



## AUDIT COMMITTEE REPORT

<b>Report Title</b>	<b>Finance Monitoring</b>
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**AGENDA STATUS: PUBLIC**

<b>Audit Committee Meeting Date:</b>	24 <sup>th</sup> September 2012
<b>Policy Document:</b>	No
<b>Directorate:</b>	Resources
<b>Accountable Cabinet Member:</b>	Cllr Alan Bottwood

### 1. Purpose

- 1.1 To present Audit Committee with the Financial Position to 31<sup>st</sup> July 2012.
- 1.2 To update the Audit Committee with position on car parking income and usage to 31<sup>st</sup> July 2012.
- 1.3 To update the Audit Committee on the position in relation to the Council's outstanding debts as at 31<sup>st</sup> July 2012.

### 2. Recommendations

- 2.1 To consider the contents of the Finance Reports:
  - General Fund Revenue (**Appendix 1**);
  - General Fund Capital (**Appendix 2**)
  - HRA Revenue (**Appendix 3**)
  - HRA Capital (**Appendix 4**)
- 2.2 To note the position on car parking income and usage as at 31<sup>st</sup> July 2012 (**Appendix 5**).
- 2.3 To note the latest position in relation to the Council's outstanding debts as at 31<sup>st</sup> July 2012 (**Appendix 6**).
- 2.4 To consider whether Audit Committee require additional information in order to perform their governance role.

## 3. Issues and Choices

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### 3.1 Report Background

- 3.1.1 A Finance and Performance report is taken to Cabinet on a quarterly basis (including the outturn report). Finance reports are published monthly on the intranet with the exception of the beginning of the financial year and the final months of the financial year.
- 3.1.2 Audit Committee has asked to receive these reports. These will be brought to the first available Audit Committee following report production.
- 3.1.3 The audit committee has also asked for more detailed information in relation to car parking income and usage and debt recovery.

### 3.2 Issues

3.2.1 Budget Monitoring commenced at Period 2 (position to the 31<sup>st</sup> May) for this financial year. The latest position and financial variances for Period 4 are outlined in the following appendices:

- **Appendix 1** – General Fund Revenue Report to the End of July 2012
- **Appendix 2** – General Fund Capital Report to the End of July 2012
- **Appendix 3** – HRA Revenue Report to the End of July 2012
- **Appendix 4** – HRA Capital Report to the End of July 2012

3.2.2 The significant variances at this point in time are as follows:

#### 3.2.2.1 General Fund Revenue

- The Planning Fee income anticipated increases in fees dictated by Government. These increases have been delayed and are now expected to be introduced in December at the earliest leading to a forecast under recovery of income of £72k.
- There is a reduction in external audit fees of £85k which was not known when the budget was set creating a saving.
- A number of key service areas under Strategic Housing are showing forecast overspends due to Call Care contract cancellations, (£97k), and the increase in number of homeless households requiring temporary accommodation, (£97k). Vacancies held are being used to help manage the overall Strategic Housing budget.
- There is a downward trend in Car Parking daily ticket income forecast of £200k along with a forecast shortfall in season ticket income of £140k.
- The amount of money required to be set aside to finance borrowing is £322k below budget as less borrowing was undertaken in 2011-12 than planned.

#### 3.2.2.2 HRA Revenue

- Interest charges on new long-term borrowing is higher by £407k due to last minute changes to interest rates at HRA Subsidy buyout time.
- Dwelling rent income due is forecast to be £175k over as the result of improvements made in management of void dwellings.

- There is an increase forecast net contribution from earmarked reserves of £300k to help manage working balances in line with minimum levels

3.2.3 The graphs and commentary at **Appendix 5** shows the position for car parking usage and income to 31<sup>st</sup> July 2012.

3.2.4 The managed debt analysis and commentary to 31<sup>st</sup> July 2012 are shown at **Appendix 6**.

### **3.3 Choices (Options)**

3.3.1 None

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## **4. Implications (including financial implications)**

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### **4.1 Policy**

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

### **4.2 Resources and Risk**

4.2.1 The reports at Appendices 1-4 detail any resource issues facing the Council from its forecast financial position for 2012/13.

4.2.2 The **Appendix 5** shows greater detail with regard to car parking income.

4.2.3 The **Appendix 6** shows the year-end position with regard to the management of the Council's debt.

### **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 Protecting and enhancing the reputation of Northampton Borough Council.

### **4.7 Other Implications**

4.7.1 Not applicable

## **5. Background Papers**

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Appendix 1 – General Fund Revenue Report to the End of July 2012

Appendix 2 – General Fund Capital Report to the End of July 2012

Appendix 3 – HRA Revenue Report to the End of July 2012

Appendix 4 – HRA Capital Report to the End of July 2012

Appendix 5 – Car parking usage and income to 31<sup>st</sup> July 2012

Appendix 6 – Managed Debt Analysis to 31<sup>st</sup> July 2012

**Isabell Procter**  
**Director of Resources, ext 8757**