bad Debt Provision.

3.2.4.2 Debt Financing & General Fund Recharges

The forecast underspend relates mainly to investment interest, arising from significantly higher levels of HRA cash balances compared to budget.

3.2.5 Capital Programme

3.2.5.1 General Fund Capital Programme

Cabinet in July approved carry forwards from 2014/15 of £7.23m. In line with approved processes, the Capital Programme Board has approved changes to the General Fund capital programme as set out in Appendix 3. These changes have been reported to Cabinet. These additions, totalling £1.9m, are funded from capital receipts, earmarked reserves and use of s106 monies. The General Fund Capital Programme now stands at £70.75m.

3.2.5.2 HRA Capital Programme

The HRA Capital programme is managed by Northampton Partnership Homes apart from the New Build and Repurchase of Former Council Houses. Cabinet in July approved carry forwards from the 2014/15 budget of £7.77m. The approved Capital Programme includes £9.3m to fund the construction of 100 new Council dwellings at Dallington. The phasing of the construction programme and the approved borrowing limits by Central government requires the budget to be re-phased with £0.6m in 2015/16 and £8.7m in 2016/17. Overall expenditure on the HRA Capital Programme is forecast to be below budget by around £3.1m as at the end of September. The main variances being forecast are around Major refurbishment projects and the PV Panels programmes. The HRA Capital Programme now stands at £36.1m.

3.2.6 Appendix 5 shows the monthly levels of car parking usage and income to 30 November.

3.2.7 The managed debt analysis and commentary (previously included as an appendix to this report) for this meeting is presented within a separate item and full report.

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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