

23 March 2015**Agenda Item: 6****REPORT OF THE SERVICE DIRECTOR – FINANCE AND PROCUREMENT
FINANCIAL MONITORING REPORT: PERIOD 10 2014/2015****Purpose of the Report**

1. To provide a summary of the revenue position of the County Council for the year to date with year-end forecasts.
2. To inform Members of progress against savings.
3. To provide a summary of Capital Programme expenditure to date and year-end forecasts.
4. To inform Members of the Council's Balance Sheet transactions.
5. To provide Members with an update from the Procurement team.

Information and Advice**Background**

6. The Council approved the 2014/15 budget at its meeting on 27 February 2014. As with previous financial years, progress updates will be closely monitored and reported to both management and Committee on a monthly basis.

Summary Revenue Position

7. Table 1 below summarises the revenue budgets and forecast outturn for each Committee. An underspend of £3.7m is currently predicted. In light of the Council's continuing financial challenges, the key message to effectively manage budgets and wherever possible deliver in-year savings is being reinforced.

Table 1 – Revenue Expenditure and Forecasts as at Period 10

Forecast Variance as at Period 9 £'000	Committee	Annual Budget £'000	Actual to Period 10 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
22	Children & Young People	147,972	102,959	147,804	(168)
(3,113)	Adult Social Care & Health	216,096	183,422	211,553	(4,543)
(1,252)	Transport & Highways	60,862	46,362	59,452	(1,410)
(175)	Environment & Sustainability	31,075	23,090	30,878	(197)
162	Community Safety	3,039	1,915	3,218	179
75	Culture	13,378	11,727	13,454	76
(2,840)	Policy	27,331	21,391	24,446	(2,885)
(944)	Finance & Property	33,657	39,599	32,706	(951)
(248)	Personnel	2,969	2,130	2,668	(301)
(17)	Economic Development	1,357	2,130	1,333	(24)
(2,702)	Public Health	1,688	(9,858)	(1,167)	(2,855)
(11,032)	Net Committee (under)/overspend	539,424	424,867	526,345	(13,079)
2,273	Central items	(10,678)	(35,654)	(7,744)	2,934
-	- Schools Expenditure	652	652	652	-
-	- Contribution to/(from) Traders	(125)	892	(125)	-
(8,759)	Forecast prior to use of reserves	529,273	390,757	519,128	(10,145)
3,372	Transfer to / (from) Corporate Reserves	(10,332)	(2,093)	(5,830)	4,502
2,119	Transfer to / (from) Departmental Reserves	(9,494)	(260)	(7,558)	1,936
-	- Transfer to / (from) General Fund	(5,184)	-	(5,184)	-
(3,268)	Net County Council Budget Requirement	504,263	388,404	500,556	(3,707)

Committee and Central Items

8. The main variations that have been identified are explained in the following section.

Adult Social Care & Health (forecast £4.5m underspend)

9. The Deputy Director division is currently reporting a net underspend of £3.1m which is comprised of the following:

- Deputy Director is forecasting an underspend of £0.1m. This relates to the unallocated budget offset by the recharge income of £0.1m from Public Health. As no usage has been identified, both are now forecast as unspent / unachieved.
- Strategic Commissioning are forecasting an underspend of £1.7m. This is due to the continued reduction in contracts throughout Early Intervention and Prevention services of £0.9m, together with an underspend of £1.1m against carers services. This is partly offset by unbudgeted contract payments against the Emergency Night Service of £0.3m.
- Day Services and Employment are forecasting an underspend of £1.1m due to underspends across staffing lines within day services. County Enterprise Foods are still showing a £0.3m underspend due partly to staffing vacancies, but also to additional unbudgeted income from Nottingham City Council and Sweden. This is mitigated by the £0.3m known transport overspend.

- Residential Services are forecasting an underspend of £1.5m. This primarily relates to staffing vacancies and under-utilisation of absence cover within the Care & Support Centres of £1.0m, plus additional Health Income of £0.2m. Additional budget for 1:1 care has resulted in the Short Breaks Units now forecasting an underspend of £0.3m.
 - Use of reserves across the service is £0.9m less than budget due to the reduced contract spend throughout Strategic Commissioning.
10. The Access & Public Protection Division is currently forecasting a net overspend of £0.6m against the base budget. This is comprised of the following:
- There remains an overspend of £0.1m on salaries within the Safeguarding Adults Team.
 - Client Contribution income is still forecasting a shortfall of £1.4m. This is due to reduced income following a large switch from Homecare to Direct Payments and the loss of some self-funders.
 - These overspends are partially offset by underspends on software within the Framework Team of £0.1m, the Market Development Team of £0.1m and the Business Support function of £0.6m,
 - Use of reserves across the service is £0.1m less than budget due to vacant posts.
11. The North and South Divisions are currently forecasting a combined underspend of £2.9m, an increase of £1.4m over the forecast for period 9. The forecast for period 9 included an estimate of £1.5m for assessments that were in the system but not yet completed. In the event these assessments, when completed, resulted in a net decrease in commitment of £0.3m; This is the main reason for the forecast increase in the underspending.
12. The above forecast currently includes £0.4m for anticipated Transitions and Predicted needs and this is expected to reduce month on month until year end.

Transport & Highways (forecast £1.4m underspend)

13. This forecast underspend is due mainly to:

- A forecast net underspend on Highways of £0.3m due to underspends on salaries (£0.5m), additional S38 / S278 Income (£0.2m) and Street Lighting Energy (£0.3m). In addition, a shortage of sub-contractors is limiting expenditure on carriageway and footway patching (£0.2m). These are offset by overspends on Trees and Hedges (£0.3m); Verges (£0.2m) and Road Studs and Markings (£0.1m). It is proposed to use underspends from revenue budgets to offset demand led overspends rather than using reserves. Compensation payments estimated at £0.3m are due to businesses affected by tram works and this is now factored into the Highways forecast.
- An underspend of £0.6m on Concessionary Fares due to a delay in the introduction of new tram lines and agreements with Operators, showing a saving due to a slight downturn in passenger trips and tight control of scheme management costs.
- A £0.3m saving on Local Bus Services due to a part year effect of August re-tendering. Some services are being re-instated from January following a review of services and are incorporated in these figures.
- There is an underspend on Salaries and Service Development of £0.1m due to the OBC savings being achieved in 2014/15, rather than over two years, and through reduced consultancy fees. In addition there is a reduction in the costs associated with Smartcard ticketing (£0.1m).

Policy (forecast £2.9m underspend)

14. This underspending is mainly due (£1.9m) to a reduction in the use of external agencies in legal services as a consequence of the digital working and efficiency programme and staff vacancies across the division, together with savings in Members and Civic Services relating to hospitality, running costs and income.
15. A further £1.0m of this net underspending is due to slippage on the Ways of Working Programme, particularly in the area of ICT, together with an underspending against the Transformation Programme which will be offset by a reduced use of the Corporate Reserve in 2014/15.

Finance & Property (forecast £0.9m underspend)

16. This forecast underspend is due to:

- The net underspending within Finance and Procurement of £0.2m relating to staff vacancies partially offset by the cost of agency staff and a reduction in purchasing rebates.
- Property is forecasting an underspending of £0.4m due to achievement of savings and over-recovery of Estates income.
- A County Offices and Facilities Management underspend of £0.3m is due to early achievement of 2015/16 savings from the closure of buildings and efficiency savings.

Public Health (forecast £2.9m underspend)

17. This forecast underspend is due mainly to:

- There is an overall underspend of £0.4m in Obesity and Physical activity due to the retendering exercise not proceeding in October, with the consequent extensions of current contracts until the end of the financial year. £0.2m of the underspending relates to low activity to date within the health check programmes.
- The Sexual Health programme is forecast to underspend by £0.3m due to less than anticipated activity levels against both the Nottinghamshire University Hospital's and Sherwood Forest Hospital's Trusts.
- The Health Check Programmes budget is forecast to underspend by £0.1m due to low activity to date.
- The Smoking and Tobacco programme is forecasting an underspend of £1.2m due to savings relating to GP and Pharmacy providers for Stop Smoking Services, together with an overstated adjustment in the current year's accounts for expenditure relating to Prescribing in 2013/14.
- With regard to Substance Misuse a saving of £0.9m has arisen following a full review of contractual commitments in period 9 and period 10 that identified the double-counting of a contract for the second six months of the financial year following the retendering process in September 2014.

18. The overall County Council forecast assumes that this net underspend will be transferred to the Public Health reserve.

19. Members will recall that a net transfer of £1,085,330 is required from the Public Health grant to CCGs to cover the budget setting anomalies for 2014/15. The anticipated change to the Public Health grant as a result of these funding miscalculations is likely to affect the planned delivery of budget reductions for Public Health. Discussions are being held with the Public Health Committee on all aspects of the Public Health Outcomes programme.
20. The Department of Health is undertaking a data collection to identify all funding transfers in response to baseline errors in the PH grant. This review will confirm the current position and agree a long-term solution that avoids the need for recurrent transfers between partners. This may result in the recalculation of the local Public Health grant to exclude the excess funding.

Central Items (Forecast £2.9m overspend)

21. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and movements on reserves.
22. Interest payments fluctuate depending on expectations of future rates and anticipated slippage on the capital programme. Current forecasts suggest a net overspend on interest of £1.9m, further information is included in the Treasury Management update later in this report. The capital programme spending profile has been refreshed as part of the budget process. As such the current years Minimum Revenue Provision and depreciation charged to the general fund is expected to be £1.3m higher than initial estimates.
23. Across the Authority there is a shortfall in the employers pensions contribution of £0.2m to match the 13.2% rate and fixed contribution of £12.6m set by the actuary.
24. At the time of setting the 2014/15 budget, several funding allocations had not been announced and therefore assumptions about certain grants were made, based on the best information available at the time. Throughout the year confirmations are received, and current forecasts suggest a net increase of £0.5m will be received in 2014/15.
25. The Council's budget includes a contingency of £4.1m to cover redundancy costs, slippage of savings and unforeseen events. Several schemes have been approved in the year to date and there is currently £2.3m remaining in the contingency budget. As in previous years, and in accordance with accounting practice, a provision was set aside in 2013/14 to meet the costs of expected redundancies that will fall in 2014/15. This was based on outstanding Section 188 notices at the time and totalled £6.6m. Redundancy payments made in the current financial year to date total £3.3m. On 4 November a new Section 188 notice was published listing 491.79 posts potentially at risk of redundancy, of which 78.64 are already vacant. A corresponding provision will be made in 2014/15 accounts to meet the costs of redundancy that will be incurred in 2015/16. It is assumed that any surplus/deficit will be transferred to/from the Council's Corporate Redundancy Reserve. The figures in Table 1 reflect the assumption that the allocation for general contingency will be required in full.

Transfer to / (from) reserves

26. As previously reported work is ongoing to identify surplus departmental reserves that may be released to support the budget. There is still a possibility that the levels assumed when the budget was set may not be achieved and this position is reflected in table 1 above.

27. As reported under Policy Committee, there is slippage in the transformation programme and Ways of Working which are funded by Corporate Reserves. To match the slippage there is an corresponding reduction in the use of reserves.

Progress with savings (Forecast shortfall £0.8m)

28. Given the continued financial challenge that the Council is facing, savings schemes were approved as part of the 2014/15 budget process with further proposals currently being considered for 2015/16 onwards.

29. As at period 10, current year slippage of £0.8m has been identified across 3 of the high governance savings projects, although across the three year timeframe, the savings are expected to be delivered in full. A number of actions are being taken to address this and officers will continue to monitor the deliverability of individual targets as part of the budget monitoring process. Achievability will be reflected in the forecast outturn. A full list of savings with current status is provided at Appendix A.

Capital Programme

30. Table 2 summarises changes in the gross Capital Programme for 2014/15 since approval of the original programme in the Budget Report (Council 27/02/14):

Table 2 – Revised Capital Programme for 2014/15

	2014/15	
	£'000	£'000
Approved per Council (Budget Report 2014/15)		112,593
Variations funded from County Council Allocations :		
Net slippage from 2013/14 and financing adjustments	17,761	
Approved variations to January F&P Committee	<u>(29,536)</u>	(11,775)
Variations funded from other sources :		
Net slippage from 2013/14 and financing adjustments	6,800	
Approved variations to January F&P Committee	<u>(4,255)</u>	2,545
Revised Gross Capital Programme		103,363

31. Table 3 shows actual capital expenditure to date against the forecast outturn at Period 10.

Table 3 – Capital Expenditure and Forecasts as at Period 10

Committee	Revised Capital Programme £'000	Actual Expenditure to Period 9 £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People	37,593	27,177	35,765	(1,828)
Adult Social Care & Health	1,567	23	1,397	(170)
Transport & Highways	34,373	26,121	34,131	(242)
Environment & Sustainability	2,419	2,537	2,342	(77)
Community Safety	4	(1)	4	-
Culture	4,089	3,395	4,039	(50)
Policy	3,396	2,088	3,343	(53)
Finance & Property	12,024	5,682	10,745	(1,279)
Personnel	1,903	1,748	1,903	-
Economic Development	5,995	2,091	5,995	-
Contingency	-	-	-	-
Total	103,363	70,861	99,664	(3,699)

32. In the Children and Young People's Committee, there is a total forecast underspend of £1.8m. This is mainly as a result of £1.6m slippage against the School Places Programme.

33. Also, in the Children and Young People's Committee, a forecast underspend of £0.15m has been identified against the Children's Homes programme as a result of delays to the commencement dates.

34. In the Children and young People's Committee, Section 106 contributions totalling £0.991m has been received into the Council to fund a project at Redhill Academy.

35. It is proposed that the Children and Young People's Committee Capital Programme is varied to reflect the identified external funding.

36. In the Adult Social Care and Health Committee, a forecast underspend of £0.2m has been identified as a result of minor slippage identified against the Supported Living programme.

37. Also, in the Adult Social Care and Health Committee, a grant application to the Department of Health for £0.415m capital grant funding has been successful. This grant will be used to help support people with learning disabilities and challenging behaviour to live in the community, as addressed in the Winterbourne Report.

38. It is proposed that the Adult Social Care and Health Committee Capital Programme is varied to reflect the identified Department of Health capital grant.

39. In the Transport and Highways Committee, there is a total forecast underspend of £0.2m. This is mainly as a result of slippage on a number of projects as described below:

40. Slippage totalling £0.4m has been identified against the Street Lighting Renewal programme as a result of delays caused by technical design issues. The project will be completed in 2015/16.

41. Slippage totalling £0.4m has also been identified against the Integrated Transport Measures capital programme as two projects have slipped into the 2015/16 financial year.
42. The slippage identified in the Transport and Highways Committee is offset by over-programming of £0.6m in the Road Maintenance and Renewal programme. Work is on-going to drive this forecast overspend down and to manage within the approved budget.
43. In the Finance and Property Committee, a forecast underspend totalling £1.3m has been identified which mainly relates to the delayed settlement against the Lindhurst Scheme £1.0m. Minor slippage totalling £0.15m has also been identified against the Renewable Boiler Replacement programme.
44. Also in the Finance and Property capital programme, the Denewood Centre capital budget is now no longer required as it has been agreed that any costs associated with this project will now be offset against future capital receipts.
- 45. It is proposed that the Denewood Centre budget is removed from the Finance and Property Committee Capital Programme.**

Financing the Approved Capital Programme

46. Table 4 summarises the financing of the overall approved Capital Programme for 2014/15.

Table 4 – Financing of the Approved Capital Programme for 2014/15

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People	4,269	19,526	-	13,798	37,593
Adult Social Care & Health	1,509	13	45	-	1,567
Transport & Highways	10,315	21,311	-	2,747	34,373
Environment & Sustainability	1,156	763	500	-	2,419
Community Safety	4	-	-	-	4
Culture	2,830	485	-	774	4,089
Policy	1,896	-	-	1,500	3,396
Finance & Property	9,132	50	2,330	512	12,024
Personnel	-	1,801	-	102	1,903
Economic Development	543	5,452	-	-	5,995
Contingency	-	-	-	-	-
Total	31,654	49,401	2,875	19,433	103,363

47. It is anticipated that borrowing in 2014/15 will decrease by £13.7m from the forecast in the Budget Report 2014/15 (Council 27/02/2014). This decrease is primarily a consequence of:
- £17.8m of net slippage from 2013/14 to 2014/15 and financing adjustments funded by capital allocations.
 - Variations to the 2014/15 capital programme funded from capital allocations totalling £29.5m as approved to the February Full Council meeting.

- Net slippage in 2014/15 of £2.0m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

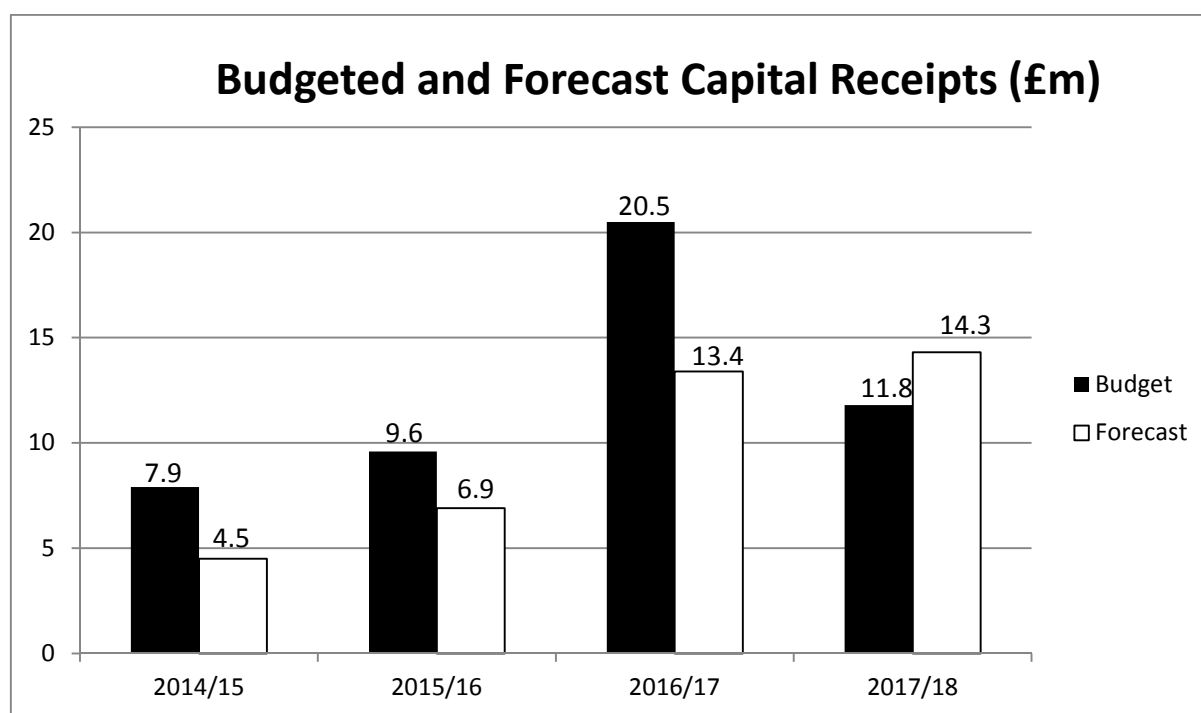
Prudential Indicator Monitoring

48. Performance against the Council's Prudential Indicators is regularly monitored to ensure that external debt remains within both the Operational Boundary and the Authorised Limit.

Capital Receipts Monitoring

49. Anticipated capital receipts are regularly reviewed. Forecasts are currently based on estimated sales values of identified properties and prudently assume a slippage factor based upon a review of risk associated with each property. They also include an estimated £50,000 of vehicle receipts.

50. The chart below shows the budgeted and forecast capital receipts for the four years to 2017/18.



51. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2014/15 (Council 27/02/2014). These capital receipts budgets prudently incorporated slippage, giving a degree of "protection" from the risk of non-delivery.

52. The capital receipt forecast for 2014/15 is £4.5m which is £3.4m less than the budgeted capital receipts as a result of slippage. To date in 2014/15, capital receipts totalling £2.0m have been received.

53. The number and size of large anticipated receipts increase the risk that income from property sales will be below the revised forecasts over the next three years. Although the revised forecasts incorporate an element of slippage, a delay in receiving just two or three large receipts could result in sales being lower than the forecast.

54. Current Council policy (Budget Report 2015/16) is to set capital receipts against the principal of previous years' borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to be set aside each year. It is important to regularly monitor capital receipt forecasts and their effect on the overall revenue impact of the Capital Programme.

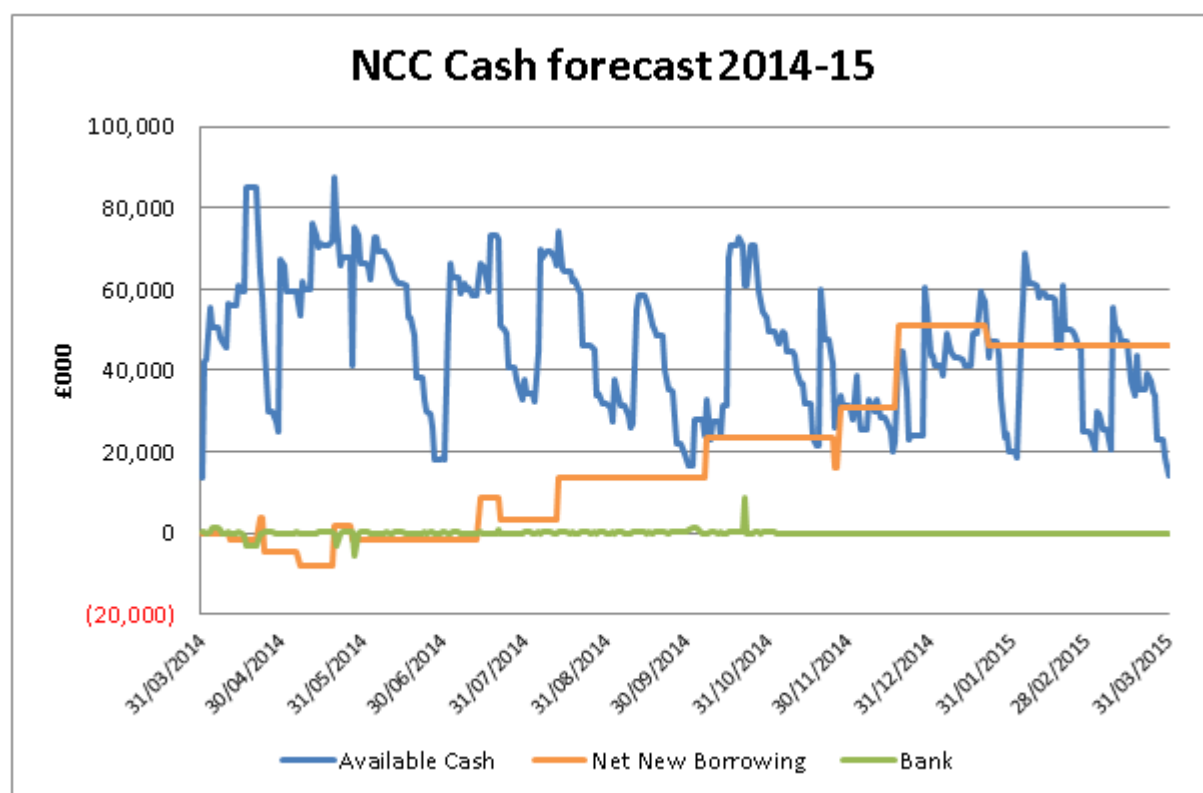
Balance Sheet

General Fund Balance

55. Members approved the 2013/14 closing General Fund Balance of £29.1m at Council 26 June 2014. The 2014/15 budget approves utilisation of £5.2m of balances which will result in a closing balance of £23.9m at the end of the current financial year. This is 4.7% of the budget requirement. Should an underspend result at year end, the required use of reserves will reduce, which will ensure balances are available to fund future years expenditure.

Treasury Management

56. Cash flow is monitored by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group. The following chart shows the actual cash flow position to date and forecasts for the remainder of the year. Cash inflows are typically higher at the start of the year due to the front loading receipt of Central Government grants, and the payment profile of precepts. However, cash outflows, in particular capital expenditure, tend to increase later in the year. The higher cash balances towards the end of the year are largely as a result of the net new borrowing.



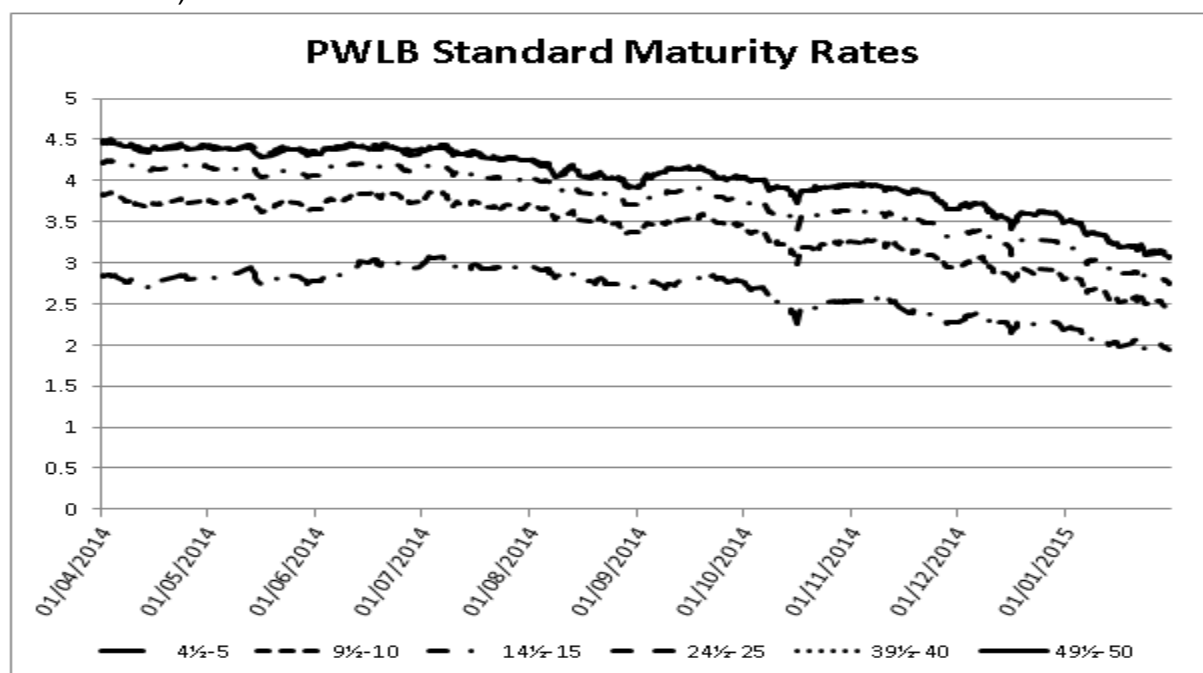
57. The chart above gives the following information:

Bank balance	Daily cleared balance across the pooled bank accounts.
Available cash	Surplus cash (invested in call accounts or money market funds) or a shortfall of cash indicating a need to borrow.
Net new borrowing	New loans taken during the year net of principal repayments on existing borrowing.

58. Daily cash management aims for a nil balance across the Council's pooled bank accounts with any surplus cash invested in accordance with the approved Treasury Management Policy. The net new borrowing includes new loans from PWLB and another local authority as shown below.

Source	Date	New Borrowing (£ 000's)	Period	Rate
Other LA	April 2014	5,000	4 years	2.08%
PWLB	May 2014	5,000	23 years	4.12%
PWLB	May 2014	5,000	24 years	4.13%
PWLB	July 2014	10,000	25 years	4.14%
PWLB	August 2014	10,000	26 years	3.92%
PWLB	October 2014	10,000	27 years	3.83%
PWLB	November 2014	10,000	27 years	3.59%
PWLB	November 2014	5,000	23 years	3.54%
PWLB	December 2014	10,000	37 years	3.32%
PWLB	December 2014	10,000	38 years	3.32%
		80,000		

59. PWLB rates have been monitored closely during the year and new borrowing has been taken when rates have decreased. As the year has progressed, longer term rates have continued to fall and this has enabled the additional borrowing to be taken to minimise long term interest cost. The chart below shows the movement in standard PWLB maturity rates during 2014/15 (the Council is able to take advantage of the PWLB "certainty rate" which is 0.2% below the standard rates).

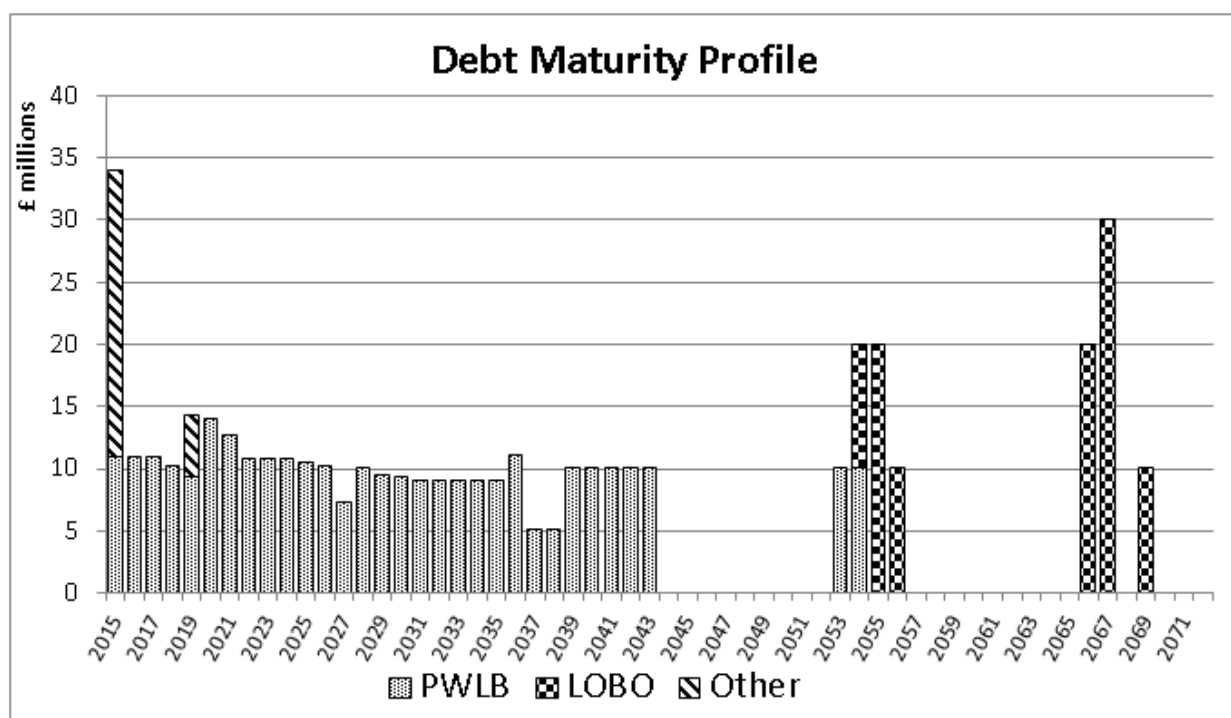


60. The Treasury Management Strategy for 2014/15 identified a need for additional borrowing of £67m to fund the capital programme, replenish internal balances and to replace maturing debt. Short term borrowing was used towards the end of 2013/14 to minimise interest costs and so additional long term borrowing of £21m needs to be factored in to the 2014/15 strategy.

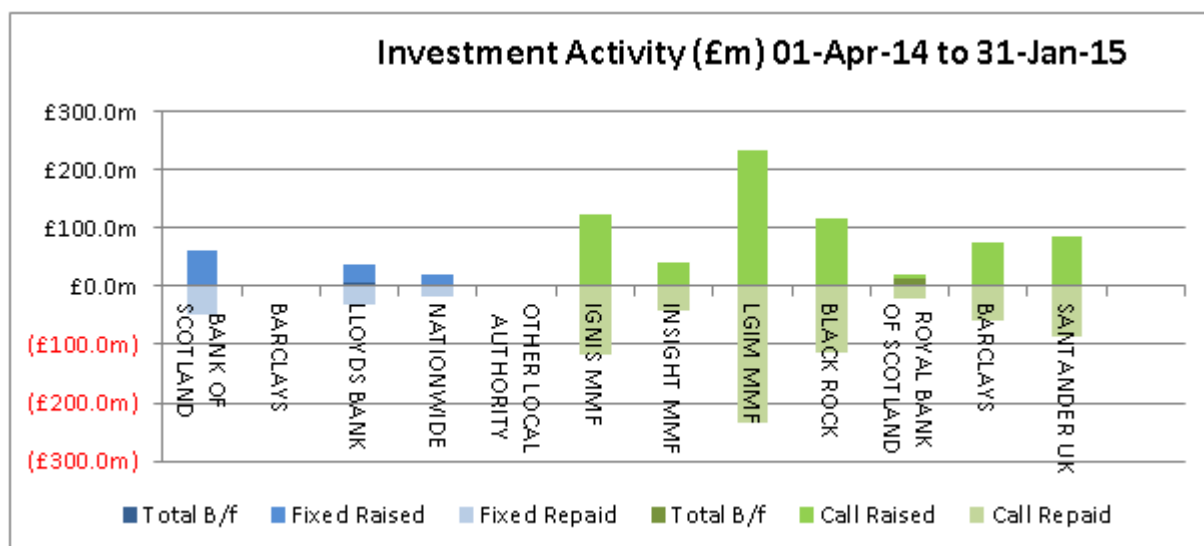
Borrowing decisions will take account of a number of factors including:

- expected movements in interest rates
- current maturity profile
- the impact on revenue budgets and the medium term financial strategy
- the treasury management prudential indicators

61. Additional borrowing is likely to be undertaken before the year end. The maturity profile of the Council's debt portfolio is shown in the chart below. The PWLB loans are reasonably well distributed and have a maximum duration of 38 years. Longer-term borrowing (maturities up to 55 years) was obtained from the market some years ago in the form of 'Lender's Options, Borrower's Options' loans (LOBOs). The 'other' loans denote more recent borrowing from the money markets where the main objective was to minimise interest costs. Refinancing of these loans has been factored into the Treasury Management Strategy.



62. The investment activity for 2014/15 to the end of December 2014 is summarised in the chart and table below. Outstanding investment balances totalled £23m at the start of the year and £63.3m at the end of the period. This increase reflects the forecast cash flow profile for the year and the net new borrowing.



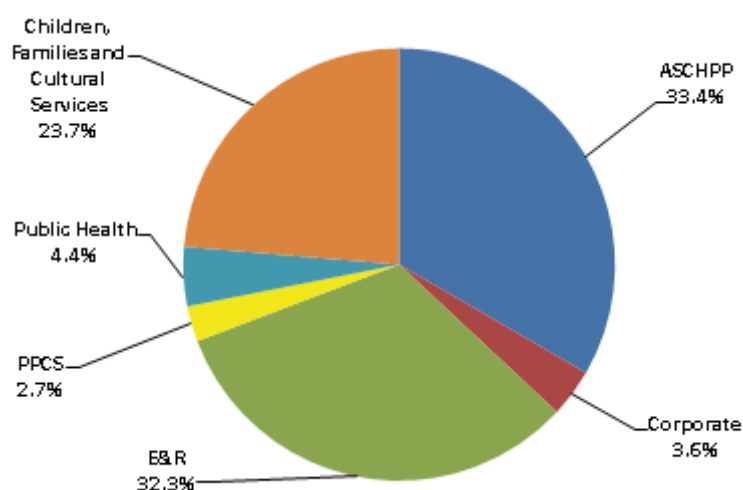
	Total B/F	Total Raised	Total Repaid	Outstanding
	£ 000	£ 000	£ 000	£ 000
BANK OF SCOTLAND	-	60,000	(50,000)	10,000
BARCLAYS	-	-	-	-
LLOYDS BANK	8,000	30,000	(30,000)	8,000
NATIONWIDE	-	19,000	(19,000)	-
OTHER LOCAL AUTHORITY	1,500	-	-	1,500
IGNIS MMF	-	121,700	(116,700)	5,000
INSIGHT MMF	-	42,000	(41,850)	150
LGIM MMF	-	234,100	(234,100)	-
BLACK ROCK	-	114,810	(114,810)	-
ROYAL BANK OF SCOTLAND	13,500	6,500	(20,000)	-
BARCLAYS	-	73,950	(59,000)	14,950
SANTANDER UK	-	84,900	(84,900)	-
	23,000	786,960	(770,360)	39,600

63. The new banking arrangements with Barclays Bank went live on 1 October 2014 as a result of the successful tender following the decision by the Co-operative Bank to withdraw from providing banking services to local authorities. All Co-operative Bank accounts are now closed.

Procurement Performance

64. As an organisation, NCC has spent £550m year to date with external suppliers which is a decrease of £60m from the same period in 2013/14. The top 5.4% (376) of suppliers account for 80% (£440m) of the total supplier spend. The remaining 94.6% (6,545 suppliers) have a total expenditure of £110m with an average spend of £16,806.

65. The chart below shows how the total amount spent, in period 01/04/2014 to date, is divided across Portfolios, with nearly 60% of all expenditure going through Care (ASCHPP & CFCS) and over 30% through Highways and Property (E&R).



66. The Council's preferred ordering route is through the Business Management System (BMS). The team have been working with stakeholders to improve the way that we procure to ensure compliance. Orders that are processed through BMS are classified as Compliant Purchase Orders (Compliant). Non Purchase Orders (or Non-Compliant) are those purchases that are made outside of any system. Retrospective orders – are non-compliant in that they have been raised following the delivery of the goods/services. Interface Orders are those that are out of scope and are paid through another system eg Framework. Purchase Orders are beneficial to the organisation as they provide visibility of what we spend. Currently :-

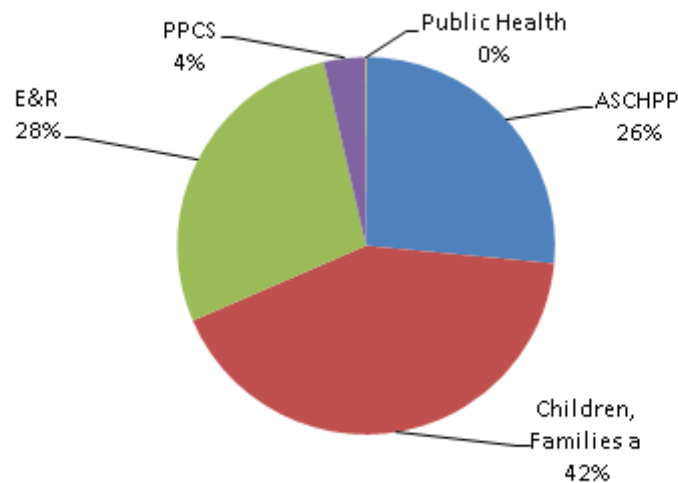
- Compliant ordering has increased by 4% from 37.2% to 41.2% of the total
- Non-compliant (non PO) ordering has decreased from 27.8% to 24.3% of the total
- Interface has decreased from 28.1% to 27.1% of the total

67. The table below shows the number of retrospective orders in a monthly basis by department with a reasonable decrease every month.

Department	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
ASCHPP	445	377	331	439	391	440	412	342	278
CFCS	882	830	853	816	818	615	633	625	524
E&R	908	712	821	705	584	590	816	617	465
PPCS	80	68	73	59	40	91	106	84	78
Corporate	5	2	2	2	6		3		1
Public Health	4		1	1	1	2	1	1	2

68. Purchase orders themselves are split into Green and Red orders. Green orders are those which are raised with the Procurement Centre's pre-arranged agreements or contracted suppliers. Red orders are those that do not have approved suppliers or contracts set up on BMS, and require additional work. The chart below identifies the percentage of total Red orders by Directorate year to date. CFCS has the highest number of Red orders at 42% of the total.

% of red orders by directorate of total red orders



The category managers are working with stakeholders to address these figures

69. A full list of ongoing developments with the Procurement Team is included in Appendix B.

Debt Recovery Performance and Accounts Payable (AP) Performance

70. The debt recovery and accounts payable performance information will continue to be reviewed at an operational level on a fortnightly basis. The strategic performance information will be compiled for this report to Committee on a quarterly basis with the next update to be included in the final outturn report.

Statutory and Policy Implications

71. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATIONS

- 1) To note the revenue budget expenditure to date and year end forecasts
- 2) To note the progress with savings
- 3) To note the Capital Programme expenditure to date and year end forecasts and approve variances to the Capital Programme
- 4) To note the Council's Balance Sheet transactions
- 5) To note the performance of the Procurement Team.

Nigel Stevenson Service Director – Finance & Procurement

For any enquiries about this report please contact:

Pauline Moore - Senior Accountant, Financial Strategy and Accounting

Glen Bicknell - Senior Finance Business Partner, Capital and External Funding

Simon Cunningham - Senior Accountant, Pensions and Treasury Management

Constitutional Comments (KK 04/03/15)

The proposals in this report are within the remit of Finance and Property Committee.

Financial Comments (PM 26/02/15)

The financial implications are stated within the report itself and have been used to inform the Council's Medium Term Financial Strategy and Budget report to Council 26 February 2015.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- 'None'

Electoral Division(s) and Member(s) Affected

- 'All'