

**NORTHAMPTON BOROUGH COUNCIL
AUDIT COMMITTEE**

Your attendance is requested at a meeting to be held in the
The Guildhall, St. Giles Square, Northampton, NN1 1DE.
on Monday, 17 March 2014
at 6:00 pm.

**D Kennedy
Chief Executive**

AGENDA

1. APOLOGIES

Please contact Democratic Services on 01604 837722 or democratic_services@northampton.gov.uk when submitting apologies for absence.

1. MINUTES

(Copy herewith)

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. EXTERNAL AUDIT PLAN

(Copy herewith)

N Bellamy, KPMG -
External Auditor)

7. FINANCIAL MONITORING REPORT

(Copy herewith)

Phil Morrison –
Assistant Head of
Finance

8. PERFORMANCE REPORT

(Copy herewith)

Francis Fernandes –
(Borough Secretary)

9. NBC CERTIFICATION OF GRANTS AND RETURNS REPORT

(Copy herewith)

N Bellamy, KPMG -
External Auditor)

10. INTERNAL AUDIT UPDATE

(Copy herewith)

C Dickens, Internal
Auditor
(PWC)

11. 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.”

SUPPLEMENTARY AGENDA

Exempted Under Schedule, 12A of L.Govt Act 1972, Para No: -

<TRAILER_SECTION>

A7440

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, 13 January 2014

PRESENT: Councillor Larratt (Chair); Councillor Hibbert (Deputy Chair); Councillors Nunn and Golby

APOLOGIES:

1. APOLOGIES

Apologies were received from Councillors Palethorpe and Conroy.

2. MINUTES

The Minutes of the meeting held on 4th November 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

Phil Morrison, the Assistant Head of Finance LGSS presented the report and confirmed that it showed the Council's financial position until the end of October Period 7 and the car park usage until the end of November 2013 Period 8 The outstanding debts also to the end of November Period 8 were detailed in appendix 6.

The financial position forecast for the General Fund showed £268k adverse. The forecast reflected the potential drawdown of reserves where reserves had been prudently set aside and these were reflected in the figures and highlighted in the narrative where applicable. The forecasts for the General Fund Capital Programme were indicating that the programme would be delivered. The Housing Revenue account showed £16k adverse position and the HRA Capital Programme was being forecast to be delivered apart from the Sheltered Improvements project which was rescheduled over 2014/15.

In response to a question from Councillor Nunn, the Assistant Head of Finance confirmed that the first graph in appendix 5 looked incorrect and would be reviewed and republished if necessary with the correct labels.

The Chair noted that the ticket sales had decreased and would need to be monitored carefully. The Chair also commented on Appendix 6 Debt, that with all the benefit changes happening and the current austerity the Council's Council Tax debt had decreased and congratulated the relevant Departments on this achievement.

In response to a question from Councillor Hibbert on Housing Rents, the Assistant Head of Finance confirmed that the level of Right to Buy sales and level of voids were forecast and taken into account when setting the budgets. The Chair asked the Chief Finance Officer to confirm that the capital scheme savings forecast for the St Crispins football pitches scheme were on the cost of the work.

RESOLVED:

1. That the recommendations be accepted.
2. That the report be noted.

7. TREASURY MANAGEMENT STRATEGY 2014/15

Bev Dixon, Finance Manager -LGSS presented a report and elaborated thereon. She confirmed that the report had been presented to Cabinet on 18th December 2013 and after the consultation period it would be presented to Cabinet and Council in February 2014. She confirmed the changes had been outlined in the report.

In response to a question from Councillor Hibbert, the Finance Manager confirmed that the affordable borrowing limit was reviewed every year which was set by Council. It could not be breached or changed without reporting it to Council.

RESOLVED: That the report be noted.

8. RISK REVIEW OF 2014/15 BUDGET OPTIONS

Phil Morrison, Assistant Head of Finance LGSS presented the report and elaborated thereon. Glenn Hammons, Section 151 Officer confirmed that he had to report to Council on the robustness and adequacy of the budget and levels of reserves. He would make his own assessment at the end of February.

In response to a question from Councillor Larratt, Glenn Hammons confirmed that the car parking figures had been highlighted as an area of concern for risk. Further work and analysis was required so that the figures were robust on data and real evidence. There was a challenge to the car park team on how things were likely to change as people's behaviour varied which would be factored into the budget.

It was further confirmed that if there was a risk in the area of the collaborative working with Trading Standards, then this too would be reviewed. He advised that the Leisure Trust were aware that they would be self-supportive by 2018 and the management fee would be reduced from £500k to £0.

Councillor Larratt requested that assurance be provided that when developers are charged for street naming and numbering there would be no adverse impact on the Council budget to repair and maintain them.

Glenn Hammons confirmed that there had been a 10% decrease in Council contributions for the Joint Planning Unit however there were no future proposals. There would be a review of the JPU and its activities.

RESOLVED: That the recommendations be accepted and the report be noted.

9. EXTERNAL AUDIT UPDATE

Neil Bellamy, KPMG presented a report and elaborated thereon. He confirmed that this was the public summary on the outcome of work and considered that the audit had been successful. Their fee would remain as anticipated. Work on the certification of grants and returns which were on going in November 2013 had now been completed and a short report would be made available at the next Audit Committee meeting.

It was noted that they been contracted to make a claim for repayment of VAT which they had received the Audit Commission's approval for and there would be no conflict of interest in their work. They were planning for 2013/2014 Audit plan which they would present at the next Audit Committee meeting.

In response to a question, it was confirmed that the scale fee had been set and there would be no increase for the next four years.

RESOLVED: That the report be noted.

10. INTERNAL AUDIT UPDATE

Chris Dickens, KPMG confirmed that he would circulate the recent publication to Committee Members and confirmed that overall the budgetary control had been operating well and was considered low risk.

The key findings for the Delapre concert had not been finalised although there were plans in place for a further concert in 2014. He considered it to be managed relatively well and the team had reviewed lessons learnt which were considered minor.

RESOLVED: That the comments be noted.

The meeting concluded at 6.30pm



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External Audit Plan 2013/14

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Northampton Borough Council

February 2014

Agenda Item 6

The contacts at KPMG in connection with this report are:

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This report is addressed to the Northampton Borough Council and has been prepared for the sole use of the Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.audit-commission.gov.uk.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public 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.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Neil Bellamy, who is the appointed engagement lead to the Council (telephone 0116 256 6082, e-mail neil.bellamy@kpmg.co.uk), who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 03034448330.

This document describes how we will deliver our audit work for the Northampton Borough Council.

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Scope of this report

We are pleased to be appointed as your external auditors for 2013/14. This document supplements our *Audit Fee Letter 2013/14* presented to you in March 2013. It describes how we will deliver our financial statements audit work for the Northampton Borough Council ('the Authority'). It also sets out our approach to value for money (VFM) work for 2013/14.

We are required to satisfy ourselves that your accounts comply with statutory requirements and that proper practices have been observed in compiling them. We use a risk based audit approach.

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary.

Statutory responsibilities

Our statutory responsibilities and powers are set out in the *Audit Commission Act 1998* and the Audit Commission's *Code of Audit Practice*.

The *Code of Audit Practice* summarises our responsibilities into two objectives, requiring us to review and report on your:

- *financial statements (including the Annual Governance Statement):* providing an opinion on your accounts; and
- *use of resources:* concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

The Audit Commission's *Statement of Responsibilities of Auditors and Audited Bodies* sets out the respective responsibilities of the auditor and the Authority.

Structure of this report

This report is structured as follows:

- Section 2 includes our headline messages, including any key risks identified this year for the financial statements and Value for Money audit.
- Section 3 describes the approach we take for the audit of the financial statements.
- Section 4 provides further detail on the financial statements audit risks.
- Section 5 explains our approach to VFM work and sets out our initial risk assessment for the VFM conclusion.
- Section 6 provides information on the audit team, our proposed deliverables, the timescales and fees for our work.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

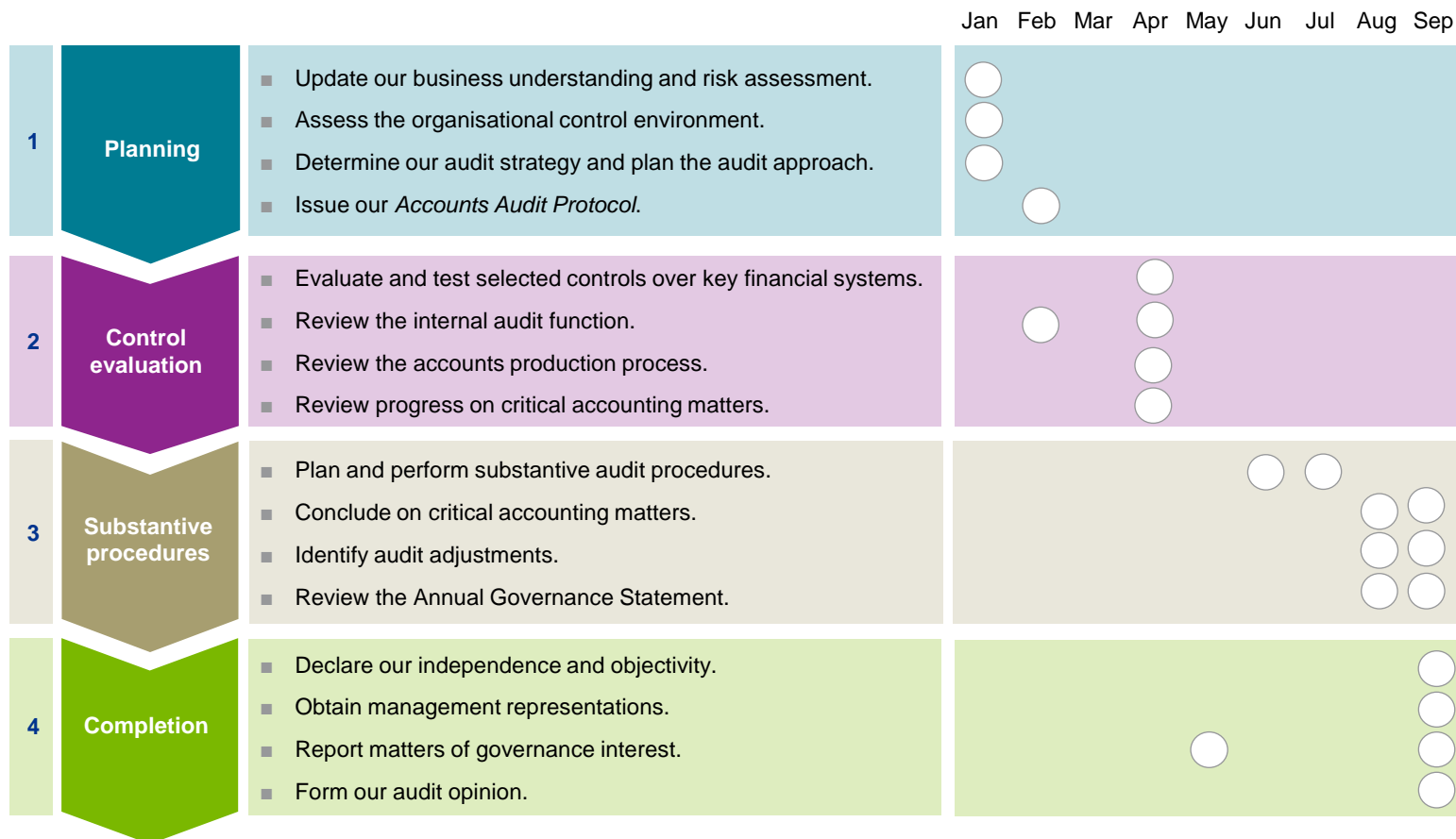
This table summarises the headline messages. The remainder of this report provides further details on each area.

Audit approach	<p>Our overall audit approach is unchanged from last year. Our work is carried out in four stages and the timings for these, and specifically our on site work, will be agreed with the Chief Finance Officer.</p> <p>Our audit strategy and plan remain flexible as risks and issues change throughout the year. We will review the initial assessments presented in this document throughout the year and should any new risks emerge we will evaluate these and respond accordingly.</p>
Key financial statements audit risks	<p>We have completed our initial risk assessment for the financial statements audit and have identified one significant risk this year, relating to the triennial re-valuation of the pension fund.</p>
VFM audit approach	<p>We have completed our initial risk assessment for the VFM conclusion and have not identified any significant risks at this stage.</p>
Audit team, deliverables, timeline and fees	<p>There is a new Assistant Manager on the audit team this year.</p> <p>Our main year end audit is currently planned to commence on 7 July 2014. Upon conclusion of our work we will again present our findings to you in our <i>Report to Those Charged with Governance (ISA 260 Report)</i>.</p> <p>The planned fee for the 2013/14 audit is £106,800. This is the fee set out in our <i>Audit Fee Letter 2013/14</i>.</p>

We undertake our work on your financial statements in four key stages during 2014:

- **Planning** (January to February).
 - **Control Evaluation** (February to April).
 - **Substantive Procedures** (July to August).
 - **Completion** (September).
- ∞

We have summarised the four key stages of our financial statements audit process for you below:



During January and February 2014 we complete our planning work.

We assess the key risks affecting the Authority's financial statements and discuss these with officers.

We assess if there are any weaknesses in respect of central processes that would impact on our audit.



Our planning work takes place in January and February 2014. This involves the following aspects:

Planning

- Update our business understanding and risk assessment.
- Assess the organisational control environment.
- Determine our audit strategy and plan the audit approach.
- Issue our *Accounts Audit Protocol*.

Business understanding and risk assessment

We update our understanding of the Authority's operations and identify any areas that will require particular attention during our audit of the Authority's financial statements.

We identify the key risks affecting the Authority's financial statements. These are based on our knowledge of the Authority, our sector experience and our ongoing dialogue with Authority staff. Any significant risks identified to date through our risk assessment process are set out in this document. Our audit strategy and plan will, however, remain flexible as the risks and issues change throughout the year. It is the Authority's responsibility to adequately address these issues. We encourage the Authority to raise any technical issues with us as early as possible so that we can agree the accounting treatment in advance of the audit visit.

We meet with the finance team to consider issues and how they are addressed during the financial year end closedown and accounts preparation.

Organisational control environment

Controls operated at an organisational level often have an impact on controls at an operational level and if there were weaknesses this would impact on our audit.

In particular risk management, internal control and ethics and conduct have implications for our financial statements audit. The scope of the work of your internal auditors also informs our risk assessment.

Audit strategy and approach to materiality

Our audit is performed in accordance with International Standards on Auditing (ISAs) (UK and Ireland). The Engagement Lead sets the overall direction of the audit and decides the nature and extent of audit activities. We design audit procedures in response to the risk that the financial statements are materially misstated. The materiality level is a matter of judgement and is set by the Engagement Lead.

In accordance with ISA 320 'Audit materiality', we plan and perform our audit to provide reasonable assurance that the financial statements are free of material misstatement and give a true and fair view. Information is material if its omission or misstatement could influence economic decisions of users taken on the basis of the financial statements

The assessment of what is material is a matter of professional judgment and includes consideration of three aspects: materiality by value, nature and context.

- Material errors by value are those which are simply of sufficient numerical size to distort the reader's perception of the financial statements. Our assessment of the threshold for this depends upon the size of key figures in the financial statements, as well as other factors such as the level of public interest in the financial statements.
- Errors which are material by nature may not be large in value, but may concern accounting disclosures of key importance and sensitivity, for example the salaries of senior staff.
- Errors that are material by context are those that would alter key figures in the financial statements from one result to another – for example, errors that change successful performance against a target to failure.

The overriding objective is to preserve the true and fair view presented by the financial statements and we will consider any audit differences, individually and cumulatively, in that context. We will report all uncorrected misstatements, other than those that are clearly trivial, to those charged with governance in accordance with the requirements of ISA 260.

We will issue our *Accounts audit protocol* following completion of our planning work.

Accounts Audit Protocol

At the end of our planning work we will issue our *Accounts Audit Protocol*. This important document sets out our audit approach and timetable. It also summarises the working papers and other evidence we require the Authority to provide during our interim and final accounts visits.

We met with the Assistant Head of Finance to discuss mutual learning points from the 2012/13 audit. These will be incorporated into our work plan for 2013/14. We revisit progress against areas identified for development as the audit progresses.

During April 2014 we will complete our interim audit work.

We assess if controls over key financial systems were effective during 2013/14. We work with your internal audit team to avoid duplication.

We work with your finance team to enhance the efficiency of the accounts audit.

We will report any significant findings arising from our work to the Audit Committee.

Our interim visit on site will be completed during April. During this visit we will complete work in the following areas:

Control Evaluation

- Evaluate and test controls over key financial systems identified as part of our risk assessment.
- Review the work undertaken by the internal audit function on controls relevant to our risk assessment.
- Review the accounts production process.
- Review progress on critical accounting matters.

Controls over key financial systems

We update our understanding of the Authority's key financial processes where our risk assessment has identified that these are relevant to our final accounts audit and where we have determined that this is the most efficient audit approach to take. We confirm our understanding by completing walkthroughs for these systems. We then test selected controls that address key risks within these systems. The strength of the control framework informs the substantive testing we complete during our final accounts visit.

Review of internal audit

Where we intend to rely on internal audit's work in respect of the key financial systems identified as part of our risk assessment, auditing standards require us to review aspects of their work. This includes re-performing a sample of tests completed by internal audit. We will provide detailed feedback to internal audit at the end of our interim visit.

Critical accounting matters

We will discuss the work completed to address the specific risks we identified at the planning stage. Wherever possible, we seek to review relevant workings and evidence and agree the accounting treatment as part of our interim work.

If there are any significant findings arising from our interim work we will present these at the next available Audit Committee meeting.

Our audit approach – substantive procedures

During July 2014 we will be on site for our substantive work.

We complete detailed testing of accounts and disclosures and conclude on critical accounting matters, such as specific risk areas. We then agree any audit adjustments required to the financial statements.

We also review the Annual Governance Statement for consistency with our understanding.

We will present our *ISA 260 Report to the Audit Committee in September 2014*.

Our final accounts visit on site has been provisionally scheduled for the period 7 July to 25 July 2014. During this time, we will complete the following work:

Substantive Procedures

- Plan and perform substantive audit procedures.
- Conclude on critical accounting matters.
- Identify and assess any audit adjustments.
- Review the Annual Governance Statement.

Substantive audit procedures

We complete detailed testing on significant balances and disclosures. The extent of our work is determined by the Engagement Lead based on various factors such as our overall assessment of the Authority's control environment, the effectiveness of controls over individual systems and the management of specific risk factors.

Critical accounting matters

We conclude our testing of key risk areas identified at the planning stage and any additional issues that may have emerged since.

We will discuss our early findings of the Authority's approach to addressing the key risk areas with the Chief Finance Officer and Assistant Head of Finance in April 2014.

Audit adjustments

During our on site work, we will meet with the Principal Accountancy Manager on a weekly basis to discuss the progress of the audit, any differences found and any other issues emerging.

At the end of our on site work, we will hold a closure meeting, where we will provide a schedule of audit differences and agree a timetable for the completion stage and the accounts sign off.

To comply with auditing standards, we are required to report uncorrected audit differences to the Audit Committee. We also report any material misstatements which have been corrected and which we believe should be communicated to you to help you meet your governance responsibilities.

Annual Governance Statement

We are also required to satisfy ourselves that your Annual Governance Statement complies with the applicable framework and is consistent with our understanding of your operations. Our review of the work of internal audit and consideration of your risk management and governance arrangements are key to this.

We report the findings of our final accounts work in our *ISA 260 Report*, which we will present to the Audit Committee in September 2014.

In addition to the financial statements, we also audit the Authority's Whole of Government Accounts pack.

We may need to undertake additional work if we receive objections to the accounts from local electors.

We will communicate with you throughout the year, both formally and informally.

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Whole of government accounts (WGA)

We are required to review and issue an opinion on your WGA consolidation to confirm that this is consistent with your financial statements. The audit approach has been agreed with HM Treasury and the National Audit Office. Deadlines for production of the pack and issue of our opinion on the pack have not yet been confirmed.

Elector challenge

The Audit Commission Act 1998 gives electors certain rights. These are:

- the right to inspect the accounts;
- the right to ask the auditor questions about the accounts; and
- the right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form our decision on the elector's objection. The additional work could range from a small piece of work where we interview an officer and review evidence to form our decision, to a more detailed piece of work, where we have to interview a range of officers, review significant amounts of evidence and seek legal representations on the issues raised.

The costs incurred in responding to specific questions or objections raised by electors is not part of the fee. This work will be charged in accordance with the Audit Commission's fee scales.

Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with the finance team and the Audit Committee. Our deliverables are included on page 16.

Independence and objectivity confirmation

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case this is the Audit Committee.

KPMG LLP is committed to being and being seen to be independent. APB Ethical Standard 1 Integrity, Objectivity and Independence requires us to communicate to you in writing all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place which, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

Appendix 1 provides further detail on auditors' responsibilities regarding independence and objectivity.

Confirmation statement

We confirm that as of February 2014 in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Lead and audit team is not impaired.

In this section we set out our assessment of the significant risks to the audit of the Authority's financial statements for 2013/14.

We have identified one specific risk at this stage relating to the Triennial Valuation of the Pension Fund.

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Professional standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our *ISA 260 Report*.

- Management override of controls – Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.
- Fraudulent revenue recognition – We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

Our initial assessment is that there is one additional risk specific to all Councils this year.

We will revisit our assessment throughout the year and should any risks present themselves we will adjust our audit strategy as necessary.

Key audit risks	Impact on audit
<p>LGPS Triennial Revaluation</p> <p>During the year, the Local Government Pension Scheme for Northamptonshire (the Pension Fund) has undergone a triennial valuation with an effective date of 31 March 2013 in line with the Local Government Pension Scheme (Administration) Regulations 2008. The Authority's share of pensions assets and liabilities is determined in detail, and a large volume of data is provided to the actuary in order to carry out this triennial valuation.</p> <p>The IAS19 numbers to be included in the financial statements for 2013/14 will be based on the output of the triennial valuation rolled forward to 31 March 2014. For 2014/15 and 2015/16 the actuary will then roll forward the valuation for accounting purposes based on more limited data.</p> <p>There is a risk that the data provided to the actuary for the valuation exercise is inaccurate and that these inaccuracies affect the actuarial figures in the accounts. Most of the data is provided to the actuary by Northamptonshire County Council who administer the Pension Fund.</p>	<p>Our audit work</p> <p>As part of our audit, we will need to agree the data provided to the actuary back to the systems and reports from which it was derived, and test the accuracy of this data.</p> <p>We will liaise with the separate KPMG audit team for the Pension Fund, where this data was provided by the Pension Fund on the Authority's behalf. The Pension Fund may seek to recharge any additional costs arising from this work.</p>

In addition to the above we are aware that the finance function is now the responsibility of LGSS. While the production of the accounts will be undertaken by the same staff as last year, there is a risk that the move to the new organisation might impact on the production of the 2013/14 accounts. We will, however, monitor the closedown progress to identify any risks arising.

Our approach to VFM work follows guidance provided by the Audit Commission.

Background to approach to VFM work

In meeting their statutory responsibilities relating to economy, efficiency and effectiveness, the Commission's *Code of Audit Practice* requires auditors to:

- plan their work based on consideration of the significant risks of giving a wrong conclusion (audit risk); and
- carry out only as much work as is appropriate to enable them to give a safe VFM conclusion.

To provide stability for auditors and audited bodies, the Audit Commission has kept the VFM audit methodology unchanged from last year. There are only relatively minor amendments to reflect the key issues facing the local government sector.

The approach is structured under two themes, as summarised below.

Specified criteria for VFM conclusion	Focus of the criteria	Sub-sections
The organisation has proper arrangements in place for securing financial resilience .	The organisation has robust systems and processes to: <ul style="list-style-type: none"> ■ manage effectively financial risks and opportunities; and ■ secure a stable financial position that enables it to continue to operate for the foreseeable future. 	<ul style="list-style-type: none"> ■ Financial governance ■ Financial planning ■ Financial control
The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness .	The organisation is prioritising its resources within tighter budgets, for example by: <ul style="list-style-type: none"> ■ achieving cost reductions; and ■ improving efficiency and productivity. 	<ul style="list-style-type: none"> ■ Prioritising resources ■ Improving efficiency and productivity

We will follow a risk based approach to target audit effort on the areas of greatest audit risk.

Overview of the VFM audit approach

The key elements of the VFM audit approach are summarised below.



Each of these stages are summarised further below.

VFM audit stage	Audit approach
VFM audit risk assessment	<p>We consider the relevance and significance of the potential business risks faced by all local authorities, and other risks that apply specifically to the Authority. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the <i>Code of Audit Practice</i>.</p> <p>In doing so we consider:</p> <ul style="list-style-type: none"> the Authority's own assessment of the risks it faces, and its arrangements to manage and address its risks; information from the Audit Commission's VFM profile tool and financial ratios tool; evidence gained from previous audit work, including the response to that work; and the work of other inspectorates and review agencies.

Our VFM audit will draw heavily on other audit work which is relevant to our VFM responsibilities and the results of last year's VFM audit.

We will then form an assessment of residual audit risk to identify if there are any areas where more detailed VFM audit work is required.

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VFM audit stage	Audit approach
Linkages with financial statements and other audit work	<p>There is a degree of overlap between the work we do as part of the VFM audit and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the Authority's organisational control environment, including the Authority's financial management and governance arrangements, many aspects of which are relevant to our VFM audit responsibilities.</p> <p>We have always sought to avoid duplication of audit effort by integrating our financial statements and VFM work, and this will continue. We will therefore draw upon relevant aspects of our financial statements audit work to inform the VFM audit.</p>
Assessment of residual audit risk	<p>It is possible that further audit work may be necessary in some areas to ensure sufficient coverage of the two VFM criteria.</p> <p>Such work may involve interviews with relevant officers and /or the review of documents such as policies, plans and minutes. We may also refer to any self assessment the Authority may prepare against the characteristics.</p> <p>To inform any further work we must draw together an assessment of residual audit risk, taking account of the work undertaken already. This will identify those areas requiring further specific audit work to inform the VFM conclusion.</p> <p>At this stage it is not possible to indicate the number or type of residual audit risks that might require additional audit work, and therefore the overall scale of work cannot be easily predicted. If a significant amount of work is necessary then we will need to review the adequacy of our agreed audit fee.</p>
Identification of specific VFM audit work	<p>If we identify residual audit risks, then we will highlight the risk to the Authority and consider the most appropriate audit response in each case, including:</p> <ul style="list-style-type: none"> ■ considering the results of work by the Authority, inspectorates and other review agencies; and ■ carrying out local risk-based work to form a view on the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Where relevant, we may draw upon the range of audit tools and review guides developed by the Audit Commission.

We will conclude on the results of the VFM audit through our *ISA 260 Report*.

VFM audit stage	Audit approach
Delivery of local risk based work	<p>Depending on the nature of the residual audit risk identified, we may be able to draw on audit tools and sources of guidance when undertaking specific local risk-based audit work, such as:</p> <ul style="list-style-type: none"> ■ local savings review guides based on selected previous Audit Commission national studies; and ■ update briefings for previous Audit Commission studies. <p>The tools and guides will support our work where we have identified a local risk that is relevant to them. For any residual audit risks that relate to issues not covered by one of these tools, we will develop an appropriate audit approach drawing on the detailed VFM guidance and other sources of information.</p>
Concluding on VFM arrangements	<p>At the conclusion of the VFM audit we will consider the results of the work undertaken and assess the assurance obtained against each of the VFM themes regarding the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources.</p> <p>If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our VFM conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.</p>
Reporting	<p>On the following page, we report the results of our initial risk assessment.</p> <p>We will report on the results of the VFM audit through our <i>ISA 260 Report</i>. This will summarise any specific matters arising, and the basis for our overall conclusion.</p> <p>The key output from the work will be the VFM conclusion (i.e. our opinion on the Authority's arrangements for securing VFM), which forms part of our audit report.</p>

Your audit team has been drawn from our specialist public sector assurance department. There is a new **Assistant Manager on the Northampton Borough Council audit team this year.**

Contact details are shown on page 1.

The audit team will be assisted by other KPMG specialists as necessary.



Neil Bellamy
Director

“My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion.

I will be the main point of contact for the Audit Committee and the Chief Executive.”



Yola Geen
Manager

“I am responsible for the management, review and delivery of the audit.

I will work closely with the Chief Finance Officer to ensure we add value. “



Laura Bedford
Assistant Manager

“I will be responsible for the on-site delivery of our work and will supervise the work of our audit assistants.

I will liaise with the Assistant Head of Finance and the Internal Audit Manager.”

At the end of each stage of our audit we issue certain deliverables, including reports and opinions.

Our key deliverables will be delivered to a high standard and on time.

We will discuss and agree as appropriate each report with the Authority's officers prior to publication.

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Deliverable	Purpose	Committee dates
Planning		
External Audit Plan	<ul style="list-style-type: none"> ■ Outlines our audit approach. ■ Identifies areas of audit focus and planned procedures. 	March 2014
Control evaluation and Substantive procedures		
Report to Those Charged with Governance (ISA 260 Report)	<ul style="list-style-type: none"> ■ Details control and process issues. ■ Details the resolution of key audit issues. ■ Communicates adjusted and unadjusted audit differences. ■ Highlights performance improvement recommendations identified during our audit. ■ Comments on the Authority's value for money arrangements. 	September 2014
Completion		
Auditor's Report	<ul style="list-style-type: none"> ■ Provides an opinion on your accounts (including the Annual Governance Statement). ■ Concludes on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion). 	September 2014
Whole of Government Accounts	<ul style="list-style-type: none"> ■ Provide our opinion on the Authority's WGA pack submission. 	September 2014
Annual Audit Letter	<ul style="list-style-type: none"> ■ Summarises the outcomes and the key issues arising from our audit work for the year. 	November 2014

We will be in continuous dialogue with you throughout the audit.

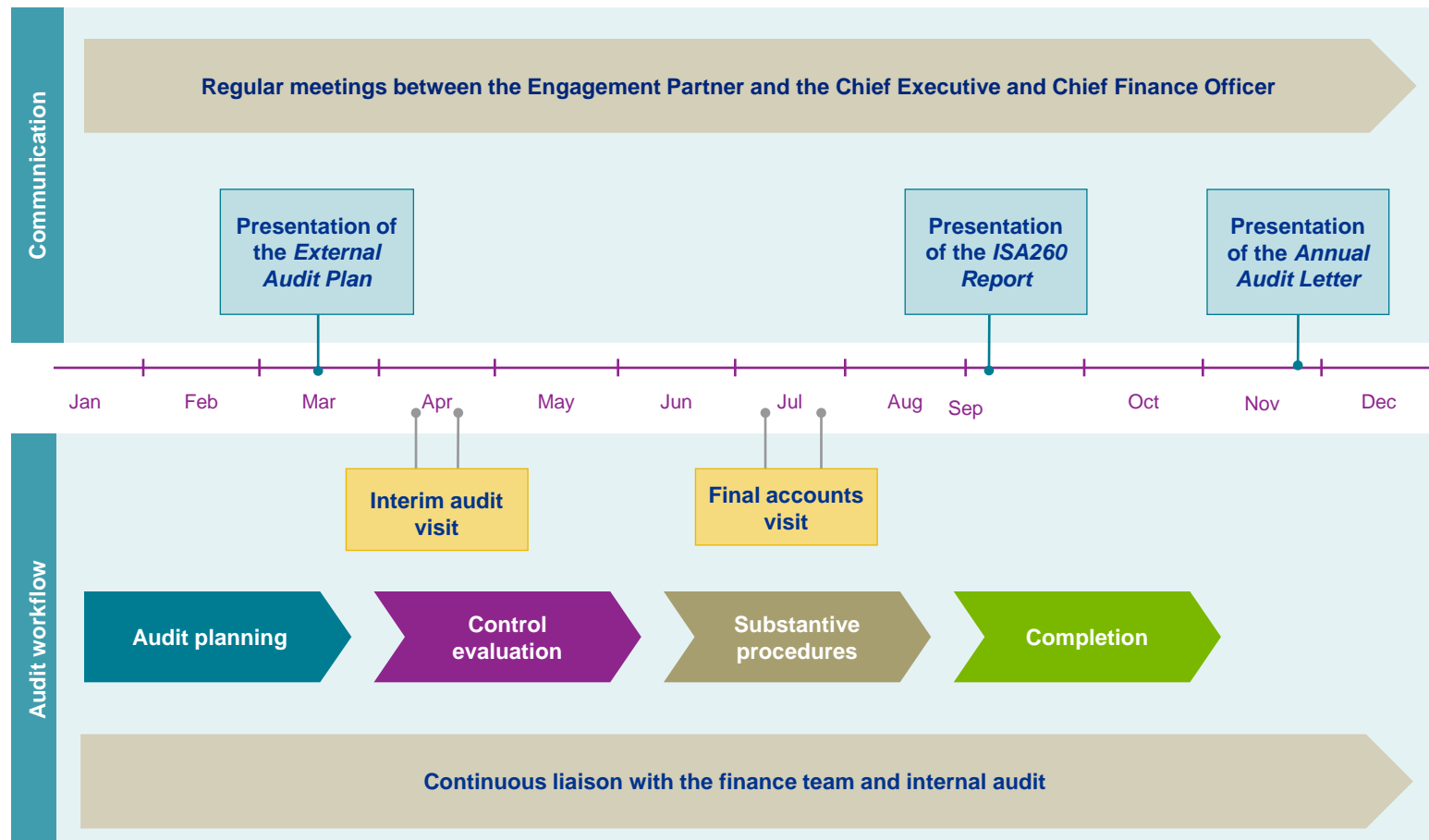
Key formal interactions with the Audit Committee are:

- March – External Audit Plan;
- September – ISA 260 Report;
- November – Annual Audit Letter.

We work with the finance team and internal audit throughout the year.

Our main work on site will be our:

- Interim audit visits during April.
- Final accounts audit during July and August.



Key: ● Audit Committee meetings.

The fee for the 2013/14 audit of the Authority is £106,800. The fee is that set out in our *Audit Fee Letter 2013/14* issued in March 2013.

Our audit fee remains indicative and based on you meeting our expectations of your support.

Meeting these expectations will help the delivery of our audit within the proposed audit fee.

Audit fee

Our *Audit Fee Letter 2013/14* of March 2013 first set out our fees for the 2013/14 audit. We have not considered it necessary to make any changes to the agreed fees at this stage.

Our audit fee includes our work on the VFM conclusion and our audit of the Authority's financial statements.

The planned audit fee for 2013/14 is **£106,800**. This is that set out in our fee letter of March 2013.

Audit fee assumptions

The fee is based on a number of assumptions, including that you will provide us with complete and materially accurate financial statements, with good quality supporting working papers, within agreed timeframes. It is imperative that you achieve this. If this is not the case and we have to complete more work than was envisaged, we will need to charge additional fees for this work. In setting the fee, we have assumed:

- the level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2012/13;
- you will inform us of any significant developments impacting on our audit;
- you will identify and implement any changes required under the *CIPFA Code of Practice on Local Authority Accounting in the UK 2013/14* within your 2013/14 financial statements;
- you will comply with the expectations set out in our *Accounts Audit Protocol*, including:
 - the financial statements are made available for audit in line with the agreed timescales;
 - good quality working papers and records will be provided at the start of the final accounts audit;

- requested information will be provided within the agreed timescales;
- prompt responses will be provided to queries and draft reports;
- internal audit meets appropriate professional standards;
- internal audit adheres to our joint working protocol and completes appropriate work on all systems that provide material figures for the financial statements and we can place reliance on them for our audit; and
- additional work will not be required to address questions or objections raised by local government electors or for special investigations such as those arising from disclosures under the Public Interest Disclosure Act 1998.

Meeting these expectations will help ensure the delivery of our audit within the agreed audit fee.

The Audit Commission requires us to inform you of specific actions you could take to keep the audit fee low. Future audit fees can be kept to a minimum if the Authority achieves an efficient and well-controlled financial closedown and accounts production process which complies with good practice and appropriately addresses new accounting developments and risk areas.

Changes to the audit plan

Changes to this plan and the audit fee may be necessary if:

- new significant audit risks emerge;
- additional work is required of us by the Audit Commission or other regulators; and
- additional work is required as a result of changes in legislation, professional standards or financial reporting requirements.

If changes to this plan and the audit fee are required, we will discuss and agree these initially with the Chief Finance Officer.

This appendix summarises auditors' responsibilities regarding independence and objectivity.

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Independence and objectivity

Auditors are required by the Code to:

- carry out their work with independence and objectivity;
- exercise their professional judgement and act independently of both the Commission and the audited body;
- maintain an objective attitude at all times and not act in any way that might give rise to, or be perceived to give rise to, a conflict of interest; and
- resist any improper attempt to influence their judgement in the conduct of the audit.

In addition, the Code specifies that auditors should not carry out work for an audited body that does not relate directly to the discharge of the auditors' functions under the Code. If the Authority invites us to carry out risk-based work in a particular area, which cannot otherwise be justified to support our audit conclusions, it will be clearly differentiated as work carried out under section 35 of the Audit Commission Act 1998.

The Code also states that the Commission issues guidance under its powers to appoint auditors and to determine their terms of appointment. The Standing Guidance for Auditors includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of Commission-related work, and senior members of their audit teams should not take part in political activity.
- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.

- Audit staff are expected not to accept appointments as Governors at certain types of schools within the local authority.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Firms are expected to comply with the requirements of the Commission's protocols on provision of personal financial or tax advice to certain senior individuals at audited bodies, independence considerations in relation to procurement of services at audited bodies, and area wide internal audit work.
- Auditors appointed by the Commission should not accept engagements which involve commenting on the performance of other Commission auditors on Commission work without first consulting the Commission.
- Auditors are expected to comply with the Commission's policy for the Engagement Lead to be changed on a periodic basis.
- Audit suppliers are required to obtain the Commission's written approval prior to changing any Engagement Lead in respect of each audited body.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the standing guidance.

Appendix 2: KPMG Audit Quality Framework

We continually focus on delivering a high quality audit.

This means building robust quality control procedures into the core audit process rather than bolting them on at the end, and embedding the right attitude and approaches into management and staff.

KPMG's Audit Quality Framework consists of seven key drivers combined with the commitment of each individual in KPMG.

The diagram summarises our approach and each level is expanded upon.

At KPMG we consider audit quality is not just about reaching the right opinion, but how we reach that opinion. KPMG views the outcome of a quality audit as the delivery of an appropriate and independent opinion in compliance with the auditing standards. It is about the processes, thought and integrity behind the audit report. This means, above all, being independent, compliant with our legal and professional requirements, and offering insight and impartial advice to you, our client.

KPMG's Audit Quality Framework consists of seven key drivers combined with the commitment of each individual in KPMG. We use our seven drivers of audit quality to articulate what audit quality means to KPMG.

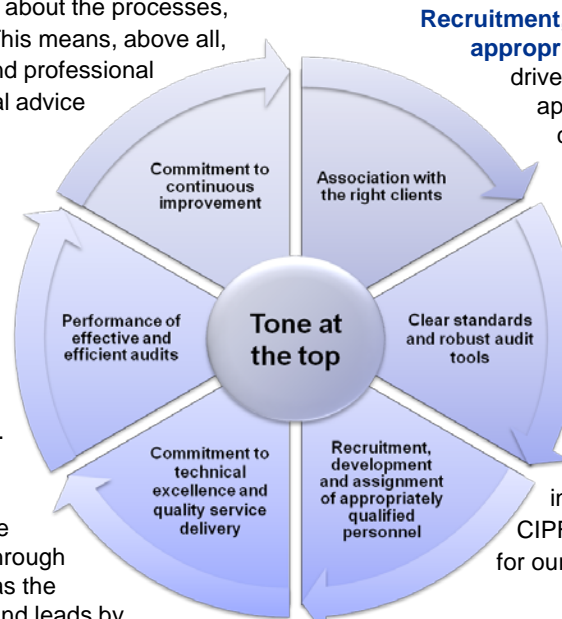
We believe it is important to be transparent about the processes that sit behind a KPMG audit report, so you can have absolute confidence in us and in the quality of our audit.

Tone at the top: We make it clear that audit quality is part of our culture and values and therefore non-negotiable. Tone at the top is the umbrella that covers all the drivers of quality through a focused and consistent voice. Neil Bellamy as the Engagement Lead sets the tone on the audit and leads by example with a clearly articulated audit strategy and commits a significant proportion of his time throughout the audit directing and supporting the team.

Association with right clients: We undertake rigorous client and engagement acceptance and continuance procedures which are vital to the ability of KPMG to provide high-quality professional services to our clients.

Clear standards and robust audit tools: We expect our audit professionals to adhere to the clear standards we set and we provide a range of tools to support them in meeting these expectations. The global rollout of KPMG's eAUDIT application has significantly enhanced

existing audit functionality. eAUDIT enables KPMG to deliver a highly technically enabled audit.



Recruitment, development and assignment of appropriately qualified personnel: One of the key drivers of audit quality is assigning professionals appropriate to the Authority's risks. We take great care to assign the right people to the right clients based on a number of factors including their skill set, capacity and relevant experience.

We have a well developed technical infrastructure across the firm that puts us in a strong position to deal with any emerging issues. This includes:

- A national public sector technical director who has responsibility for co-ordinating our response to emerging accounting issues, influencing accounting bodies (such as CIPFA) as well as acting as a sounding board for our auditors.
- A national technical network of public sector audit professionals is established that meets on a monthly basis and is chaired by our national technical director.
- All of our staff have a searchable data base, Accounting Research Online, that includes all published accounting standards, the KPMG Audit Manual Guidance as well as other relevant sector specific publications, such as the Audit Commission's *Code of Audit Practice*.
- A dedicated Department of Professional Practice comprised of over 100 staff that provide support to our audit teams and deliver our web-based quarterly technical training.

We continually focus on delivering a high quality audit.

This means building robust quality control procedures into the core audit process rather than bolting them on at the end, and embedding the right attitude and approaches into management and staff.

Quality must build on the foundations of well trained staff and a robust methodology.

Commitment to technical excellence and quality service delivery: Our professionals bring you up- to-the-minute and accurate technical solutions and together with our specialists are capable of solving complex audit issues and delivering valued insights.

Our audit team draws upon specialist resources including Forensic, Corporate Finance, Transaction Services, Advisory, Taxation, Actuarial and IT. We promote technical excellence and quality service delivery through training and accreditation, developing business understanding and sector knowledge, investment in technical support, development of specialist networks and effective consultation processes.

Performance of effective and efficient audits: We understand that how an audit is conducted is as important as the final result. Our drivers of audit quality maximise the performance of the engagement team during the conduct of every audit. We expect our people to demonstrate certain key behaviours in the performance of effective and efficient audits. The key behaviors that our auditors apply throughout the audit process to deliver effective and efficient audits are outlined below:

- timely Engagement Lead and manager involvement;
- critical assessment of audit evidence;
- exercise of professional judgment and professional scepticism;
- ongoing mentoring and on the job coaching, supervision and review;
- appropriately supported and documented conclusions;
- if relevant, appropriate involvement of the Engagement Quality Control reviewer (EQC review);
- clear reporting of significant findings;
- insightful, open and honest two-way communication with those charged with governance; and
- client confidentiality, information security and data privacy.

Commitment to continuous improvement: We employ a broad range of mechanisms to monitor our performance, respond to feedback and understand our opportunities for improvement.

Our quality review results

We are able to evidence the quality of our audits through the results of National Audit Office and Audit Commission reviews. The Audit Commission publishes information on the quality of work provided by KPMG (and all other firms) for audits undertaken on behalf of them (<http://www.audit-commission.gov.uk/audit-regime/audit-quality-review-programme/principal-audits/kpmg-audit-quality>).

The latest Annual Regulatory Compliance and Quality Report (issued June 2013) showed that we performed highly against the Audit Commission's criteria. We were one of only two firms to receive a combined audit quality and regulatory compliance rating of green for 2012/13.



cutting through complexity™

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Appendices: 6



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Financial Monitoring Report
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	17 March 2014
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 January.
- 1.2 To update Committee on car parking income and usage to 31 January.
- 1.3 To update Committee on the position regarding the Council's outstanding debts as at 31 January.

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 January (Appendix 5).
- 2.3 To note the latest position in relation to the Council's outstanding debts as at 31 January (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 January 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 January 2014 (Period 10) 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 – £187k 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	97
Debt Financing & HRA Recharges	90
General Fund Revenue	187

The major variations are detailed below.

Asset Management

- Other Buildings and Land £34k - reflects mainly a £69k 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.

Head of Major projects and Enterprise

- Head of Major Projects and Enterprise £80k forecast due to the cost of interim cover to the financial year end supporting the Enterprise project and Regeneration areas.

Head of Planning

- Development Control (£360k) favourable mainly due to forecast better fee income than budgeted due to a higher level of planning applications.

Housing

- Housing Services £272k adverse forecast mainly split over Call Care £96k, Private Sector Housing Solutions £224k, and a budgeted staff

efficiency of £50k that is forecast not to be achieved, partially offset by underspend of (£30k) forecast staff vacancy savings on Home Choice and Resettlement.

Head of Customers and Cultural services

- Car Parking -£0k - The forecast shortfall in daily ticket income remains at £140k and the shortfall in season ticket is £126k..The forecast variance has taken into account the use of reserve of (£75k), for the August extended free parking, and (£140k) of an earmarked car parking reserve. In addition to this Car parking has received a reduction in rent on St Peter's Way and a reduction in NNDR on Commercial Street totalling (£84k)
- Museums - £50k adverse – Agency costs of £95k and reduced donations of £15k are partially offset by vacancy savings £55k.

Corporate Budget

- Debt Financing £279k adverse mainly due to a fall in available investment interest rates in year to date. This shortfall can be mainly 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 (£200k) is now reflected in the figures.. The remaining £79k overspend relates to accounting technical adjustments reflecting higher charges to revenue of financing the 2012-13 capital programme spend.

3.2.2.2 HRA Revenue – £146k adverse

- Supporting People funding of £550k was reduced significantly from the end of September but partly covered by transitional funds until the end of March.. 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.
- Repairs and Maintenance - £42k adverse – mainly on responsive works based on current contractor levels although this continues to be managed down. A drawdown from reserves and a further capitalisation of expenditure on void dwellings of £2.5m and £1m respectively is now reflected in the figures. Housing management are continually reviewing this position.
- Dwelling rents due in year is forecasted to be under-recovered by £462k adverse due to increased Right to Buys in 2012/13 and current year. Rent Rebate Subsidy deductions are forecast to be nil for the year resulting in a (£96k) saving to the HRA.
- Increase in Bad Debt Provision is now reflecting the latest forecast position saving of (£335k). The impact of Welfare reforms on the arrears position has not been as quick to materialise as forecast.

3.2.2.3 Capital Programme -

- GF Capital Programme – With financial year end approaching there are a number of variations now being forecast totalling £3m. A number of these schemes, totalling £2.1m, are being re-phased into 2014/15 financial year and will require the budget to be carried forward. The Capital Programme Board is in place and has started reviewing and monitoring delivery of capital projects.
- HRA Capital Programme – is forecasted to be underspent by £3.3m with £2.5m being re-phased into 14/15 financial year..

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

3.2.4 The managed debt analysis and commentary to 31 January 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
Chief Finance Officer, Telephone 01604 366521

General Fund Revenue Budget Forecasts 2013/14

January 2014

Division	Ksa	Service Area	Revised Budget £000's	Forecast £000's	Forecast Variance £000's	RAG Status	Description
DR02 Director of Regeneration, Enterprise & Planning			227	216	(11)	G	
Director of Regeneration, Enterprise and Planning			227	216	(11)	G	
	FA01	Asset Management	1,445	1,455	10	G	(£19k) underspend on staff mainly due to vacant posts. The budgeted contribution towards repair and maintenance of monuments and memorials has been reduced resulting in an income shortfall of £9k. Further £7k overspend is related to the marketing of premises and also anticipated £29k overspend on office move expenditure. Offset by additional NNDR appeal savings of (£15k) £69k shortfall in rental income and £16k NNDR overspend due to vacant premises waiting to be re-let or being marketed for disposal and other minor overspends. This is offset by (£9k) surplus on insurance premium income and also by (£15k) underspend on other premises costs such as utilities, building cleaning. A potential drawdown from earmarked reserves for the shortfall in rental income £60k is now reflected.
	FA06	Other Buildings & Land	(1,607)	(1,572)	34	G	
Asset Management			(162)	(117)	44	G	
	RG01	Head of Major Projects and Enterprise	139	219	80	A	Overspend mainly due to the cost of the interim cover forecast to the end of financial year.
	RG02	Regeneration & Investment	889	931	42	G	£30k overspend due to delay in restructure implementation which is partly offset by underspend in the Town Centre Team. £6k overspend on subscriptions and software licences. £3k overspend to carry out a business survey in Northampton and £3k advertising & publicity expenditure for the Bus interchange.
Major Projects and Enterprise			1,028	1,150	122	R	
32	PE02	Building Control	(35)	(28)	6	G	(£56k) underspend on staff mainly due to vacant posts. (£312k) surplus due to the high level of planning applications in the year. This is offset by £5k from various supplies & services. Delay in restructure implementation has resulted in saving. Used to cover overspend in Regeneration and Investment. (£53k) underspend on vacant posts. This is being offset by £25k NBC contribution to the Heritage Gateway.
	PE03	Development Control	337	(23)	(360)	B	
	PE06	Head of Planning	115	115	(0)	G	
	PE15	Joint Planning Unit Manager	257	257	0	G	
	PE17	Planning & Regen Central Support	106	97	(8)	G	
	PE18	Town Centre Team	187	162	(25)	G	
	RG04	Planning Policy & Conservation	634	607	(27)	G	
Head of Planning			1,600	1,187	(413)	B	
Director of Regeneration, Enterprise & Planning			2,694	2,436	(258)	B	
DR05 Director of Housing			190	188	(2)	G	
Director of Housing			190	188	(2)	G	
	CS02	Call Care	(67)	29	96	A	Overspend mainly due to the £285k forecast underachievement of income for lifelines and charges to other organisations, offset by underspend on staff costs due to vacant posts (£190k). Other variances were less than £5k individually. Staff vacancies across the service area.
	HS05	Home Choice & Resettlement	461	431	(30)	G	
	HS12	Housing Options	603	588	(15)	G	
	HS13	Head of Strategic Housing	137	144	7	G	
	PE09	Travellers Sites	22	19	(3)	G	
	PE12	Private Sector Housing Solutions	14	238	224	R	Additional £47k of HMO enforcement costs which will result in additional income in the future, expenditure offset by drawdown from reserves of £76k. £146k deficit in DFG fees due to income relating to 2013/14 being taken against last year.
	RG03	Housing Strategy	29	55	(4)	G	Vacant post saving.
Head of Strategic Housing			1,230	1,504	274	R	
Housing			1,420	1,692	272	R	

Division	Ksa	Service Area	Revised Budget £000's	Forecast £000's	Forecast Variance £000's	RAG Status	Description
33	FA04	Non Distributed Costs	4,571	4,571	0	G	£100k saving option unlikely to be achieved this year. Reflects a lower than budgeted level of anticipated Benefit Subsidy recoverable from the DWP, primarily in relation to Rent Allowances . The Risk Managers vacant post generates a savings of (£38k). In Records Management a post has been seconded but temporary replaced by agency with a net savings of (£3k). Agency in Legal before transferring to LGSS cost £15k. Savings on training (£7k) has been offered. A Democratic Services Officer post has been vacant for most of 2013/14. There was also another post vacant for the first 6 months of 2013/14 due to a secondment. A overspend on publication previously forecasted was actually for a two year subscription and therefore a year end adjustment will be needed and the overspend will be reduced.
	DR03	Director of Resources	(105)	(111)	(7)	G	
	LGSS	Local Government Shared Service	8,912	8,912	0	G	
	HR01	Human Resources	148	152	4	G	
	GC08	Communications	255	244	(11)	G	
	GC15	Emergency Planning	52	55	2	G	
	PI20	Performance and Change	86	89	2	G	
	HS02	Head of Finance & Resources	15	15	0	G	
	FA02	Financial Services	154	169	14	G	
	FA03	Audit	215	215	0	G	
	FA05	Investments	9	9	(0)	G	
	FA19	Exchequer Service	85	85	1	G	
	HS01	Benefits	(1,325)	(1,226)	99	A	
	HS03	Revenues	(565)	(560)	5	G	
	PR01	Procurement	24	19	(4)	G	
	CX01	Chief Exec	181	180	(1)	G	
	GC02	Civic and Mayoral Expenses	97	118	21	G	
	GC05	Overview and Scrutiny	44	45	1	G	
	GC06	Councillor & Managerial Support	536	529	(6)	G	
	LD02	Electoral Services	187	175	(12)	G	
LD03	Land Charges	(11)	(22)	(11)	G		
LD04	Legal	261	228	(33)	G		
LD08	Democratic Services	299	272	(27)	G		
Borough Secretary			14,126	14,164	37	G	
Borough Secretary			14,126	14,164	37	G	
	DR01	Director of Customers and Communities	282	274	(8)	G	
Director of Customers and Communities			282	274	(8)	G	
	CE02	Community Safety	515	559	44	G	CCTV electricity costs £8K, and unachieved CCTV income £35k.
	CE04	Leisure Contract	741	736	(6)	G	
	LD05	Licensing	(243)	(232)	11	G	The saving of (£34k) has come about due to lower than anticipated uptake of the free rat control service.
	PE07	Pest Control	42	8	(34)	G	
	PE10	Commercial Services	336	346	9	G	(£62k) vacant posts, (£5k) cleaning and rubbish removal not required, £6k vehicle allowances, (£5k) animal welfare costs and (£5k) reduced burial costs. (£23k) increased income due to greater commercial requirement for advice and information.
	PE11	Environmental Protection	1,175	1,081	(94)	G	
	PE16	Head of Public Protection	75	80	5	G	£92k for 2 years of Tupe transfer costs now settled and £38k overspend on the Contract due to changes in Indexation rates. A potential drawdown from reserves of £92k for specific contract issues is now reflected.
	SS09	Environmental Services Contract	6,390	6,428	38	G	
	SS20	Environmental Services	26	51	26	G	£155k skip income which will not be achieved. £20k Waste Partnership costs. WBD Admin team overspent due to removal of budget for prior year savings £8K (£5k) reduced utilities. A potential drawdown from reserves of £155k for specific contract issues is now reflected.
	GC04	Policy	8	8	0	G	
	GC09	Community & Other Grants	1,270	1,258	(11)	G	
	GC10	Community Development	90	106	16	G	
	GC11	Community Centres	408	396	(12)	G	
	LS01	Head of Partnership Support	11	4	(6)	G	
	SS01	Neighbourhood Management	0	(11)	(11)	G	
Head of Communities and Environment			10,843	10,818	(25)	G	

Division	Ksa	Service Area	Revised Budget £000's	Forecast £000's	Forecast Variance £000's	RAG Status	Description
	CE06	Museums and Arts	626	676	50	A	External donations received are £15k less than budgeted. There is various vacant posts in Museums saving (£55k), however agency costs have been incurred of £95k. An underspend on professional services had been forecasted (£5k)
	CS03	Head of Customer & Cultural Services	105	108	4	G	
	CS04	Customer Access	1,288	1,242	(47)	G	Various employee underspends due to vacant posts.
	CS05	Print Unit	181	213	32	G	Outsourced printing costs are £15k over budget. There is an additional £7k on employees due mainly to vacancy factor and National Insurance. There will also be a shortfall in external income for printing work carried out for Voluntary groups, charities etc. £10k.
	PI02	Information Technology	347	327	(20)	G	
	PI14	Telephones	36	52	15	G	
	CE03	Events	236	270	33	G	Several new events hosted incurring additional staffing and infrastructure costs.
	CE23	Town Centre Management	15	15	0	G	
	CE24	Car Parking	(1,445)	(1,444)	0	G	£15k additional Employee costs. Premises costs (£84k) due to reduced rent for St Peter's Way car park and reduced NNDR on Commercial Street. £12k reactive repairs. Further offset by increase in electricity of due to carbon budget reduction. £26k security costs partly offset by reduced security costs in the bus station. Income is reflecting a £246k shortfall. A potential drawdown from reserves of (£75k) for the free parking scheme and (£140k) for other parking pressures are reflected in this figure.
	CE26	Bus Station	254	257	4	G	
	FA08	Office Accommodation	1,436	1,438	2	G	£20k Lower NNDR costs than estimated. Offset by £16k loss of income for Fish Street premises.
	FA09	Markets	69	74	5	G	
Head of Customer & Cultural Services			3,148	3,226	79	A	
Director of Customers and Communities			14,272.89	14,318.42	46	G	
Total Service Budgets			32,513	32,610	97	A	
		Debt Financing	1,855	1,934	79	A	Outturn on the GF debt financing budget at period 10 is forecast at £279k over budget. The overspend is mainly due to a significant fall in available investment interest rates in recent months. £200k of the shortfall can be met from the debt financing earmarked reserve, which has been specifically set up to deal with the budgetary risks of fluctuations in interest rates. The remaining £79k overspend relates to MRP, where charges arising from the financing of the capital programme in 2012-13 are higher than budgeted. A savings target assigned to this budget was based on an assumption of slippage in the 2012-13 capital programme that was not realised.
		Recharges to the HRA	(143)	(131)	12	G	Debt Financing recharges to HRA.
		Council Tax and other funding			0	G	
		Contribution to GF Balances			0	G	
Total Corporate Budgets			1,712	1,803	91	A	
Total General Fund			34,225	34,412	187		



CORPORATE FINANCIAL REPORTS (CAPITAL) : (Cost Centre & Head of Service)
FINANCIAL YEAR 2013/2014
PERIOD 10 (January 2014)

GF CAPITAL

Project Code & Project Description	Approved Budget February 2013	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		
	£	£	£	£	£	£	£		
Francis Fernandes (FF1)									
BA145 - Cliftonville Move; New ways of working	0	14,767	14,767	-10,000	14,767	0	0	G	G
Total for Corporate	0	14,767	14,767	-10,000	14,767	0	0	G	G
BA383 - Cinepod - Royal & Derngate Theatre	0	240,216	240,216	240,216	240,216	0	0	G	G
BA647 - IT Infrastructure - PC Replacement with VDI Terminals	65,000	0	65,000	0	65,000	0	0	G	G
Total for Director of Resources	65,000	240,216	305,216	240,216	305,216	0	0	G	G
BA676 - Vehicles	0	42,500	42,500	0	42,500	0	0	G	G
Total for Borough Secretary	0	42,500	42,500	0	42,500	0	0	G	G
BA165 - COM; Document Management	0	98,071	98,071	0	98,071	0	0	G	G
BA646 - Re-furbishment of the Great Hall kitchen	0	67,895	67,895	64,240	67,895	0	0	G	G
BA660 - Northampton Town Fc Loan	0	4,500,000	4,500,000	3,000,000	4,500,000	0	0	G	G
BA661 - Northampton Saints Loan	0	5,500,000	5,500,000	5,500,000	5,500,000	0	0	G	G
Total for Head of Finance & Resources	0	10,165,966	10,165,966	8,564,240	10,165,966	0	0	G	G
Julie Seddon (JS14)									
BA167 - I Love My Parks	0	14,222	14,222	9,143	14,222	0	0	G	G
Total for Director of Customers & Communities	0	14,222	14,222	9,143	14,222	0	0	G	G
Marion Goodman (MG3)									
BA164 - COM; IT Equipment New ways of working	0	0	0	17,728	0	0	0	G	G
BA173 - Multi-Function Devices (MFD's)	0	29,628	29,628	0	0	-29,628	29,628	G	R
BA193 - Refurbishment - Northampton Museum and Art Gallery	0	0	0	-60	0	0	0	G	G
BA207 - IT Infrastructure - Servers and Network Storage	270,000	0	270,000	113,364	270,000	0	0	G	G
BA384 - Cultural Quarter Street & Building Signage	0	25,000	25,000	0	25,000	0	0	G	G
BA677 - Art from the Golden Age	0	6,000	6,000	3,000	6,000	0	0	G	G
BA764 - One Stop Shop, CRM	0	29,966	29,966	450	450	-29,516	29,516	G	R
BA786 - Data Network Improvements	0	59,300	59,300	18,438	59,300	0	0	G	G
BA808 - IT Network Replacement Programme	0	11,698	11,698	269	11,698	0	0	G	G
BA893 - Microsoft Office 2010 Upgrade	0	40,000	40,000	34,577	40,000	0	0	G	G
Total for Head of Customer & Cultural Services	270,000	201,592	471,592	187,767	412,448	-59,144	59,144	G	A
BA665 - Grosvenor Car Park - Pay on Foot	0	200,000	200,000	26,789	200,000	0	0	G	G
Total for Head of Town Centre Management	0	200,000	200,000	26,789	200,000	0	0	G	G
Steve Elsey (SE3)									
BA659 - Call Care Project (part of prevention programme)	0	113,864	113,864	99,786	113,864	0	0	G	G
BK010 - Countrywide Climate Friendly Communities	0	46,617	46,617	46,042	46,617	0	0	G	G
BK013 - Empty Homes Programme	632,090	416,045	1,048,135	27,551	27,551	-1,020,584	216,045	B	R
BK014 - CBL Sub-regional scheme	0	0	0	695	0	0	0	G	G
BK015 - DFG's Owner Occupiers	1,475,000	908,542	2,383,542	1,619,738	2,383,542	0	0	G	G
BK029 - Hot Property 3	0	3,874	3,874	3,624	3,874	0	0	G	G
BK044 - Decent Homes Assistance	0	38,809	38,809	36,036	38,809	0	0	G	G
BK050 - Wrapped Up Scheme	0	24,053	24,053	31,649	24,053	0	0	G	G
BK051 - Fuel Poverty Fund County Wide	0	466,274	466,274	420,041	466,274	0	0	G	G
Total for Head of Strategic Housing	2,107,090	2,018,078	4,125,168	2,285,162	3,104,584	-1,020,584	216,045	B	A

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NORTHAMPTON
BOROUGH COUNCIL

CORPORATE FINANCIAL REPORTS (CAPITAL) : (Cost Centre & Head of Service)
FINANCIAL YEAR 2013/2014
PERIOD 10 (January 2014)

GF CAPITAL

Project Code & Project Description	Approved Budget February 2013	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		
	£	£	£	£	£	£	£		
Susan Bridge (SB11)									
BA210 - Jeffrey Room Audio and Visual Improvements	0	750	750	750	750	0	0	G	G
BA645 - S106 Contributions to Other Local Authorities	0	165,000	165,000	165,000	165,000	0	0	G	G
BA656 - Victoria Street Bus Shelters	0	17,500	17,500	14,682	18,032	532	0	G	G
BA657 - Billing Lane Park Public Art Project	0	48,600	48,600	7,020	27,540	-21,060	21,060	G	R
BA658 - West Hunsbury Park Public Art Project	0	21,600	21,600	7,020	21,600	0	0	G	G
BA663 - Duston Wetlands Development & Implementation	0	15,000	15,000	0	15,000	0	0	G	G
BA664 - Hunsbury Hill Riverstone Way Play Improvements	0	42,000	42,000	40,603	42,000	0	0	G	G
BA667 - Eastfield Park - Cross Park Pathway	0	41,370	41,370	0	41,370	0	0	G	G
BA668 - Abington Street - Opening Up to Traffic	0	150,000	150,000	0	150,000	0	0	G	G
BA670 - Waterside Improvements (Southbridge)	0	0	0	0	0	0	0	G	G
BA883 - Planning IT Improvements (HPDG)	0	191,335	191,335	653	161,335	-30,000	0	G	G
Total for Head of Planning	0	693,155	693,155	235,728	642,627	-50,528	21,060	G	G
Simon Dougall (SD6)									
BA122 - Fire Safety Improvement Works	0	7,969	7,969	902	7,969	0	0	G	G
BA132 - St Crispin Changing Rooms, Toilet, Car park	0	750,989	750,989	0	0	-750,989	750,989	B	R
BA133 - St Crispin Football Pitches and Play Provision	0	192,116	192,116	133,806	152,116	-40,000	0	G	G
BA136 - Water Management Works	100,000	94,200	194,200	74,966	78,516	-115,684	115,684	B	R
BA138 - Cemeteries Refurbishment Works	25,000	0	25,000	5,979	15,742	-9,258	9,258	G	R
BA146 - Water Hygiene - Monitoring Improvements	0	82,000	82,000	0	82,000	0	0	G	G
BA169 - Northampton Skatepark	0	1,940	1,940	1,235	1,940	0	0	G	G
BA179 - Abington Park, Changing Room refurbishment	0	0	0	303	0	0	0	G	G
BA180 - Strategic Property Investment	0	500,000	500,000	0	500,000	0	0	G	G
BA186 - Improvement to Parks Infrastructure	150,000	27,200	177,200	37,712	112,905	-64,295	64,295	G	R
BA187 - Racecourse Bowling Green Footpaths	0	0	0	277	0	0	0	G	G
BA188 - Royal and Deragate Roof Replacement Works	297,000	0	297,000	142,190	297,000	0	0	G	G
BA189 - Corporate Asset Improvements	200,000	0	200,000	-7,058	197,550	-2,450	2,450	G	G
BA190 - Investment Properties Enhancements	50,000	84,107	134,107	70,013	40,734	-93,373	93,373	G	R
BA194 - Guildhall Renewals	75,000	39,000	114,000	107,657	114,000	0	0	G	G
BA197 - Delapre Abbey Restoration Minor Projects	100,000	248,972	348,972	18,098	21,916	-327,056	327,056	B	R
BA368 - Upton Park Pedestrian & Cycle Bridge	0	79,147	79,147	-1,237	21,984	-57,163	57,163	G	R
BA385 - Town Centre Enhancements	0	77,230	77,230	68,277	64,588	-12,642	0	G	G
BA648 - Allotments	58,000	0	58,000	0	58,000	0	0	G	G
BA649 - Skate Park Toilet & Kiosk	150,000	0	150,000	147,943	149,663	-337	0	G	G
BA650 - Lifts - Improvement Works	150,000	0	150,000	0	172,299	22,299	0	G	G
BA651 - Car Parking Signage	200,000	0	200,000	177,909	204,000	4,000	0	G	G
BA652 - Visitor Signage in Town Centre	80,000	0	80,000	0	0	-80,000	80,000	G	R
BA653 - Delapre Abbey Restoration	50,000	129,715	179,715	0	179,715	0	0	G	G
BA654 - St Lukes Field - Improvement works	0	50,000	50,000	0	0	-50,000	50,000	G	R
BA655 - Sea Cadets Building - Refurbishment	0	13,475	13,475	13,475	13,475	0	0	G	G
BA666 - Greyfriars Bus Station Demolition	0	500,000	500,000	135,690	368,525	-131,475	131,475	B	R
BA887 - Grosvenor Greyfriars Car Park Improvement Works	0	2,689	2,689	0	0	-2,689	0	G	G
BA889 - Mayorhold Car Park - Drainage Works	0	76,725	76,725	0	0	-76,725	76,725	G	R
BA891 - Bus Interchange	1,500,000	4,456,407	5,956,407	5,779,379	5,956,407	0	0	G	G
BA892 - Urgent Lift Renewals	70,000	181,500	251,500	108,654	227,914	-23,586	0	G	G
BA894 - Mounts Baths Roof	0	4,375	4,375	225	4,375	0	0	G	G
Total for Major Projects and Enterprise	3,255,000	7,599,756	10,854,756	7,016,394	9,043,333	-1,811,423	1,758,468	B	R

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CORPORATE FINANCIAL REPORTS (CAPITAL) : (Cost Centre & Head of Service)
FINANCIAL YEAR 2013/2014
PERIOD 10 (January 2014)

GF CAPITAL

Project Code & Project Description	Approved Budget February 2013	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		
	£	£	£	£	£	£	£		
Steve Elsey (SE3)									
BA356 - Community Centres Refurbishment	50,000	0	50,000	47,859	50,000	0	0	G	G
<u>Total for Head of Partnership Support</u>	50,000	0	50,000	47,859	50,000	0	0	G	G
BA211 - Extension of Duston Cemetery	0	40,450	40,450	0	450	-40,000	40,000	G	R
BA872 - Night Safe & Target Hardening - SSNP	0	13,825	13,825	1,770	13,825	0	0	G	G
BA895 - Allotment Provision	0	84,970	84,970	-2,950	84,970	0	0	G	G
BA896 - Guildhall Loft Insulation Salix project	0	0	0	-658	0	0	0	G	G
BA897 - Grosvenor Car Park T5 Lighting Upgrades	0	7,614	7,614	2,585	7,614	0	0	G	G
BA898 - St Michaels Car Park Led Lighting	0	17,211	17,211	0	17,211	0	0	G	G
<u>Total for Head of Communities and Environment</u>	0	164,070	164,070	747	124,070	-40,000	40,000	G	R
TOTALS	5,747,090	21,354,322	27,101,412	18,604,044	24,119,733	-2,981,679	2,094,717	B	A



NORTHAMPTON
BOROUGH COUNCIL

HOUSING REVENUE ACCOUNT
FINANCIAL YEAR 2013/2014

Appendix 3

For Period Ending 31 January 2014

	£000s Current Budget	£000s Actuals	£000s Forecast Outturn	£000s Variance	RAG Status
INCOME					
Rents - Dwellings Only	(49,464)	(36,183)	(49,002)	462	
Rents - Non Dwellings Only	(1,091)	(900)	(1,079)	12	
Service Charges	(2,748)	(2,087)	(2,553)	195	
Other Income	(85)	(37)	(68)	17	
Total Income	(53,388)	(39,207)	(52,702)	686	R
EXPENDITURE					
Repairs and Maintenance	15,205	12,986	15,247	42	
General Management	5,601	2,790	5,453	(148)	
Special Services	3,552	3,158	3,549	(3)	
Rents, Rates, Taxes & Other Charges	81	68	81	0	
Increase in Bad Debt Provision	750	346	415	(335)	
Rent Rebate Subsidy Deductions	96	0	0	(96)	
Total Expenditure	25,286	19,348	24,745	(540)	B
Net Cost of Services	(28,103)	(19,859)	(27,957)	146	R
Net Recharges from the General Fund	5,246	4,502	5,402	157	
Interest & Financing Costs	6,047	5,096	6,115	68	
Depreciation/MRA	11,823	9,853	11,823	0	
Net Contribution (from) / to Earmarked Reserves	9,987	8,435	9,617	(371)	
Net Transfer From / (To) Working Balance	5,000	8,026	5,000	(0)	
Working Balance b/f	(5,000)	(5,000)	(5,000)	0	
Working Balance Outturn	0	3,026	(0)	(0)	G

Notes on Forecast Variances

Rents - Dwellings Only

Right to Buy completions in 2013-14 continue to be greater than expected, resulting in reduced rental income.

Service Charges

Supporting People funding has been withdrawn at the end of September, but transitional funds of a lower amount are being received and are anticipated to continue to the end of March 2014. This shortfall is partly offset by a reduction in staffing costs within the Wardens service (see Special Services below). Note that a reserve was prudently created in anticipation of this occurrence and is sufficient to meet the remaining net shortfall.

Repairs and Maintenance

There has been a drawdown from reserves of £2.5m and an estimated £700k capitalisation of costs to cover an estimated £3.2m additional expenditure on void properties.

General Management

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

Rents, Rates, Taxes & Other Charges

Changes in legislation are expected to increase the amount of Council Tax payable on void properties.

Bad Debt Provision

Lower contribution to the Bad Debt Provision, reflecting lower levels of rent arrears than projected.

Rent Rebate Subsidy Deductions

Following the de-pooling of Service Charges last year, the HRA is not liable to make any contribution towards Rent Rebate expenditure.

Net Recharges from the General Fund

This overspend reflects the inclusion of internal Housing recharges that had previously been incurred as direct service expenditure.

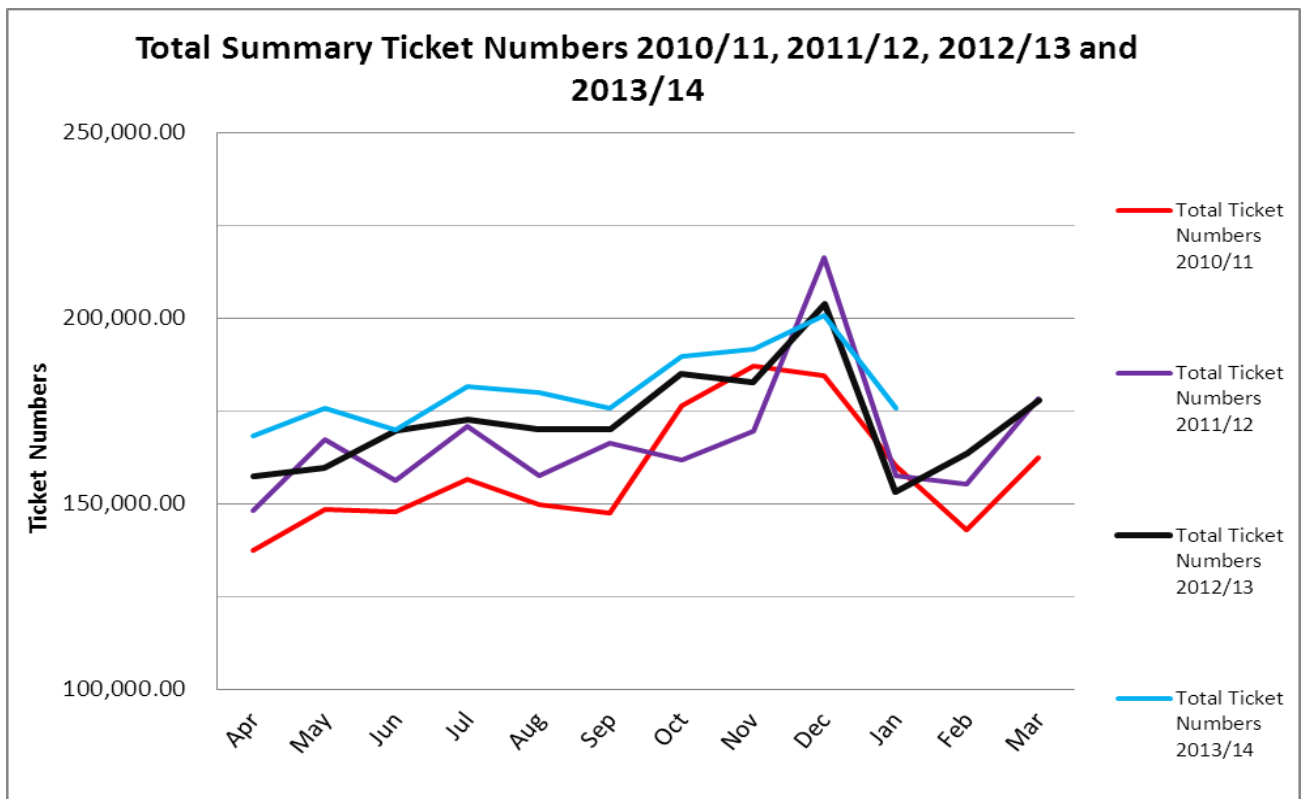
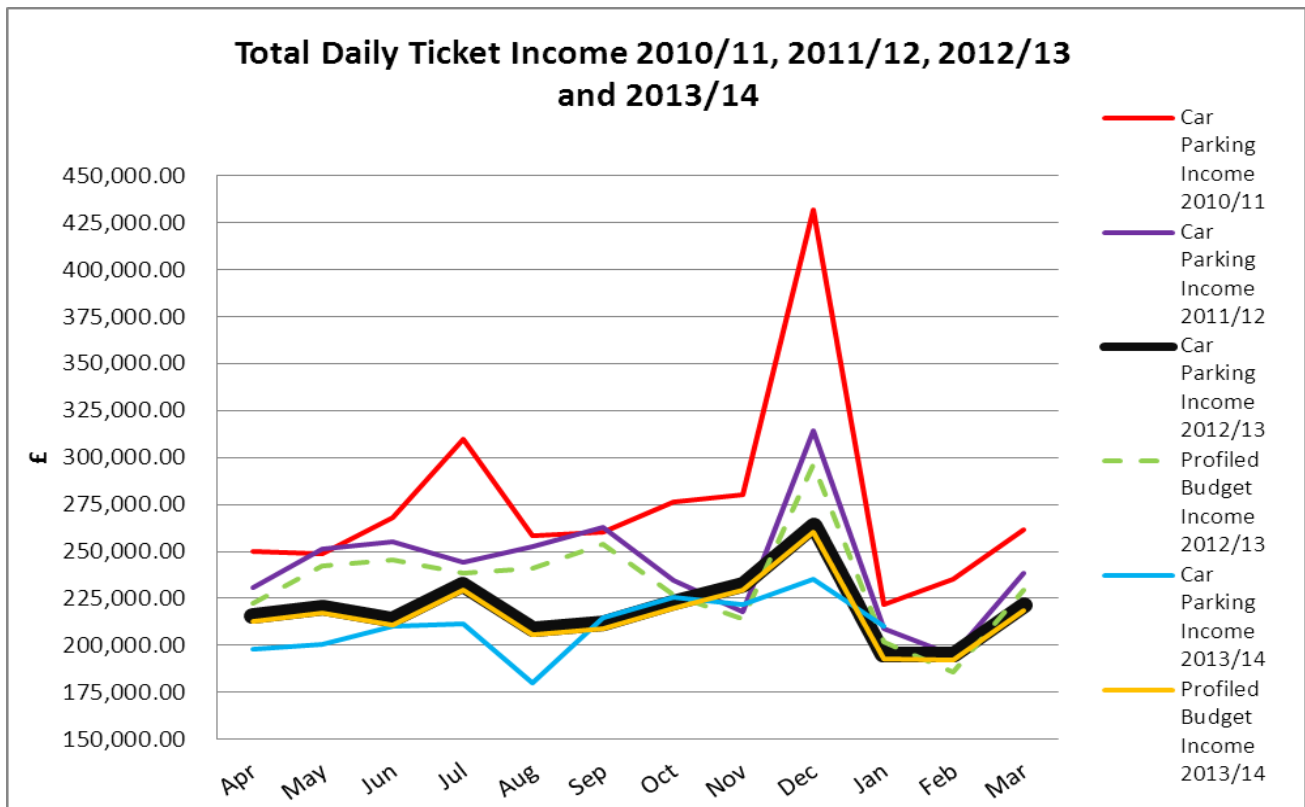


CORPORATE FINANCIAL REPORTS (CAPITAL) : (Cost Centre & Head of Service)
FINANCIAL YEAR 2013/2014
PERIOD 10 (January 2014)

HRA CAPITAL

Project Code & Project Description	Approved Budget	Approved Changes	Latest Approved	YTD Actual	Committed	Forecast Year	Forecast Under(-)	Budget	Forecast	Slippage
	February 2013	In Year	Budgets	Expenditure	Expenditure	End Spend	/Over (+)spend	Carried Forward	Variance RAG	RAG
	A	B	C=A+B	D	E	F	G=F-C	H		
	£	£	£	£	£	£	£	£		
Head of Landlord Services (HOLS)										
BH003 - Garages Roofs & Doors Replacement	40,000	0	40,000	33,727	7,721	40,000	0	0	G	G
BH009 - Fire Safety Works - communal areas	100,000	0	100,000	68,270	36,054	100,000	0	0	G	G
BH011 - Capital Improvement Works	0	200,000	200,000	0	0	200,000	0	0	G	G
BH013 - Digital Aerial Upgrade	0	0	0	954	0	0	0	0	G	G
BH014 - Estate Regeneration	100,000	347,728	447,728	0	4,758	447,728	0	0	G	G
BH020 - Periodical Electrical Works	125,000	0	125,000	88,553	34,782	125,000	0	0	G	G
BH021 - New Communal Boilers	0	0	0	4,218	1,524	0	0	0	G	G
BH022 - Community Energy Savings Programme (CESP)	0	1,852,060	1,852,060	1,482,537	7,166	1,482,537	-369,523	0	B	G
BH140 - Disabled Grant - Major Repairs	1,000,000	250,000	1,250,000	782,493	241,211	1,250,000	0	0	G	G
BH302 - Minor Adaptations for People with Disabilities	100,000	0	100,000	88,510	12,797	100,000	0	0	G	G
BH304 - Complete Roofs	100,000	551,312	651,312	566,731	50,161	651,312	0	0	G	G
BH305 - Structural Repairs	300,000	0	300,000	328,442	2,937	300,000	0	0	G	G
BH317 - Decent Homes	17,752,900	0	17,752,900	12,141,456	1,736,034	17,752,900	0	0	G	G
BH321 - Door & Window Replacement	30,000	0	30,000	17,938	670	30,000	0	0	G	G
BH325 - Gas Appliance Replacement - Responsive	1,000,000	0	1,000,000	985,116	0	1,000,000	0	0	G	G
BH329 - Asbestos Remedial Action	50,000	0	50,000	8,458	0	50,000	0	0	G	G
BH338 - Capital Voids	0	0	0	255	0	0	0	0	G	G
BH345 - Kitchen replacement	115,000	11,841	126,841	21,250	478,190	126,841	0	0	G	G
BH351 - Door Entry Updates	100,000	25,940	125,940	73,623	41,685	125,940	0	0	G	G
BH354 - Lift Refurbishment	0	0	0	4,450	2,550	0	0	0	G	G
BH364 - Environmental enhancements to housing land	100,000	64,065	164,065	9,050	14,418	164,065	0	0	G	G
BH365 - Walkways	100,000	100,000	200,000	0	0	200,000	0	0	G	G
BH368 - Communal Area Upgrades	200,000	147,210	347,210	112,287	8,460	347,210	0	0	G	G
BH373 - Change of Use	100,000	0	100,000	2,075	2,095	100,000	0	0	G	G
BH374 - CCTV	50,000	0	50,000	0	0	20,000	-30,000	0	G	G
BH375 - Lift Refurbishment St Katherines Court	100,000	0	100,000	0	0	0	-100,000	100,000	B	R
BH376 - Little Cross Street Walkway Renewal	562,000	0	562,000	8,430	165,611	174,041	-387,959	387,959	B	R
BH370 - Repurchase of Former Council Houses	1,000,000	500,000	1,500,000	793,090	0	1,072,000	-428,000	0	B	G
BH371 - Off Grid to Renewable Technologies	0	82,999	82,999	57,032	0	82,999	0	0	G	G
BH372 - Green Deal Contribution & Energy Efficiency	50,000	0	50,000	0	0	50,000	0	0	G	G
BH366 - Sheltered Housing Improvements	1,000,000	650,000	1,650,000	28,865	2,256	28,865	-1,621,135	1,621,135	B	R
BH367 - IT Capital	200,000	184,514	384,514	0	0	0	-384,514	384,514	B	R
TOTALS	24,374,900	4,967,669	29,342,569	17,707,809	2,851,078	26,021,438	-3,321,131	2,493,608	B	A

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Notes:

- 1) The volume of tickets issued to the end of period 10 was 84,130 higher than for the same period in 2012/13.
- 2) However, income to the end of January was £80k less than budgeted for the first 10 months of 2013/14

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

	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
TOTAL ARREARS	11,863,070	12,491,254	17,325,924	16,640,530	17,025,467	15,443,109	15,248,935	15,552,879	14,733,381	15,043,497	14,265,592	15,423,753
Awaiting Action	837,742	521,415	641,349	602,565	538,313	805,818	723,259	686,348	648,018	623,721	672,446	534,433
Debt in Progress	11,025,327	11,969,838	16,684,575	16,037,965	16,466,850	14,637,471	14,512,216	14,866,531	14,085,363	14,419,776	13,593,146	14,889,320
% Inactive debt [PI]	7.06%	4.17%	3.70%	3.62%	3.16%	5.22%	4.83%	4.41%	4.40%	4.15%	4.71%	3.46%
CTAX	5,456,867	6,090,188	8,797,424	8,477,350	8,149,267	7,807,401	7,632,608	7,430,390	7,283,755	7,743,309	6,857,434	6,657,270
Inactive	74,444	111,528	130,826	86,370	71,102	110,975	126,796	123,521	93,710	123,507	84,934	102,804
In progress	5,382,423	5,978,660	8,666,598	8,390,980	8,078,165	7,696,426	7,505,812	7,306,869	7,190,045	7,619,802	6,772,500	6,554,466
Inactive debt	1.36%	1.83%	1.49%	1.02%	0.87%	1.42%	1.66%	1.66%	1.29%	1.60%	1.24%	1.54%
NNDR	817,539	776,782	2,691,043	2,175,195	1,650,440	1,654,550	1,562,198	1,162,504	1,114,542	587,168	556,580	894,658
Inactive	0	0	0	0	0	0	0	0	0	0	0	0
In progress	817,539	776,782	2,691,043	2,175,195	1,630,136	1,654,550	1,562,198	1,162,504	1,114,542	587,168	556,580	894,658
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	817,980	814,503	924,649	887,309	883,694	912,056	908,012	886,670	881,820	924,882	845,330	806,846
Inactive	34,978	30,016	38,339	30,293	20,639	20,024	14,051	17,649	16,886	15,167	31,602	9,616
In progress	783,002	784,487	886,310	857,016	863,054	892,032	893,960	869,021	864,954	909,715	813,728	797,230
Inactive debt	4.28%	3.69%	4.15%	3.41%	2.34%	2.20%	1.55%	1.99%	1.91%	1.64%	3.74%	1.19%
HBOP	4,167,924	4,122,698	4,158,957	4,245,908	4,313,173	4,351,868	4,412,030	4,381,953	4,334,922	4,389,823	4,413,462	4,552,047
Inactive	700,472	328,701	430,087	452,654	418,400	636,779	573,531	528,023	511,988	460,923	434,249	377,749
In progress	3,467,452	3,793,997	3,728,870	3,793,254	3,894,773	3,715,089	3,838,499	3,853,930	3,822,934	3,928,900	3,979,213	4,174,298
Inactive debt	16.81%	7.97%	10.34%	10.66%	9.70%	14.63%	13.00%	12.05%	11.81%	11.50%	9.84%	8.30%
SD	602,760	687,083	753,851	854,768	2,028,893	717,234	734,087	1,691,362	1,118,342	1,398,315	1,592,786	2,512,932
Inactive	27,848	51,170	42,097	33,248	28,172	37,860	22,340	17,155	25,454	24,125	121,661	44,264
In progress	574,911	635,912	711,754	821,520	2,000,722	679,374	711,747	1,674,207	1,092,888	1,374,190	1,471,125	2,468,668
Inactive debt	4.62%	7.45%	5.58%	3.89%	1.40%	5.28%	3.04%	1.01%	2.28%	1.73%	7.64%	1.76%

- Overall debt levels as at 31st January 2014
Compared to the same period last year, unmanaged debt is £145,930 less than the same period last year and the overall total arrears are £3,315,454 more.
- Council Tax as at 31st January 2014
Unmanaged debt is £16,786 less than the same period last year and the overall outstanding arrears are £1,028,507 more. This is due to an increase in debt for recovery and trace of £1,545,429 currently with our debt collection agencies, which is still actively being managed. Arrears collection is up on last year.
- Business Rates as at 31st January 2014
Unmanaged debt remains unchanged. The overall outstanding arrears are £183,333 less than the same period last year.
- Former Tenant Arrears as at 31st January 2014
Unmanaged debt is £4,978 less than the same period last year and the overall outstanding arrears are £276,192 less.
- Housing Benefit Overpayments Payments as at 31st January 2014
Unmanaged debt is £69,270 more than the same period last year and the overall outstanding arrears are £365,302 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 31st January 2014
Unmanaged debt is £54,896 less than the same period last year and the overall outstanding balance is £2,014,504 more. This is due to large outstanding invoices currently in dispute.
- Priority Debts 31st January 2014
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 £22,254, OPHB £185,199, and SD £525.00 as at 31st January 2014. As more cases reach consideration for court action this category of debt pending other priority debt will increase.

Appendices: 3



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Finance and Performance Report to 30 December 2013
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	17 th March 2014
Policy Document:	NO
Directorate: Management Board	Management Board
Accountable Cabinet Member	Cllr A Bottwood

1. Purpose

1.1 The purpose of this report is to provide performance data and commentary to the committee to assist in their function to monitor the performance of the Council.

2. Recommendations

2.1 The report and appendices to be noted, and areas of concern highlighted to the relevant Service for comment and action as appropriate.

3. Issues and Choices

3.1 Report Background

3.1.1 Finance and Performance report presented to Cabinet on 24th February 2014

3.1.2 This report presents the Council's key financial and performance exceptions for the year to date, together with changes in the revenue budget and capital programme. It further highlights any emerging issues as identified by service managers.

3.1.3 Portfolio holders receive detailed information on specific measures monitoring the Corporate Plan within their individual portfolios.

3.2 Issues

3.2.1 Detailed in full on attached Cabinet report




3.2.2 Performance Exceptions on Corporate Plan Priorities (Extracted from appendix 1)

This section of the report highlights those measures that are under, or over performing by corporate priority against their profiled monthly targets. Appendices 2 and 3 provide further detail of the issues and actions being taken by relevant service areas

YOUR TOWN: RED KPIS				
Measure ID & Name	Portfolio	Performance	Dec 2013 YTD ACTUAL	Dec 2013 YTD TARGET
ESC02 % missed bins corrected within 24hrs of notification (M)	Environment	▲	42.45%	100.00%
Whilst there is no KPI for rectifying missed bins within a certain timeframe Enterprise reports these figures to demonstrate its commitment to improving the 'customer experience'				
ESC04 % household waste recycled and composted (NI192) (M)	Environment	▲	42.85%	47.00%
The month of December brings a decrease of 26.30% of KG's sent for recycling, reuse and composting in comparison to November 13. This is in line with seasonal trend and primarily due to reduction in composted waste. The YTD recycling performance has decreased by 1.67% in comparison to last year. The October/November 13 data remains amber as the final report has not been agreed by Northamptonshire County Council.				
HI 01 Average time taken to re-let local authority homes (days) (M)	Housing	▲	26.24	16
The Christmas period along with an increasing number of difficult to let 3 bedroom properties have contributed to a sharp increase in the monthly relet figure for December at 34.36 days. The mutual exchange officers have been in post for only a short time. However they have reviewed the potential customer base for 3 Bedroom properties to identify the underlying problem. Alternative options to address the shortfall in demand or remodel properties are being developed. The sustainability and affordability of these options and whether they would maximise rental income will need to be tested.				

YOUR TOWN: BLUE KPIS				
Measure ID & Name	Portfolio	Performance	Dec 2013 YTD ACTUAL	Dec 2013 YTD TARGET
ESC05 % of Land and Highways assessed falling below an acceptable level - Litter (NI195a) (4M)	Environment	●	1.50%	4.00%
ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M)	Environment	●	2.08%	6.00%
ESC10 Level of quality against an agreed standard - Open Spaces & Parks - Litter (%) (Q)	Environment	●	0.00%	4.00%
ESC11 Level of quality against an agreed standard - Open Spaces & Parks - Detritus (%) (Q)	Environment	●	0.56%	6.00%
HI 12 Rent collected as a proportion of rent owed on HRA dwellings % exc.arrears brought forward (M)	Housing	●	99.38%	98.34%
HI 13 Rent arrears as a percentage of the annual debit (M)	Housing	●	2.90%	3.41%
NI157a % Major Planning applications determined within 13 weeks (M)	Regeneration, Enterprise and Planning	●	65.91%	60.00%
PP06 % change in serious acquisitive crime from the baseline (M)	Leader	●	-16.50%	-7.50%
PP09 Overall crime figure for the period (M)	Leader	●	12665	15300
PP14 % change in Violence Offences (M)	Leader	●	-13.67%	-3.75%
TCO01 Number of events delivered in partnership: Town Centre (Q)	Community Engagement	●	17	11
TCO02 Number of events delivered in partnership: parks and open spaces (Q)	Community Engagement	●	21	6
PP21 % Licensing enforcement checks completed (M)	Environment	●	95.42%	80.00%
CH10 No. of unique visits to Museum Pages (M)	Community Engagement	●	35758	31940

YOU: RED KPIS				
Measure ID & Name	Portfolio	Performance	Dec 2013 YTD ACTUAL	Dec 2013 YTD TARGET
BV008 Percentage of invoices for commercial goods & serv. paid within 30 days (M)	Finance	▲	95.74%	98.53%
A slight performance improvement over last month has been achieved. Work continues between NBC and LGSS to improve processes and drive out non-compliance to ensure the additional resources currently being deployed to support the processing of NBC invoices can be withdrawn.				
CEX01 Total number of Local Government Ombudsman First Enquiries (cases completed) (Q)	Leader	▲	22	9
There have been 5 investigations in the last quarter with 2 cases issued with a decision by the LGO straight away.				
CS13 Percentage of ALL calls into the Contact Centre answered (M)	Community Engagement	▲	81.92%	90.00%
<p>Overall Contact Centre performance increased by 16.3% in December over November to 86.6%.</p> <p>December was a quieter month and calls reduced by 8684 over November</p> <p>Email contact increased by 242 in October over September</p> <p>Target was not achieved across the Contact Centre, 86.6% against a target of 90%. Individual targets were hit in 4 of the 9 services. General Enquiries was the best performing at 96%.% of calls answered. Followed by Streetscene , Rent Income and Housing repairs. Worst performing was Council Tax at 75.5% but that was an increase of 14.7% over November</p> <p>LGSS testing continued in December and we are testing the use of NBC staff only when necessary, there was an decrease in revenues and benefits calls over the previous month (-3806). This is the 4th month of testing LGSS sessions, which will continue to impact the revenues and benefits service over the coming months. Further Temp staff have been recruited to cover the loss of housing staff.</p> <p>Average wait times reduced in December over November by 2 min 17 seconds to an average wait of 2mins 28 seconds. Emails reduced by 876 in December over November.</p>				
HI 36 Number of affordable homes delivered (NI 155)(Q)	Housing	▲	136	195
<p>Whilst there has been an improvement this quarter, delivery is below levels anticipated in the target setting process last year. The delivery of affordable homes is heavily dependent on S.106 sites associated with market homes. Whilst demand for market dwellings has picked up over the year, this has not been as large as was predicted; consequently the handover of affordable dwellings from house builders to registered providers has been slower than anticipated. The recent obvious upturn in Northampton's housing market has resulted in increased activity on sites to meet demand, so outputs should be up in the 4th quarter. In addition to this, HCA grant supported schemes often are targeted for completion in Quarter 4 to meet funding requirements.</p>				

YOU: BLUE KPIs				
Measure ID & Name	Portfolio	Performance	Dec 2013 YTD ACTUAL	Dec 2013 YTD TARGET
CEX02 Av no. of days taken to deal with LG Ombudsman First Enquiries (cases completed) (Q)	Leader		6.05	19.5
HI 07 Number of households living in B&B accommodation (M)	Housing		26	40
HI 09 Homeless households for whom casework advice resolved their situation (M)	Housing		1568	1125

3.3 Choices (Options)

- 3.3.1 Request reports and/or action plans for all areas of under/over performance from the respective Heads of Service
- 3.3.2 Highlight key areas of concern and request reports and/or action plans from the respective Heads of service
- 3.3.3 No action

4. Implications (including financial implications)

The implications are fully discussed in the attached Cabinet report

5. Background Papers

- 5.1 Finance and Performance report to 30th December 2013
- 5.2 All Measures Report – Dec 2013 – Q3
- 5.3 Corporate Performance Highlight Report – Dec 2013 – Q3

**Francis Fernandes
Borough Secretary
0300 330 7000**



CABINET REPORT

Report Title	Finance and Performance Report to 30 December 2013
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 January 2014
Key Decision:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Management Board
Accountable Cabinet Member:	Cllr A Bottwood
Ward(s)	N/A

1. Purpose

- 1.1 The purpose of this report is to assist Cabinet in monitoring the delivery of the Corporate Plan within the agreed capital and revenue budgets for the General Fund (GF) and Housing Revenue Account (HRA).

2. Recommendations

- 2.1 That Cabinet notes the contents of the report and identifies what actions are to be taken to address any issues arising from it.
- 2.2 That Cabinet note the variations previously approved by Cabinet and under delegated authority, as set out in Appendix 3.

3. Issues and Choices

3.1 Report Background

- 3.1.1 This report presents the Council's key financial and performance exceptions for the year to date, together with changes in the revenue budget and capital programme. It further highlights any emerging issues as identified by service managers.

- 3.1.2 The report also brings forward any capital appraisals and variations for noting and approval.
- 3.1.3 The report takes into consideration the progress of key projects being delivered across the Council, achievement against performance indicators and financial/resource information.
- 3.1.4 Portfolio holders receive detailed information on specific measures monitoring the Corporate Plan within their individual portfolios.

3.2.1 Performance Exceptions on Corporate Plan Priorities

This section of the report highlights those measures that are under (▲) or over (●) performing by corporate priority against their profiled monthly targets. Appendix 1 provides further detail of the issues and actions being taken by relevant service areas.

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HI 09 Homeless households for whom casework advice resolved their situation (M)	Housing	●	1568	1125

3.2.2 Key Financial Indicator Exceptions

Dashboard Indicator Description	Variation from Budget		RAG
		£000	
Controllable GF Revenue Budget	Overspend	89	A
Controllable HRA Revenue Budget	Overspend	267	R
Debt Financing Budget and HRA Recharges	Overspend	42	G

3.2.3 Controllable General Fund Revenue Budget (Red)

The following table summarises the major variations from budget for the General Fund.

Service Area	£000
Major Projects and Enterprise	120
Head of Planning	(424)
Housing	248
Borough Secretary	32
Head of Communities and Environment	27
Head of Customer and Cultural Services	92
Other minor variations	-6
Total	89

Budget Managers are working to mitigate the pressures on their budgets and bring forecasts back in line with budgets. The progress made to date has seen the overall GF position improve from last period 7 which reported a £268k overspend to the current £89k forecast overspend.

3.2.3.1 **Major Projects and Enterprise (Red)** forecast overspend relates to costs of interim cover pending appointment of new head of service and the delay in implementation of a restructure.

- 3.2.3.2 **Head of Planning (Blue)** forecast saving is the result of a high level of planning applications in the year plus managed vacancies and the delayed implementation of the revised structure.
- 3.2.3.3 **Housing (Red)** forecast reflects a reduction in forecast Disabled Facilities Grants administration fees income, a staffing restructure across the service that is unlikely to be delivered and additional costs that have arisen from increased activities in priority areas, partially offset by staffing savings in Home Choice and Resettlement Service. This area is being subject to continued further work in light of the recent staffing service changes.
- 3.2.3.4 **Borough Secretary (Green)** forecast reflects a lower than budgeted level of Benefit Subsidy recoverable in relation to Rent Allowance payments. This is partially offset by staff vacancies.
- 3.2.3.5 **Head of Communities and Environment (Green)** forecast reflects a number of small increases on running costs and reduced income from CCTV under Community Safety and Agency costs for supporting various Communities and Environment projects offset by staff vacancies. Additional costs due to the resolution of some contractual issues with EMS are now reflected along with a subsequent potential draw down from reserves.
- 3.2.3.6 **Head of Customer and Cultural Services (Amber)** forecast overspend is mainly due to a fall in daily Car Parking ticket income plus the forecast impact of the free/reduced price car parking initiative in August, and a forecast reduction in season ticket income due to less take up. The overall forecast has improved due to an increase in predicted ticket sales for the last period. Due to the volatile nature of Car Parking income, the Council maintains a reserve to smooth out fluctuations and this is reflected in the figures shown.
- 3.2.4 Debt Financing (Green)**
- 3.2.4.1 Debt financing is forecast as an overspend of £228k, mainly due to a significant fall in available investment interest rates. The shortfall can be met from the debt financing earmarked reserve, specifically set up to mitigate the impact of fluctuations in interest rates., This has now been reflected in the figures in the report which now shows a £25k overspend.
- 3.2.5 Controllable HRA Revenue Budget (Red)**
- 3.2.5.1 The major variation on the HRA was the consequence of Supporting People funding being withdrawn at the end of September. Interim arrangements are in place which should mean continued support to the financial year end; therefore this estimate has been removed. Due to the uncertainty around this area a reserve of £500k was prudently created in 2012/13 which remains in place. There is also an increasing pressure forecast on dwelling rent reflecting the increase in Right to Buys and therefore reduction in stock numbers over what was budgeted. These have been partially offset by forecast underspends in other service areas and a nil forecast on Rent Rebate subsidy deductions. In addition to this an underspend has been forecast for contributions to the bad debt provision reflecting a slower impact of Welfare reform that anticipated and continuing good performance collecting rents.

3.2.6 Capital Programme

- 3.2.6.1 **General Fund:** Managers are currently forecasting the General Fund capital programme as being on track to be spent in year apart from three schemes. There is one saving of £40k forecast on the St Crispin Football Pitches and Play Provision project and another of £30k for the Planning IT Improvements project. A forecast overspend of £7k is made for Disabled Facilities Grant and request for additional funding.
- 3.2.6.2 Appendix 2 includes details of new schemes and variations to the General Fund Capital programme, previously approved by Cabinet or approved under delegated authority by the Chief Finance Officer.
- 3.2.6.3 **Housing Revenue Account (HRA):** Managers are currently forecasting underspends and overspends in a number of areas in the HRA capital programme. This position is continually under review with revised figures to be provided for subsequent Cabinet meetings.
- 3.2.6.4 Sheltered Housing Improvements are to be re-phased into 2014/15 with £1.62m being rescheduled.
- 3.2.6.5 Lift Refurbishment St Katherine's Court £100k is being rescheduled into 14/15 – the lift programme will take approximately 26 weeks from contract start and therefore funding will be carried over into 2014/15.
- 3.2.6.6 CCTV saving of £30k being forecast – the use of CCTV in residential areas is being reviewed and it is anticipated that with a combination of additional housing management activity the need for CCTV will be limited.
- 3.2.6.7 Repurchase of former Council Properties saving of £428k being forecast – council properties sold under the Right to Buy since the 2005 include a covenant giving the council first refusal on any subsequent re-sale. The number of re-sales has not matched projected expectations.

3.2.7 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)

Cabinet is asked to note the reported position and note the variations approved under delegated authority detailed in Appendix 2.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The Council agreed a balanced budget for the Capital Programme and Revenue Budgets for both the General Fund and the HRA in February 2013. Delivery of the budget is monitored through the budget monitoring framework.
- 4.1.2 Corporate measures are monitored regularly 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 This report informs the Cabinet of the forecast outturn positions for capital and revenue, for both the General Fund and HRA, as at the end of September 2013. It also highlights the key risks identified to date in delivering those budgets and where performance measures are significantly over or under performing.
- 4.2.2 There will be an on-going impact in future years if any of the savings within the 2013/14 budget are not achieved, particularly where services move outside the direct control of the Council.
- 4.2.3 All objectives, measures and targets within Service Plans are risk assessed and challenged before final approval. The challenge process includes the agreement of performance targets and the capacity to deliver the plans with appropriate resources set aside to do so.

4.3 Legal

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

4.4 Equality and Health

- 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, Budget Managers and Management Board are consulted as part of the budget and performance monitoring process on a monthly basis.
- 4.5.2 Performance data (financial and non-financial) is published on the Council 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 contributes directly to the priorities of sustaining "effective and prudent financial management" and being "an agile, transparent organisation with good governance".

4.7 Other Implications

- 4.7.1 There are no other implications arising from this report.

5. Background Papers

- 5.1 Cabinet and Council Budget and Capital Programme Reports February 2013
- 5.2 Corporate Performance Highlight Report December 2013
- 5.3 All measures report - December 2013

Management Board, c/o David Kennedy, Chief Executive, 01604 837726
Glenn Hammons, Section 151 Officer, 01604 366521



Appendix 1

Corporate Performance Highlight Report

Priority 1 **Your Town** - A town to be proud of

Priority 2 **You** - How your Council will support and empower you and your community






NORTHAMPTON
BOROUGH COUNCIL

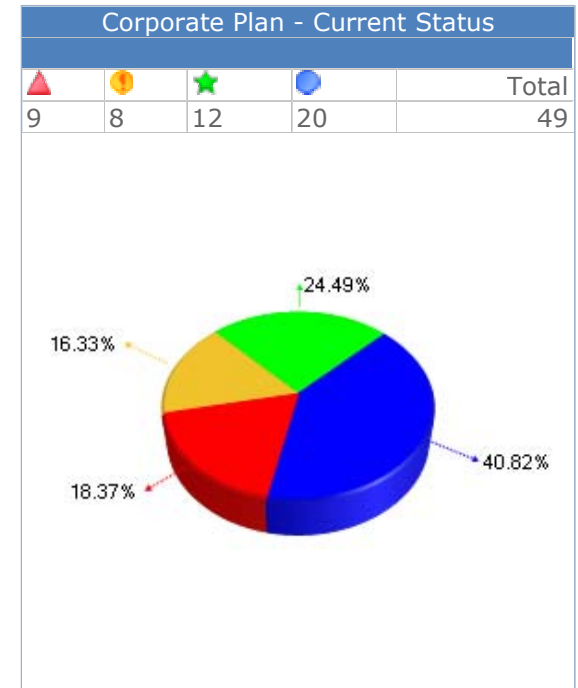
NBC Corporate Plan

The table below has been included for informational purposes, and shows the current year to date performance of each element of the Corporate Plan. The Alerts are generated from the PIs which each Service Area aligned to the 8 priorities during the service planning process.

The score shown against the Corporate Plan corresponds to the performance tracker definition. (<65% = Red, 65% to 85% Green, >85% Blue)

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	

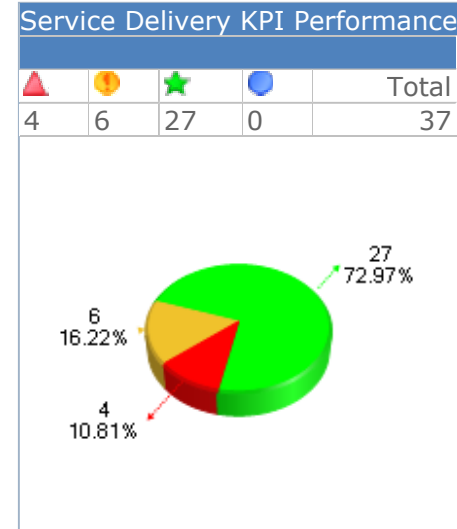
59





Performance Dashboard


LGSS Performance	
Health of the Partnership	?
Theme	
Service Delivery	★
Reputation	?
Savings	?



60

Service Delivery KPI Exceptions			
	Actual	Target	Performance
FO01 % All invoices paid within 30 days (M)	95.91 %	99.00 %	▲
A slight performance improvement over last month has been achieved. Work continues between NBC and LGSS to improve processes and drive out non-compliance to ensure the additional resources currently being deployed to support the processing of NBC invoices can be withdrawn. Source Date 31/12/2013			
PAY03 % Statutory returns made on time and to standard (M)	87.50 %	100.00 %	▲
All statutory returns have been submitted on time for December. It should be noted that the full-year KPI target of 100% will not be achieved due to the issues encountered in August. Source Date 31/12/2013			
REV02 No of days to process new benefit claims (M)	24.9	18.3	▲
As demonstrated across the Revenues and Benefits service indicators performance within the service remains high. This includes the improved performance in assessing new claims, which was impacted in the early part of the year due to a large number of staff leaving the Council's new claims team in April 2013. The service is now reviewing all cases within the first week of receipt, alongside managing the changes in circumstance caseload effectively. Any delays in processing new claims are predominantly the result of customers delaying responding to requests for further information. It is worth adding that the service have been managing increased caseloads in 2013/14, alongside delivering efficiencies in order to meet national funding reductions across local Government. Again workload volumes are being monitored and will be reported regularly, alongside any insight available relating to the casue of these increased volumes of work. Source Date 31/12/2013			









Service Delivery KPI Exceptions

	Actual	Target	Performance
REV06 % Revs & Bens calls answered in CCC (M)	76.07 %	85.78 %	
<p>The customer contact centre (telephony) continues to be managed via the generic team at Northampton. The project to assess the separation of the revenues and benefits element of the team continues. The expected live date for the new teams at both NBC and LGSS is January 2014, however LGSS and NBC will be discussing the timing of any change as we move towards year - end. In real terms there is no pressure to separate the teams before April 2014 and therefore a pragmatic approach will be taken to ensure that both NBC and LGSS maximise performance in the last quarter of 2013/14.</p> <p style="text-align: right;">Source Date 31/12/2013</p>			

YOUR TOWN



Key

-  Exceptional or over performance
-  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 target available
-  No data available

















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Northampton - on track

Invest in safer, cleaner neighbourhoods

Celebrating our heritage and culture

Making every £ go further

YOUR TOWN: RED measures									
	Measure ID & Name	Oct 13	Nov 13	Dec 13	Dec 13 YTD		Current YTD Profiled Target Dec 2013	Outturn Target	DOT v's same time last yr
Bigger is Better	ESC02 % missed bins corrected within 24hrs of notification (M)	24.46 %	23.97 %	22.31 %	42.45 %		100.00 %	100.00 %	
Whilst there is no KPI for rectifying missed bins within a certain timeframe Enterprise reports these figures to demonstrate its commitment to improving the 'customer experience'									
Bigger is Better	ESC04 % household waste recycled and composted (NI192) (M)	39.93 %	39.87 %	34.20 %	42.85 %		47.00 %	47.00 %	
The month of December brings a decrease of 26.30% of KG's sent for recycling, reuse and composting in comparison to November 13. This is in line with seasonal trend and primarily due to reduction in composted waste. The YTD recycling performance has decreased by 1.67% in comparison to last year. The October/November 13 data remains amber as the final report has not been agreed by Northamptonshire County Council.									
Smaller is Better	HI 01 Average time taken to re-let local authority homes (days) (M)	24.98	28.81	34.36	26.24		16.00	16.00	
The Christmas period along with an increasing number of difficult to let 3 bedroom properties have contributed to a sharp increase in the monthly relet figure for December at 34.36 days. The mutual exchange officers have been in post for only a short time. However they have reviewed the potential customer base for 3 Bedroom properties to identify the underlying problem. Alternative options to address the shortfall in demand or remodel properties are being developed. The sustainability and affordability of these options and whether they would maximise rental income will need to be tested.									
YOUR TOWN: BLUE measures									
	Measure ID & Name	Oct 13	Nov 13	Dec 13	Dec 13 YTD		Current YTD Profiled Target Dec 2013	Outturn Target	DOT v's same time last yr
Smaller is Better	ESC05 % of Land and Highways assessed falling below an acceptable level - Litter (NI195a) (4M)	0.33 %	2.67 %	2.67 %	1.50 %		4.00 %	4.00 %	
Monitoring has been undertaken in line with the contract specification and Enterprise' performance for the year remains above target									
Smaller is Better	ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M)	1.00 %	3.17 %	3.17 %	2.08 %		6.00 %	6.00 %	
Monitoring has been undertaken in line with the contract specification and Enterprise' performance for the year remains above target									
Smaller is Better	ESC10 Level of quality against an agreed standard - Open Spaces & Parks - Litter (%) (Q)	0.00 %	0.00 %	0.00 %	0.00 %		4.00 %	4.00 %	
Level of quality is in line with agreed standard.									
Smaller is Better	ESC11 Level of quality against an agreed standard - Open Spaces & Parks - Detritus (%) (Q)	0.00 %	0.00 %	1.67 %	0.56 %		6.00 %	6.00 %	
Level of quality is in line with agreed standard.									
Bigger is Better	HI 12 Rent collected as a proportion of rent owed on HRA dwellings % exc.arrears brought forward (M)	96.88 %	95.69 %	120.21 %	99.38 %		98.34 %	98.32 %	
In December £3,076,441 was due in rent and service charge payments with £3,698,103 being collected. This gives a collection rate for the month of 120.21%. A high collection rate was expected because of the two rent free weeks at the end of December during which those in arrears are encouraged to pay. The collection rate did however exceed the expected profile. Prior to the free weeks the rent income team dispatched 2500									

YOUR TOWN: BLUE measures

	Measure ID & Name	Oct 13	Nov 13	Dec 13	Dec 13 YTD	Current YTD Profiled Target Dec 2013	Outturn Target	DOT v's same time last yr
	letters to tenants in arrears advising them to continue making payments over the Christmas period and this had in all possibility contributed to the positive figure. December's performance has lifted the YTD collection rate well above the original target. Between now and year end in addition to standard recovery processes we will be undertaking targeted mailshots with a view to maximising arrears recovery and collection rates.							
Smaller is Better	HI 13 Rent arrears as a percentage of the annual debit (M)	3.45 %	3.65 %	2.90 %	2.90 %	3.41 %	3.64 %	🟢
	Total current tenants rent arrears at the end of December were £1,463,428. The rent debit totals £50,482,695 therefore the arrears as a percentage of the debit are 2.90%. Arrears levels have reduced by £377,629 since the end of November, a substantial reduction which was to some extent expected due to the two rent free weeks occurring at the end of December during which those in arrears are expected to continue to pay.							
Bigger is Better	NI157a % Major Planning applications determined within 13 weeks (M)	66.67 %	83.33 %	60.00 %	65.91 %	60.00 %	60.00 %	➡
	In December we determined no large scale planning applications.							
	In December we determined 5 small scale planning applications, 3 of which were determined within 13 weeks of receipt.							
Smaller is Better	PP06 % change in serious acquisitive crime from the baseline (M)	-10.00 %	-12.75 %	-16.50 %	-16.50 %	-7.50 %	-10.00 %	🟢
	SAC has reduced by 16.5% (-673 crimes), exceeding the annual target. During Q3 there were 26.4% (360) less crimes than the previous year, which resulted in an accelerated reduction. Vehicle crime has reduced by 26.2% (-590), whereas Domestic Burglary has reduced by only 4.6% (-68 crimes) this year, however this will improve based upon the current trajectory. The CSP has made little improvement in comparative performance. The North East sector remains the area with the smallest reduction in SAC, due to a 1.2% increase in domestic burglary (by YTD comparison).							
Smaller is Better	PP09 Overall crime figure for the period (M)	1,427.00	1,404.00	1,385.00	12,665.00	15,300.00	20,068.00	🟢
	There's been a notable reduction of 13% (-2588 crimes) in overall crime in Northampton, exceeding the target set. This is primarily due to good reductions in violence, thefts from vehicles and low level stealing offences. Victim-based crime, which is more closely aligned with the work of the CSP has also reduced by 12.9%.							
Smaller is Better	PP14 % change in Violence Offences (M)	-11.82 %	-13.81 %	-13.67 %	-13.67 %	-3.75 %	-5.00 %	🔴
	Comparative performance is strong; crime rates are below average and continue to improve. To date there has been a 13.7% reduction in violence (482 less crimes), exceeding the annual target, continuing the consistent downward trend. Sector breakdown shows reductions in every sector.							
Bigger is Better	TCO01 Number of events delivered in partnership: Town Centre (Q)	7	7	2	17	11	12	🟢
	2 events delivered in partnership in the town centre - Frost Fair and Christmas Light Switch On.							
Bigger is Better	TCO02 Number of events delivered in partnership: parks and open spaces (Q)	10	10	8	21	6	6	🟢
	8 events delivered in partnership in parks and open spaces including Circus Wonderland, Eid Celebration, Dragon Mounds Fayre, Sports Fun Days, Ghost Walks, Mud & Mayhem, Three Counties Cross Country Race and Onesie Walk.							
Bigger is Better	PP21 % Licensing enforcement checks completed (M)	100.00 %	100.00 %	100.00 %	95.42 %	80.00 %	80.00 %	➡
	100% of checks planned in December were completed.							
Bigger is Better	CH10 No. of unique visits to Museum Pages (M)	5,046	4,267	2,786	35,758	31,940	43,000	➡
	Excellent performance, we are currently 12% ahead of the planned target.							

YOU









Key

-  Exceptional or over performance
-  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 target available
-  No data available









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

YOU: RED measures












	Measure ID & Name	Oct 13	Nov 13	Dec 13	Dec 13 YTD		Current YTD Profiled Target Dec 2013	Outturn Target	DOT v's same time last yr
Bigger is Better	BV008 Percentage of invoices for commercial goods & serv. paid within 30 days (M)	96.76 %	98.58 %	98.88 %	95.74 %		98.53 %	98.53 %	
A slight performance improvement over last month has been achieved. Work continues between NBC and LGSS to improve processes and drive out non-compliance to ensure the additional resources currently being deployed to support the processing of NBC invoices can be withdrawn.									
Smaller is Better	CEX01 Total number of Local Government Ombudsman First Enquiries (cases completed) (Q)	17	17	22	22		9	12	
There have been 5 investigations in the last quarter with 2 cases issued with a decision by the LGO straight away.									
Bigger is Better	CS13 Percentage of ALL calls into the Contact Centre answered (M)	78.33 %	70.29 %	86.59 %	81.92 %		90.00 %	90.00 %	
Overall Contact Centre performance increased by 16.3% in December over November to 86.6%.									
December was a quieter month and calls reduced by 8684 over November									
Email contact increased by 242 in October over September									
Target was not achieved across the Contact Centre, 86.6% against a target of 90%. Individual targets were hit in 4 of the 9 services. General Enquiries was the best performing at 96%.% of calls answered. Followed by Streetscene , Rent Income and Housing repairs. Worst performing was Council Tax at 75.5% but that was an increase of 14.7% over November									
LGSS testing continued in December and we are testing the use of NBC staff only when nesenary, there was an decrease in revenues and benefits calls over the previous month (-3806). This is the 4th month of testing LGSS sessions, which will continue to impact the revenues and benefits service over the coming months. Further Temp staff have been rectrluted to cover the loss of housing staff.									
Average wait times reduced in December over November by 2 min 17 seconds to an average wait of 2mins 28 seconds. Emails reduced by 876 in December over November.									
Bigger is Better	HI 36 Number of affordable homes delivered (NI 155)(Q)	33	33	75	136		195	290	
Whilst there has been an improvement this quarter, delivery is below levels anticipated in the target setting process last year. The delivery of affordable homes is heavily dependent on S.106 sites associated with market homes. Whilst demand for market dwellings has picked up over the year, this has not been as large as was predicted, consequently the handover of affordable dwellings from house builders to registered providers has been slower than anticipated. The recent obvious upturn in Northampton's housing market has resulted in increased activity on sites to meet demand, so outputs should be up in the 4th quarter. In addition to this, HCA grant supported schemes often are targeted for completion in Quarter 4 to meet funding requirements.									
YOU: BLUE measures									
	Measure ID & Name	Oct 13	Nov 13	Dec 13	Dec 13 YTD		Current YTD Profiled Target Dec 2013	Outturn Target	DOT v's same time last yr

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YOU: BLUE measures

	Measure ID & Name	Oct 13	Nov 13	Dec 13	Dec 13 YTD		Current YTD Profiled Target Dec 2013	Outturn Target	DOT v's same time last yr
Smaller is Better	CEX02 Av no. of days taken to deal with LG Ombudsman First Enquiries (cases completed) (Q)	5.24	5.24	6.05	6.05		19.50	19.50	
The number of cases being resolved by the LGO without having an investigation is improving the number of days taken to respond, however during this period the Council has not exceeded the 28 days allowed to respond to the LGO									
Smaller is Better	HI 07 Number of households living in B&B accommodation (M)	19	22	26	26		40	40	
There were 26 households in bed and breakfast type accommodation and 45 households in Council owned temporary accommodation at the end of the end of December.									
The team continue to use B&B as a last resort and look to ensure that applicants spend the least amount of time in this accommodation, however the increase in demand on the service, and the decrease in the number of properties available and subsequent increased wait for permanent accommodation, particularly 2 bed property is having an impact on the number of people, and length of time spent in temporary accommodation. Applicants who have been accepted some months ago are now presenting as needing emergency accommodation as they have exhausted all other temporary options available to them. There is likely to be an increase in the numbers in TA over the next couple of months as typically there is an increase in applications in January, following the Christmas period.									
Bigger is Better	HI 09 Homeless households for whom casework advice resolved their situation (M)	117	76	105	1,568		1,125	1,500	
Target has been missed in December by 20 cases, however the year to date position remains better than planned (1568 vs 1125 target).									

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 target available
-  No data available

Corporate Performance - All Measures Report

The report details the full list of performance measures monitoring the Council's Corporate Plan by corporate priority and is published quarterly.

The measures contained within this report are monitored on a monthly, quarterly, half yearly or four monthly basis.

Performance is reported against the latest report period and then by overall performance year to date (YTD). Overall YTD performance is monitored against the current profiled target and helps us to keep track of the progress towards meeting the annual target.




Performance comparison against the same time last year is highlighted where comparative data is available.

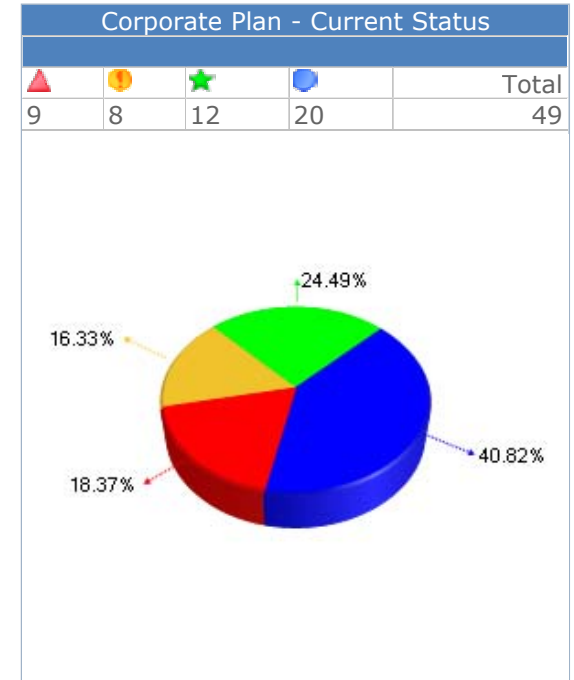


NBC Corporate Plan

The table below has been included for informational purposes, and shows the current year to date performance of each element of the Corporate Plan. The Alerts are generated from the PIs which each Service Area aligned to the 8 priorities during the service planning process.

The score shown against the Corporate Plan corresponds to the performance tracker definition. (<65% = Red, 65% to 85% Green, >85% Blue)

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	



Your Town



Your Town															
Polarity	Measure ID & Name	Sep 13	Period	Oct 13	Period	Nov 13	Period	Dec 13	Period	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
Bigger is Better	T: AST13 Appropriate disposals agreed at Corporate Asset Board progressed effectively	112.50	★	112.50	★	112.50	★	112.50	★	112.50	★	100.00	-	➡	112.50
A disposal was completed in month. Legal contracts were further advanced in respect of a number of other approved sales.															
Bigger is Better	AST05a External rental income demanded against budgeted income (M)	95.31 %	🟡	95.09 %	🟡	94.61 %	🟡	94.66 %	🟡	94.66 %	🟡	100.00 %	100.00 %	🔴	97.73 %
We are currently below the agreed target due to vacant properties and rent free periods. We are marketing properties available to let and these is generating interest which may serve to improve the figure.															
Smaller is Better	AST05b % commercial rent demanded within the last 12 months (more than 2 months in arrears) (M)	1.24 %	★	1.33 %	★	1.10 %	★	1.29 %	★	1.29 %	★	3.75 %	3.75 %	➡	4.14 %
Any invoices older than 28 October 2013 are classed as being more than 2 months in rent arrears.															
Figure has slightly increased this month due to ongoing problems with an individual property but it is hoped that this will be sorted in the coming month.															
Bigger is Better	AST12 % achieved where return on (sub group) investment properties meets agreed target rate (M)	91.25 %	★	91.25 %	★	91.25 %	★	91.25 %	★	91.25 %	★	90.00 %	90.00 %	🔴	91.25 %
The percentage of properties meeting target return is 91%.															
The target of 90% is met for the month of December through active management of the investment portfolio and the completion of sales of assets approved for disposal by cabinet or by the cabinet member responsible for Regeneration, Enterprise and Planning where applicable.															
Currently, the vacancy rates for NBC's investment property are very low due to a proactive approach to property management. This approach has resulted in a higher turnover of tenants for some assets in some locations. Property reviews are on-going and underperforming assets are reviewed and may be considered for re-investment or disposal.															
Smaller is Better	BV012_12r Ave. no. of days/shifts lost to sickness for rolling 12 month period (M)	10.21	★	10.11	★	10.17	★	10.24	🟡	10.24	🟡	9.65	9.50	➡	11.55
December 2013 at 10.24 days lost per FTE is consistent with performance over the last half, June performance at 10.22 and a best performance to date point in Oct of 10.11 days lost..															
Smaller	ESC01 No. of missed Bins/Boxes as a	0.0086 %	🟡	0.2715 %	🔴	0.0506 %	🔴	0.0324 %	🔴	0.0203 %	🟡	0.0200 %	0.0200 %	➡	0.0269 %

Your Town

Polarity	Measure ID & Name	Sep 13	Period	Oct 13	Period	Nov 13	Period	Dec 13	Period	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
is Better	% of those collected (M)														
The number of missed bins reported has decreased by 41% for the month of December.															
Bigger is Better	ESC02 % missed bins corrected within 24hrs of notification (M)	86.41 %		24.46 %		23.97 %		22.31 %		42.45 %		100.00 %	100.00 %		80.76 %
Whilst there is no KPI for rectifying missed bins within a certain timeframe Enterprise reports these figures to demonstrate its commitment to improving the 'customer experience'															
Bigger is Better	ESC04 % household waste recycled and composted (NI192) (M)	40.65 %		39.93 %		39.87 %		34.20 %		42.85 %		47.00 %	47.00 %		45.52 %
The month of December brings a decrease of 26.30% of KG's sent for recycling, reuse and composting in comparison to November 13. This is in line with seasonal trend and primarily due to reduction in composted waste. The YTD recycling performance has decreased by 1.67% in comparison to last year. The October/November 13 data remains amber as the final report has not been agreed by Northamptonshire County Council.															
Bigger is Better	ESC09 % of Fly Tipping incidents removed within 2 working days of notification (SO2) (M)	100.00 %		99.31 %		100.00 %		99.88 %		99.90 %		100.00 %	100.00 %		100.00 %
Fly tipping continues to be collected within the reporting timeframes															
Smaller is Better	HI 01 Average time taken to re-let local authority homes (days) (M)	23.94		24.98		28.81		34.36		26.24		16.00	16.00		15.38
The Christmas period along with an increasing number of difficult to let 3 bedroom properties have contributed to a sharp increase in the monthly relet figure for December at 34.36 days. The mutual exchange officers have been in post for only a short time. However they have reviewed the potential customer base for 3 Bedroom properties to identify the underlying problem. Alternative options to address the shortfall in demand or remodel properties are being developed. The sustainability and affordability of these options and whether they would maximise rental income will need to be tested.															
Bigger is Better	HI 12 Rent collected as a proportion of rent owed on HRA dwellings % exc.arrears brought forward (M)	98.85 %		96.88 %		95.69 %		120.21 %		99.38 %		98.34 %	98.32 %		99.66 %
In December £3,076,441 was due in rent and service charge payments with £3,698,103 being collected. This gives a collection rate for the month of 120.21%. A high collection rate was expected because of the two rent free weeks at the end of December during which those in arrears are encouraged to pay. The collection rate did however exceed the expected profile. Prior to the free weeks the rent income team dispatched 2500 letters to tenants in arrears advising them to continue making payments over the Christmas period and this had in all possibility contributed to the positive figure. December's performance has lifted the YTD collection rate well above the original target. Between now and year end in addition to standard recovery processes we will be undertaking targeted mailshots with a view to maximising arrears recovery and collection rates.															
Smaller is Better	HI 13 Rent arrears as a percentage of the annual debit (M)	3.36 %		3.45 %		3.65 %		2.90 %		2.90 %		3.41 %	3.64 %		2.90 %
Total current tenants rent arrears at the end of December were £1,463,428.The rent debit totals £50,482,695 therefore the arrears as a percentage of the debit are 2.90%. Arrears levels have reduced by £377,629 since the end of November, a substantial reduction which was to some extent expected due to the two rent free weeks occurring at the end of December during which those in arrears are expected to continue to pay.															
Bigger is Better	NI157a % Major Planning applications determined within 13 weeks (M)	57.14 %		66.67 %		83.33 %		60.00 %		65.91 %		60.00 %	60.00 %		
In December we determined no large scale planning applications.															

Your Town

Polarity	Measure ID & Name	Sep 13	Period	Oct 13	Period	Nov 13	Period	Dec 13	Period	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
In December we determined 5 small scale planning applications, 3 of which were determined within 13 weeks of receipt.															
Bigger is Better	NI157b Percentage of 'minor' planning apps determined within 8 weeks (M)	66.67 %		100.00 %		80.00 %		92.00 %		86.73 %		86.00 %	86.00 %		86.24 %
In December we determined in total 25 Minor planning applications, 23 of which were determined within 8 weeks of receipt.															
Bigger is Better	NI157c Percentage of 'other' planning apps determined within 8 weeks (M)	88.89 %		98.04 %		94.87 %		95.08 %		93.62 %		90.00 %	90.00 %		92.60 %
In December we determined in total 61 Other planning applications, 58 of which were determined within 8 weeks of receipt. One of the three applications (N/2013/1070) determined in over 8 weeks was subject to an agreed extension of time.															
Smaller is Better	PP06 % change in serious acquisitive crime from the baseline (M)	-9.00 %		-10.00 %		-12.75 %		-16.50 %		-16.50 %		-7.50 %	-10.00 %		10.92 %
SAC has reduced by 16.5% (-673 crimes), exceeding the annual target. During Q3 there were 26.4% (360) less crimes than the previous year, which resulted in an accelerated reduction. Vehicle crime has reduced by 26.2% (-590), whereas Domestic Burglary has reduced by only 4.6% (-68 crimes) this year, however this will improve based upon the current trajectory. The CSP has made little improvement in comparative performance. The North East sector remains the area with the smallest reduction in SAC, due to a 1.2% increase in domestic burglary (by YTD comparison).															
Smaller is Better	PP09 Overall crime figure for the period (M)	1,324.00		1,427.00		1,404.00		1,385.00		12,665.00		15,300.00	20,068.00		15,253.00
There's been a notable reduction of 13% (-2588 crimes) in overall crime in Northampton, exceeding the target set. This is primarily due to good reductions in violence, thefts from vehicles and low level stealing offences. Victim-based crime, which is more closely aligned with the work of the CSP has also reduced by 12.9%.															
Smaller is Better	PP14 % change in Violence Offences (M)	-10.60 %		-11.82 %		-13.81 %		-13.67 %		-13.67 %		-3.75 %	-5.00 %		-13.79 %
Comparative performance is strong; crime rates are below average and continue to improve. To date there has been a 13.7% reduction in violence (482 less crimes), exceeding the annual target, continuing the consistent downward trend. Sector breakdown shows reductions in every sector.															
Bigger is Better	PP21 % Licensing enforcement checks completed (M)	89.47 %		100.00 %		100.00 %		100.00 %		95.42 %		80.00 %	80.00 %		
100% of checks planned in December were completed.															
Bigger is Better	PP22 % Hackney Carriage and private hire vehicles inspected which comply with regulations (M)	65.79 %		66.67 %		56.25 %		15.79 %		62.82 %		65.00 %	65.00 %		
This indicator has dropped just below target because only 3 of the 19 (16%) vehicles checked in December were compliant with regulations. The majority of non-compliance related to poor exterior condition of vehicles, or driver not displaying their bubble. This resulted in 9 prohibitions.															
Bigger is Better	CH10 No. of unique visits to Museum Pages (M)	4,178		5,046		4,267		2,786		35,758		31,940	43,000		
Excellent performance, we are currently 12% ahead of the planned target.															

Your Town - (non monthly measures)																
Polarity	Measure ID & Name	3 reporting Periods Ago	Period	2 Reporting Periods Ago	Period	Previous Reporting Period	Period	Latest Reporting Period	Period	Overall perf. to Date	YTD	Current Profiled Target	Annual Target	Perf. vs. same time last year	YTD value same time last year	
Smaller is Better	additional homes provided (A)		»	323.00	●	423.00	●	516.00	●	516.00	●	641.00	100.00	↓	423.00	
<p>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.</p> <p>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.</p> <p>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.</p>																
Bigger is Better	NI159 Supply of ready to develop housing sites (A)		»	47.06	▲	46.45	▲	48.72	▲	48.72	▲	100.00	100.00	↑	46.45	
<p>Although Government has taken some action to stimulate the housing market, current built rates fall well below the regional target, despite 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.</p>																
Smaller is Better	NI170 Previously developed land that has been vacant or derelict for more than 5 years (A)		»	0.52 %	●	0.49 %	●	0.72 %	●	0.72 %	●	1.00 %	0.78 %	↓	0.49 %	
<p>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.</p> <p>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.</p>																
Bigger is Better	PP07 % change in anti social behaviour victimisation (A)		»		»	8.50 %	●	11.32 %	●	11.32 %	●	10.00 %	10.00 %	↓	8.50 %	
<p>The partnership exceeded its goal of 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.</p>																
Bigger is Better	TCO01 Number of events delivered in partnership: Town Centre (Q)		3	●	8	●	7	●	2	▲	17	●	11	12	↓	16
<p>2 events delivered in partnership in the town centre - Frost Fair and Christmas Light Switch On.</p>																
Bigger is Better	TCO02 Number of events delivered in partnership: parks and open spaces (Q)		0	★	3	●	10	●	8	●	21	●	6	6	↑	12
<p>8 events delivered in partnership in parks and open spaces including Circus Wonderland, Eid Celebration, Dragon Mounds Fayre, Sports Fun Days, Ghost Walks, Mud & Mayhem, Three Counties Cross Country Race and Onesie Walk.</p>																
Bigger is Better	TCO05n Town Centre footfall (Q)		3,151,684	●	3,954,207	★	3,981,950	●	3,101,037	▲	11,037,194	●	11,281,155	14,369,805	↑	11,511,383
<p>Footfall fell by 11.5% in the quarter ending December 2013 in comparison with 2012.</p>																



You

Polarity	Measure ID & Name	Sep 13	Period	Oct 13	Period	Nov 13	Period	Dec 13	Period	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
Bigger is Better	BV008 Percentage of invoices for commercial goods & serv. paid within 30 days (M)	98.16 %	🟡	96.76 %	🟡	98.58 %	🟢	98.88 %	🟢	95.74 %	🔴	98.53 %	98.53 %	🔴	99.39 %
A slight performance improvement over last month has been achieved. Work continues between NBC and LGSS to improve processes and drive out non-compliance to ensure the additional resources currently being deployed to support the processing of NBC invoices can be withdrawn.															
Bigger is Better	CS05 Percentage satisfied with the overall service provided by the Customer Service Officer (M)	93.70 %	🟢	90.91 %	🟢	88.57 %	🟡	94.12 %	🟢	91.20 %	🟢	90.00 %	90.00 %	🔴	94.08 %
94% of respondents were satisfied with the service provided by the customer service officer during December.															
Bigger is Better	CS13 Percentage of ALL calls into the Contact Centre answered (M)	85.12 %	🟡	78.33 %	🔴	70.29 %	🔴	86.59 %	🟡	81.92 %	🔴	90.00 %	90.00 %	🔴	87.25 %
<p>Overall Contact Centre performance increased by 16.3% in December over November to 86.6%.</p> <p>December was a quieter month and calls reduced by 8684 over November</p> <p>Email contact increased by 242 in October over September</p> <p>Target was not achieved across the Contact Centre, 86.6% against a target of 90%. Individual targets were hit in 4 of the 9 services. General Enquiries was the best performing at 96.% of calls answered. Followed by Streetscene , Rent Income and Housing repairs. Worst performing was Council Tax at 75.5% but that was an increase of 14.7% over November</p> <p>LGSS testing , continued in December and we are testing the use of NBC staff only when nesasary, there was an decrease in revenues and benefits calls over the previous month (-3806). This is the 4th month of testing LGSS sessions, which will continue to impact the revenues and benefits service over the coming months. Further Temp staff have been recruited to cover the loss of housing staff.</p> <p>Average wait times reduced in December over November by 2 min 17 seconds to an average wait of 2mins 28 seconds. Emails reduced by 876 in December over November.</p>															
Bigger is Better	CS14 One-Stop shop: Percentage of all cust. waiting less than 15 mins (excl. licensing) (M)	72.52 %	🔴	83.48 %	🟡	83.63 %	🟡	82.16 %	🟡	81.94 %	🟡	90.00 %	90.00 %	🔴	87.76 %
<p>Overall OSS performance increased by 3.67% in December over November.</p> <p>December was a quieter month and footfall reduced by 403 over November</p> <p>Target was achieved for appointments, 97.62% against a target of 90%. Targets were not hit on the drop in services bringing the overall percentage to 79.49% an increase of 1% on previous month.</p> <p>Average wait times decreased in November over October by 1 min 14 seconds to an average wait of 2 mins 40 seconds.</p>															
Smaller is Better	HI 07 Number of households living in B&B accommodation	18	🟢	19	🟢	22	🟢	26	🟢	26	🟢	40	40	🔴	19

You															
Polarity	Measure ID & Name	Sep 13	Period	Oct 13	Period	Nov 13	Period	Dec 13	Period	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Perf. vs. same time last year	YTD value same time last year
	(M)														
There were 26 households in bed and breakfast type accommodation and 45 households in Council owned temporary accommodation at the end of the end of December.															
The team continue to use B&B as a last resort and look to ensure that applicants spend the least amount of time in this accommodation, however the increase in demand on the service, and the decrease in the number of properties available and subsequent increased wait for permanent accommodation, particularly 2 bed property is having an impact on the number of people, and length of time spent in temporary accommodation. Applicants who have been accepted some months ago are now presenting as needing emergency accommodation as they have exhausted all other temporary options available to them. There is likely to be an increase in the numbers in TA over the next couple of months as typically there is an increase in applications in January, following the Christmas period.															
Bigger is Better	HI 09 Homeless households for whom casework advice resolved their situation (M)	215		117		76		105		1,568		1,125	1,500		1,192
Target has been missed in December by 20 cases, however the year to date position remains better than planned (1568 vs 1125 target).															
Bigger is Better	LT01 Total Visits to Leisure Centres (M)	71,781		74,285		68,249		52,021		654,338		659,190	902,190		659,190
Slightly down on last year due to closures for repairs to dance floors and pool maintenance at Danes Camp.															
Bigger is Better	LT02 Total No. of people enrolled in swimming program (M)	2,740		2,740		2,740		2,706		2,706		2,700	2,800		2,452
Above target October and November but numbers dropped off as expected to near target by Christmas															

You - (non monthly measures)

Polarity	Measure ID & Name	3 reporting Periods Ago	Period	2 Reporting Periods Ago	Period	Previous Reporting Period	Period	Latest Reporting Period	Period	Overall perf. to Date	YTD	Current Profiled Target	Annual Target	Perf. vs. same time last year	YTD value same time last year
Smaller is Better	CEX01 Total number of Local Government Ombudsman First Enquiries (cases completed) (Q)	14		11		17		22		22		9	12		12
There have been 5 investigations in the last quarter with 2 cases issued with a decision by the LGO straight away.															
Smaller is Better	CEX02 Av no. of days taken to deal with LG Ombudsman First Enquiries (cases completed) (Q)	19.64		5.82		5.24		6.05		6.05		19.50	19.50		21.17
The number of cases being resolved by the LGO without having an investigation is improving the number of days taken to respond, however during this period the Council has not exceeded the 28 days allowed to respond to the LGO															
Smaller is Better	HI 10 Total number of people sleeping rough on the streets (A)	4		15		5		9		9		5	5		5
Figure returned to DCLG and Homeless Link this year is 9. NBC completed an estimate of a typical night on 7th November, in partnership with other agencies. There is an increase in rough sleepers from last year's figures, this is due to some evictions from Oasis House and this seriously decreases the housing options for the customer. Additionally three previously accommodated entrenched rough sleepers have returned to the streets. Housing Options for those A10 nationals who have entered the country to exercise their treaty rights are also very limited, and reconnections is realistically the best option. Liaison with the Border Agency has been difficult, but is continuing.															
Smaller is Better	HI 33 Percentage of non-decent council homes (NI 158)(A)			51.74 %		50.70 %		48.90 %		48.90 %		46.00 %	41.00 %		50.70 %
The March 2013 result relates to the survey completed during the first quarter of 2012/13. Performance has shown an improving trend over the last three years with results of 51.7%, 50.7%, and 48.9% respectively. Further improvement is expected for the June 2013 survey, with a 41% target being set.															
Bigger is Better	HI 36 Number of affordable homes delivered (NI 155)(Q)	30		28		33		75		136		195	290		160
Whilst there has been an improvement this quarter, delivery is below levels anticipated in the target setting process last year. The delivery of affordable homes is heavily dependent on S.106 sites associated with market homes. Whilst demand for market dwellings has picked up over the year, this has not been as large as was predicted, consequently the handover of affordable dwellings from house builders to registered providers has been slower than anticipated. The recent obvious upturn in Northampton's housing market has resulted in increased activity on sites to meet demand, so outputs should be up in the 4th quarter. In addition to this, HCA grant supported schemes often are targeted for completion in Quarter 4 to meet funding requirements.															
Smaller is Better	HR32 Stonewall Equality Index rating (A)					210		199		199		200	190		210
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 Our Community Engagement and Diversity policies were given positive feedback In terms of focusing on improvement next year we were given the following advice: - Continuing the community engagement work - Developing a staff network															

You - (non monthly measures)

Polarity	Measure ID & Name	3 reporting Periods Ago	Period	2 Reporting Periods Ago	Period	Previous Reporting Period	Period	Latest Reporting Period	Period	Overall perf. to Date	YTD	Current Profiled Target	Annual Target	Perf. vs. same time last year	YTD value same time last year
-	Procurement review														
Our aim next year is to get a 25 point increase, and further improve our ranking.															

Capital Programme Budget Changes

New Capital Schemes Previously Approved by Cabinet

Scheme Reference & Description	Narrative	2013-14 £	Future Years £	Funding Source
General Fund				
BA668 2013-14 Abington Street	The works will open up Abington Street between St Giles Terrace and Wellington Street to traffic. The scheme will provide parking adjacent to the shops and improve the public realm. It will include the relocation of the Francis Crick statue.	150,000	2,850,000	Borrowing

New Capital Schemes Approved under Delegated Authority

Scheme Reference & Description	Narrative	2013-14 £	Future Years £	Funding Source
General Fund				
BA667 2013-14 Eastfield Park Pathway	The project is to enable the development of a Cross Park Pathway at Eastfield Park. The project aims to increase the accessibility and usage of Eastfield Park by the surrounding communities all year round, to improve the environment around the lake (with some minor environmental improvements) and improving linkages between the lake and the surrounding area	41,370	0	Section 106
BA670 2013-14 Waterside Improvements (Southbridge)	The project is to enable upgrading the entrance to the riverside either side of Southbridge - Road Bridge, improving and promoting the recreational nature of the waterside by	0	50,000	Section 106

	improving the environment, for example providing defined entrances public seating, improved soft landscaping and entrance surfaces to the waterside footpath.			
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Certification of grants and returns 2012/13

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Northampton Borough Council

February 2014

Agenda Item 9



The contacts at KPMG in connection with this report are:

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■ Summary of certification work outcomes	3 - 4
■ Fees	5

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public 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.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Neil Bellamy who is the engagement leader to the Authority (telephone 0116 256 6082, e-mail neil.bellamy@kpmg.co.uk who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees (telephone 0161 236 4000, e-mail trevor.rees@kpmg.co.uk) who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 0303 444 8330.

<p>Introduction and background</p>	<p>This report summarises the results of work on the certification of the Council's 2012/13 grant claims and returns.</p> <ul style="list-style-type: none"> ■ For 2012/13 we certified: <ul style="list-style-type: none"> – 1 grant with a total value of £89.1m; and – 2 returns with a total value of £96m. 	
<p>Certification results</p>	<p>We issued an unqualified certificates on both returns and a qualified certificate on the grant claim.</p> <p>In common with many authorities a qualification was required in relation to the certification of the Housing and Council Tax Benefits Claim. As required we tested a random sample of claims covering all types of benefit paid, and also a focused sample based on errors which had arisen last year. This work identified a number of individual errors on a small number of claims in 2012/13. Testing of the 'initial' samples also identified further errors which led to an extension of testing.</p> <p>These results showed an increase in error with those for 2011/12 where a qualified certificate and qualification letter was also issued also in relation to the Housing and Council Tax Benefits claim.</p>	<p>Pages 3 – 4</p>
<p>Audit adjustments 82</p>	<p>We amended 1 of the Council's grants and returns as a result of our certification work this year.</p> <ul style="list-style-type: none"> ■ An increase of £11k was made to the Housing and Council Tax Benefit Claim which compares 2011/12 where the claim was not amended. The total benefits subsidy claimed by the Council was £89.1m. 	<p>Pages 3 – 4</p>
<p>The Council's arrangements</p>	<p>The Council has good arrangements for preparing its grants and returns and supporting our certification work</p> <p>All grants and returns were submitted on a timely basis and had been correctly identified as requiring certification in line with the Certification Instruction Index issued by the Audit Commission.</p> <p>The records kept in relation to grants and returns were accurate and sufficient.</p>	
<p>Fees</p>	<p>The Audit Commission changed its fee regime for certifying grants and returns in 2012/13, and set an indicative fee for the Council of £16,050. Our actual fee for the certification of grants and returns was £20,084.</p> <ul style="list-style-type: none"> ■ The fee reflects the Audit Commission's overall reduction in fees, but increases to the scale fee due to <ul style="list-style-type: none"> ■ Additional testing required for the for the certification of the National Non Domestic Rates return and the Pooling of Capital Receipts return, where we were required by the Audit Commission to undertake more detailed cyclical detailed testing in 2012/13. ■ Additional testing required due to errors identified on the Housing and Council Tax Benefit claim. 	<p>Page 5</p>

Overall, we certified 3 grants and returns:

- 2 were unqualified with no amendment;
- 1 was qualified with a minor amendment;

Detailed comments are provided overleaf.

Detailed below is a summary of the key outcomes from our certification work on the Council's 2012/13 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.

A qualification means that issues were identified concerning the Council's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

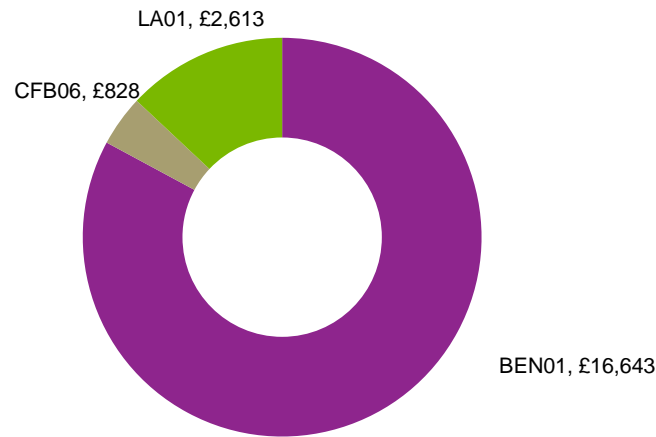
	Comments overleaf	Qualified certificate	Significant adjustment	Minor adjustment	Unqualified certificate
Housing & Council Tax Benefit	1				
Pooling of Housing Capital Receipts					
National Non Domestic Rates return					

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

Ref	Summary observations	Amendment
①	<p>Housing and Council Tax Benefits Claim (claim value £89.1m)</p> <p>In 2011/12 testing of the claim identified three processing errors in respect of earned income on rent rebate cases. All cases resulted in an underpayment of benefit. As this error type could have also resulted in an overpayment of benefit extended testing was undertaken this year (2012/13). Errors were found in a total of 6 cases over both the initial and extended testing samples, including 2 overpayments and 2 underpayments of benefit, and 2 cases where there was no financial impact.</p> <p>Our initial sampling also found errors in</p> <ul style="list-style-type: none"> ■ processing non dependents where there was a joint tenancy. Testing was extended to cover all such cases – a further 4 cases, and 3 further errors were identified. The errors resulted in 3 cases where benefit had been underpaid and one where benefit had been overpaid by £731. ■ Council tax overpayment classification. ■ The calculation of modified scheme amounts from using uprated war widows pensions amounts rather than figures based on evidence received. This resulted in an understatement of cell 214 (expenditure relating to the voluntary disregard of War Disablement Pensions or War Widows Pension) and cell 225 which provides a more detailed analysis of the expenditure in cell 214. <p>In accordance with the certification instruction a qualification was mandated as a result of identifying errors of this nature.</p> <p>System reconciliation errors were also identified by the council after submission of the claim. In one case this arose from reconciliation adjustments being made twice. This resulted in an increase of £11,960 in the amount of subsidy claimable, which accounts for the majority of the overall amendment. A separate reconciliation which was not undertaken before the claim was submitted resulted in a reduction of £282. Officers have now updated their submission methodology for next year to ensure that all reconciliations are done on a timely basis.</p> <p>Overall the level of error found is low compared to many authorities.</p>	+£11,262

Our overall fee for the certification of grants and returns was higher than the original estimate of £16,050, but lower than last year's fee.

Breakdown of certification fees 2012/13



Breakdown of fee by grant/return		
	2012/13 (£)	2011/12 (£)
BEN01 – Housing and Council Tax Benefit	16,643	22,124
CFB06 – Pooling of Housing Capital Receipts return	828	475
LA01 – National Non Domestic Rates return	2,613	2,138
Other claims no longer certified	0	1,734
Supervision and Reporting**	0	3,230
Total fee	20,084	29,701

The Audit Commission changed its fee regime for certifying grants and returns in 2012/13. It set an indicative fee for the Council of £16,050 which was based on the fees for 2010/11, but then reduced in line with the overall reduction of audit fees from 2012/13 onwards. Based on the actual work we carried out we charged a small additional fee. The increase in fee for the LA01 and CFB06 returns is due to the requirement for more cyclical testing every 3 years. This fell due in 2012/13 but was not required in 2011/12. The increase to the scale fee for benefits (BEN01) reflects the additional extended testing undertaken, but still shows a reduction of £5,481 compared to 2011/12.

** The fee for Supervision and Reporting in 2012/13 has been allocated to the individual claims.



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Internal Audit Progress Report

Update to the Audit Committee on
Internal Audit activity

Northampton
Borough Council

March 2014

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. At the time of writing this report we had completed 66% of the planned audit days with the remaining fieldwork scheduled to be delivered over the course of the next month. Work on the core financial systems internal audit reviews is scheduled to take place during March 2014 prior to the commencement of the year end external audit.

2014/15 audit plan

We will present a draft of the 2014/15 internal audit plan to the Audit Committee at the meeting in May 2014.

Reporting activity and progress

Final Reports

Since our previous Internal Audit update in January, we have issued final reports for the following reviews performed in accordance with the 2013/14 Audit Plan:

- **Budgetary Control**

We have classified our findings in this area as **Low Risk**. Overall, we found that the key controls and processes in place with respect to budgetary control are effective and consistently applied. We identified only three minor weaknesses.

- **Alive @ Delapre**

This was a non-assurance review and as such **no risk rating** is assigned. The review highlighted a number of areas, which the team's own evaluation also identified, in which improvements should be made to ensure finances and risks for future events are well managed. Recommendations include:

- Maintaining minutes of budget monitoring meetings
- Investigating the options available with regards to application for a "Cultural Exemption", meaning that future ticket sales are not subject to VAT.
- Considering the possibility of entering into 2 year contracts in order to maximise the financial benefits of the economies of scale for essential items such as staging, sounds and lighting.
- Performing sensitivity analysis regarding the potential to maximise capacity to 9,000 people for the 2014 concert.
- Develop a 2014/15 forecast to demonstrate the future profitability of the concert events.
- Research available insurance policies and consideration of appropriate options in sufficient time in advance of the 2014 event.
- Undertaking a formal debrief event to consider the planning and execution process relating to the 2013 event. Output and lessons learnt should be incorporated into the 2014 event planning.

- **Planning**

This was a non-assurance review and as such **no risk rating** is assigned. We performed Phase 1 of the 'Planning Application Specifications Review' which involved a review of the 'Access Control' and 'Audit' sections of the Council's Invitation to Tender document. We provided comment on the adequacy and completeness of controls in so far as they relate to access, authorisation and workflow, revisiting the findings of the Planning Applications Review from 2010/11 and drawing on experience of best practice system controls.

Work in progress

Draft reports have been issued, and are with management for review, for the following areas:

- Housing - Empty Homes Programme (issued 13 January 2014)
- Environmental Services - Performance Reporting (issued 19 February 2014)
- Town Centre Management - Car Parking (issued 4 March 2014)

Draft reports are being prepared / fieldwork is in progress in the following areas:

- Human Resources – Absence Monitoring
- Housing Allocations
- Housing Rents
- IBS Creditors

Audit recommendation follow-up

The build of the audit recommendation tracking system ("TrAction") has been completed and all recommendations relating to 2012/13 internal audit reports have been uploaded. As many of these relate to areas that have moved to the Shared Service we need to identify owners responsible for completing the actions, and make arrangements for follow up in those areas. Recommendations arising as a result of 2013/14 reviews will be uploaded and followed up as part of the 2014/15 internal audit plan.

Changes to the 2013/14 plan

The audit plan was approved by the Management Board in September 2013. Since we presented our revised Audit Plan in November 2013 we have continued to review the plan to ensure that it is focused on Northampton Borough Council's risks. On that basis, we have made the following revisions to the November 2013 Audit Plan as outlined below.

Contract assurance reviews

LGSS contract management - Responsibility for management of the major elements of the Local Government Shared Service (LGSS) contract has been designated to the Borough Secretary (also Monitoring Officer). The Borough Secretary is reviewing staffing structures within his department to reflect these changes. As part of this review, the Borough Secretary wants to ensure there is appropriate focus on client side contract monitoring over the quality of service received from LGSS to ensure these are in line with expectations of the shared service function.

We will perform a review of the LGSS contract and existing contract governance arrangements to identify best practice contract management procedures to be applied in the monitoring of services delivered by LGSS under the shared service function contract. We will produce a document that sets out best practice contract management procedures and recommends controls specific to the management of the LGSS contract to support management in their day to day oversight and governance of the contract.

Environmental Services contract management - Given the significance of the Enterprise contract, the Council is keen to ensure the quality and rigour of the day-to-day contract management procedures and the process to ensure that value for money is maximised. We will review the design and operating effectiveness of key controls in place relating to the day to day contract management of the Enterprise outsourced waste management contract.

This is in addition to the review already included in the 2013/14 plan of the processes which have been put in place by the Environmental Services team to validate the key performance indicators reported by Enterprise.

Departmental governance review

The Council has experienced significant change in recent months following the transition to LGSS. There are a number of vacant management positions and organisational governance structures are evolving under the new business model. Using the *CIPFA Delivering Good Governance Framework* as a benchmark, we propose to conduct an anonymous survey across all departments to obtain a snapshot of views on governance. Staff from Executive Management to the Team Leader level will be included in the survey, which may highlight common trends and provide insight to identify areas to focus attention in the coming year.

Reviews deferred to 2014/15

Risk Management, Business Continuity, Governance, Corporate Fraud - As noted above, governance structures, including risk management and corporate fraud have been evolving during the period post transition to LGSS. Management has not deemed it appropriate for internal audit to perform review whilst the policies and procedures, roles and responsibilities are being defined and embedded. The days planned for these reviews have been reassigned to contract assurance and departmental governance work outlined above and the review of the Empty Homes Programme, described in the November 2013 progress report.

Insurance Claims, Expenses - To ensure that we focus internal audit attention on Northampton Borough Council's risks, the days planned for these reviews have been reassigned to contract assurance, departmental governance work and the review of the Empty Homes Programme.

Impact of the transition to the LGSS model on financial systems audits

The 2013/2014 internal audit plan was approved by the Audit Committee before back office functions were outsourced to the LGSS. The 2013/14 internal audit plan has been reassessed in light of this organisational change and revisions have been approved by the council's Monitoring Officer and Section 151 Officer.

A number of areas identified for internal audit review in the original annual audit plan have now transitioned either in full, or in part, to the LGSS. We have engaged in an exercise to map out the processes and controls that now sit within the Council and LGSS respectively.

For the following areas, part of the process remains within the Council. For those processes, we will review the adequacy and/or effectiveness of governance, risk management, and internal control. Processes that have transitioned now fall under the remit of the LGSS internal audit plan:

- Debtors
- Creditors
- Cash
- Fixed Assets

For the following areas the entire process has transitioned to LGSS and is outside the scope of this internal audit plan. The Council should seek assurances from the LGSS over the design and operating effectiveness of controls in these areas:

- General Ledger
- Payroll
- Finance - Agresso IT General Computer Controls review
- Procurement
- Housing Benefits

Landlord Services - Travis Perkins

Our original plan included 15 days for a review of the new electronic invoicing processes established as part of the Travis Perkins contract. From discussions with the Landlord Services Team it was understood a separate review focusing on the design of these controls is no longer required. Instead, the scope of the IBS creditors review has been extended to assess the operating effectiveness of the new controls. If any issues are identified the need for additional expertise will be considered.

Appendix 1 – Plan Progress

Ref	Auditable Unit	Planned audit days	Actual audit days to date	Status update
A	Cross-cutting			
	Risk Management	8	Days reallocated to contract assurance and departmental governance work	Defer to 2014/15
	Business Continuity	10		Defer to 2014/15
	Governance	10		Defer to 2014/15
	Corporate Fraud	8		Defer to 2014/15
	Procurement	10	-	Transitioned to LGSS
	Treasury Management	5	5	Final report issued
	Budgetary Control	8	8	Final report issued
	Insurance claims	8	-	Defer to 2014/15
	General Ledger	7	1	Transitioned to LGSS
	Debtors	7	1	Terms of Reference agreed. Work to commence 10 March 2013.
	Creditors	6	1	Terms of Reference agreed. Work to commence 10 March 2013.
	Payroll	6	1	Transitioned to LGSS
	Cash	6	1	Terms of Reference agreed. Work to commence 10 March 2013.
	Creditors (IBS)	7	7	Draft report in preparation
	Fixed Assets	8	1	Terms of Reference agreed. Work to commence 24 March 2013.
	Expenses	5	-	Defer to 2014/15
	Housing Benefits	8	-	Transitioned to LGSS
	Debt Recovery	5	5	Final report issued
	Collection Fund	7	7	Final report issued
	Housing Rents	8	7	Data obtained, draft report in preparation
Total		147	45	24 days to be delivered
B	Departmental			
	Human Resources – <i>Sickness and absence</i>	8	6	Field work completed
	Finance – <i>IT GCC review</i>	10	-	Transitioned to LGSS
	Landlord Services – <i>Travis Perkins</i>	15	7	Days transferred to the IBS Creditors review. Fieldwork completed.

	Strategic Housing – <i>Housing allocations</i>	8	7	Fieldwork complete
	Planning	8	8	Review of specifications for new planning software prior to tender has been completed and report issued. 14/15 plan will include pre-implementation review of system.
	ICT Operations/ Business Development – <i>Bring your own devices</i>	14	14	Final report issued
	Environmental Services	15	15	Draft report issued
	Regeneration and Development - <i>Regeneration project</i>	15	1	Scoping meeting held. A post-completion project governance review of the new Bus Station.
	Asset management	7	7	Final report issued
	Town Centre Management – <i>Car Parking</i>	10	10	Draft report issued
	Culture and Leisure – <i>Delapre Park concerts</i>	8	8	Final report issued
	Housing - Empty Homes Programme	-	38	Draft report issued 13 January 2014.
	Departmental governance reviews	-	1	20 days planned for survey based on CIPFA Delivering Good Governance Framework.
Total		118	122	36 days to be delivered
VE	Value Enhancement			
	Post LGSS reviews	30	8	Days used for additional scoping work on Core Financial Systems to map out areas of risk and control that remain within NBC and those that have transferred to LGSS and subsequently develop the internal audit approach for those areas
	LGSS contract management	-	2	20 days for a specialist review of the LGSS contract and existing contract governance arrangements to identify best practice contract management procedures to be applied in the monitoring of services delivered by LGSS under the shared service function contract.
	Environmental Services contract management	-	2	28 days for a specialist review of the design and operating effectiveness of key controls in place relating to the day-to-day contract management of the Enterprise waste

				management contract.
Total		30	12	<i>44 days to be delivered</i>
PM	Project Management/Other			
	PwC tracker	-	-	Tracker database build has been completed and reports uploaded. Next steps to identify owners (post LGSS transition) responsible for completing the actions and for them to update.
	Project management	20	30	Additional meetings and planning as a result of NBC organisational change.
Total		20	30	<i>2 days to be delivered</i>
TOTAL PLANNED / ACTUAL DAYS		315	209	
Estimated days still to deliver			106	

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/



Future of Government

This PwC publication explains why Government and public sector organisations world-wide must adjust to the new reality of ‘doing more for less’ (or ‘doing less for less’) and focus on the outcomes society needs and wants.



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.



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.



Redefining local government

Prolonged austerity is driving an important shift in local government, and this new landscape will require fundamentally different organisational cultures and behaviours to make it successful. This Talking Points argues that there is a need for a new framework that enables local authorities to make strategic choices leading to the redesign and development of new ways of working on the ground.



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.

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