Nottinghamshire County Council

Report to Finance and Property Committee

7 December 2015

Agenda Item: 6

REPORT OF THE SERVICE DIRECTOR – FINANCE, PROCUREMENT AND IMPROVEMENT

FINANCIAL MONITORING REPORT: PERIOD 7 2015/2016

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 provide a summary of Capital Programme expenditure to date and year-end forecasts.
3. To inform Members of the Council's Balance Sheet transactions.
4. To provide Members with an update from the Procurement Team.
5. To provide Members with an update from the Accounts Payable and Accounts Receivable teams.

Information and Advice

Background

6. The Council approved the 2015/16 budget at its meeting on 26 February 2015. 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. A £1.9m underspend position 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 7

Forecast Variance as at Period 6 £'000	Committee	Annual Budget £'000	Actual to Period 7 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
2,337	Children & Young People	137,659	84,452	140,106	2,447
(3,529)	Adult Social Care & Health	208,069	100,492	203,244	(4,825)
410	Transport & Highways	59,081	40,385	59,078	(3)
(404)	Environment & Sustainability	31,262	16,010	30,935	(327)
242	Community Safety	3,008	523	3,218	210
(42)	Culture	13,285	8,247	13,122	(163)
(471)	Policy	25,371	15,847	24,403	(968)
(685)	Finance & Property	34,600	23,031	33,851	(749)
(527)	Personnel	3,218	1,493	2,696	(522)
2	Economic Development	1,533	64	1,535	2
(795)	Public Health *	5,217	(3,938)	3,622	(1,595)
(3,462)	**Net Committee (under)/overspend**	**522,303**	**286,606**	**515,810**	**(6,493)**
798	Central items	(7,758)	(43,003)	(6,951)	807
-	Schools Expenditure	176	176	176	-
30	Contribution to/(from) Traders	(569)	2,264	(55)	514
(2,634)	**Forecast prior to use of reserves**	**514,152**	**246,043**	**508,980**	**(5,172)**
122	Transfer to / (from) Corporate Reserves	(6,363)	-	(5,968)	395
2,476	Transfer to / (from) Departmental Reserves	(14,525)	(39)	(11,684)	2,841
-	Transfer to / (from) General Fund	(6,038)	-	(6,038)	-
(36)	**Net County Council Budget Requirement**	**487,226**	**246,004**	**485,290**	**(1,936)**

* The actual net expenditure for Public Health is skewed depending upon the timing of the receipt of grant.

Committee and Central Items

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

Children & Young People (forecast £2.4m overspend)

9. The underlying overspend is £2.2m (after planned use of grant reserves and excluding redundancy costs). This is an increase of £0.2m compared with period 6 mainly due to additional costs relating to home to school transport with a large number of new SEN and complex contracts, together with an increase in the costs of fieldwork staffing and non LAC placements in Children's Social Care. A range of mitigating actions have been developed and pursued which has included a letter from the Corporate Director to restrict all non-essential spend and to adhere to vacancy control procedures as part of budget control measures. The recruitment of all agency staff requires the explicit approval of the Service Director Children's Social Care.

10. The Children's Social Care Division is reporting a forecast net overspend of £2.6m (£2.5m after the planned use of grant reserves), the major contributing variances being:

    - £1.7m overspend on staffing due to the continued use of agency staff to cover vacancies in social work and safeguarding teams;
    - £0.1m overspend on Provider Services (Looked after Children placements) due to the difficulty in moving children to lower cost in-house placements. There is also a continuing overspend in the Fostering Service due to the growth of Fostering Futures carers;
    - £0.1m overspend on transport, as demand continues to exceed the budget;
    - £0.3m overspend on the rest of Children's Disability Services (CDS) mainly due to flexible and targeted short breaks and associated childcare;
    - £0.2m overspend on the social work practice pilot which includes a forecast extension to the original timescale of 6 months to 31 March 2016. This includes the successful bid of £0.2m from the Strategic Development Fund;
    - £0.1m net overspend on all other budgets mainly due to Child Arrangement and Special Guardianship Orders.

11. The Education Standards and Inclusion Division is reporting a forecast overspend of £0.8m, mainly due to an overspend on Special Educational Needs and Disability Policy and Provision. There is a continued demand for home to school transport in excess of the budget.

12. The Youth, Families and Culture Division is forecasting an underspend of £1.0m mainly due to an underspend on Early Years and Early Intervention relating to contract savings and pension refunds.

13. The Capital and Central Charges area is forecasting a £0.3m overspend due to insurance charges in excess of the budget allocated for this purpose which is the additional cost of premiums for historic abuse cases.

14. There is also an underspend of £0.3m in Business Support.

Adult Social Care & Health (forecast £4.8m underspend)

15. The underlying forecast position is an underspend of £2.9m (after the planned use of reserves and excluding redundancy costs).

16. The Strategic, Commissioning, Access and Safeguarding Division is currently reporting a net underspend of £0.7m (£0.5m underspend after the use of reserves). The main variances are:
    - Client Contribution income is still forecasting a shortfall of £1.4m. This is due to a general decline in personal budget income;
    - Supporting People are forecasting a £1.4m underspend due to a reduction on the LD Contract spend;
    - There remains an underspend of £0.2m on software costs within the Framework Team and the Market Development Team;
    - Business Support are showing an underspend of £0.4m against various non-staffing budgets;

17. The North Nottinghamshire Division is currently forecasting a net underspend of £1.4m (£1.1m underspend after the use of reserves) against the budget. This is comprised of the following:

- Residential Services are now forecasting an underspend of £0.7m. This is primarily due to an underspend on staffing in the Care and Support Centres. It is still envisaged the refurbishment of James Hince Court could be met from within the service budget rather than from the use of reserves;
- Day Services and Employment are forecasting an underspend of £1.2m. This is comprised of a £1.5m underspend on staffing within Day Services and Supported Employment offsetting a £0.3m overspend on Transport Services;
- Bassetlaw Community Care are forecasting an overspend of £0.4m due to overspends in Younger Adults

18. The Mid and South Nottinghamshire Divisions are currently forecasting a net combined underspend of £0.7m (£1.0m overspend after the use of reserves) This is likely to increase as there is a backlog of assessments waiting to be done. Across Mid, South and North Nottinghamshire (including the £0.4m overspend from Bassetlaw) the major variances on care package costs are:

- Older Adults across the County are currently reporting an underspend of £1.9m; this is an increase in commitment of £0.5m since last month;
- Younger Adults across the County are reporting an overspend of £2.6m which is a decrease of £1.3m since last month, primarily due to an increase in income. £1.2m of the overspend relates to the additional costs of Transforming Care and £0.3m relates to the shortfall on ILF in year;
- Expenditure under the remit of Service Directors and the Principal Social Worker are reporting an underspend of £1.4m due mainly to delays in recruitment.

19. Throughout the County, the service continues to experience difficulties recruiting to vacancies. This is having an impact on the number of assessments and reviews waiting to be done.

20. The Transformation Division is currently forecasting an underspend of £2.0m against the budget. This is due to the announcement that the County Council will not be required to repay the funding provided by the Government for Part 2 of the Care Act.

Policy (forecast £1.0m underspend)

21. This forecast underspend is due to:

- £0.3m underspend in Legal Services due mainly to continuing improvements in electronic and digital working and an ongoing efficiency programme reducing operating costs where possible;
- £0.1m underspend relating to county hospitality and running costs in Democratic Services;
- £0.2m reduction in running costs at the Customer Services Centre, together with an increase in income resulting from a small increase in Blue Badge applications;
- £0.4m resulting from a detailed review of expenditure relating to the Programme and Project Team

Finance & Property (forecast £0.8m underspend)

22. This forecast underspend is due to:

- £0.4m underspend in Property due to a staffing rationalisation and savings on county office building maintenance in advance of saving requirements in 2016/17, together with additional Estates income;
- £0.2m underspend on county offices and facilities management due to reduced business rates payable on county offices;
- £0.2m underspend within Finance and Procurement relating to staff vacancies in advance of saving requirements in 2016/17.

Personnel (forecast £0.5m underspend)

23. This forecast net underspend is due to vacancy savings across the Health and Safety Group and the Workforce Planning and Organisational Development Group, together with savings on running costs and additional income generation.

Public Health (forecast £1.6m underspend)

24. This forecast underspend is mainly due to:

- £0.5m underspend against the Health Check Programme as a result of lower than expected take up;
- £0.5m contract savings against the Sexual Health and Domestic Violence and Abuse Programmes;
- £0.3m lower than anticipated employee costs against the Public Health Directorate budget;
- £0.3m underspending against the Smoking and Tobacco Programme.

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

26. The Department of Health have confirmed the Government's initial proposal to reduce local authority public health allocations for 2015/16 by 6.2%. It is anticipated that the funding shortfall will be met by in-year underspends and from reserves.

Central Items (forecast £0.8m overspend)

27. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and capital charges.

28. Interest payments fluctuate depending on expectations of future rates and anticipated slippage on the capital programme. Current Treasury Management forecasts suggest a net overspend on interest of £1.2m.

29. At the time of setting the 2015/16 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 £0.4m will be received in 2014/15.

30. The Council's original budget included a contingency of £5.1m to cover redundancy costs, slippage of savings and unforeseen events. Following base budget adjustments (£2.5m) being removed from Departmental budgets and contingency requests (£4.5m) approved at previous Finance and Property Committees, the remaining contingency balance stands at £3.1m. Table 1 assumes that the full contingency allocation will be used before year end as new requests are likely to emerge.

Transfer to / (from) reserves

31. A review of reserves has been undertaken to identify surplus departmental reserves that may be released to support the budget. The outcome of this review resulted in £3.6m of departmental reserves being transferred to corporate reserves as part of the overall budget strategy.

Progress with savings (forecast shortfall £2.2m in 2015/16)

32. Given the continued financial challenge that the Council is facing, savings schemes were approved as part of the 2015/16 budget process.

33. Savings options experiencing slippage or non-deliverability issues have been reported to Finance and Committee previously. In addition, issues associated with the achievement of savings relating to Provider Services (LAC Placements) and SEND Home to School Transport / Independent Travel Training are being reviewed. The outcome of the reviews will be reported to the Corporate Leadership Team and subsequently to Finance and Property Committee.

34. The recent review of Redefining Your Council (considered by Policy Committee in July 2015) noted that transformation is inherently risky to deliver and that the task of achieving significant budget savings becomes increasingly difficult over time, as change is overlaid upon change. Considerable lessons have been learned from savings projects which have been approved and delivered to date. Whilst programme and project management arrangements have been effective, a stronger approach to the identification and management of the assumptions which underpin projects is being put in place to ensure that they are evidenced and challenged prior to full implementation.

Capital Programme

35. Table 2 summarises changes in the gross Capital Programme for 2015/16 since approval of the original programme in the Budget Report (Council 26/02/15):

Table 2 – Revised Capital Programme for 2015/16

	2015/16 £'000	2015/16 £'000
Approved per Council (Budget Report 2015/16)		112,039
Variations funded from County Council Allocations :		
Net slippage from 2014/15 and financing adjustments	1,346	
		1,346
Variations funded from other sources :		
Net slippage from 2014/15 and financing adjustments	7,449	
		7,449
Revised Gross Capital Programme		**120,834**

36. Table 3 shows actual capital expenditure to date against the forecast outturn at Period 7.

Table 3 – Capital Expenditure and Forecasts as at Period 7

Committee	Revised Capital Programme £'000	Actual Expenditure to Period 7 £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People	50,240	13,920	44,193	(6,047)
Adult Social Care & Health	4,933	1,789	4,930	(3)
Transport & Highways	35,961	20,922	36,924	963
Environment & Sustainability	2,416	508	2,545	129
Community Safety	-	-	-	-
Culture	1,532	689	1,284	(248)
Policy	2,033	1,316	2,028	(5)
Finance & Property	15,337	4,721	12,955	(2,382)
Personnel	298	23	298	-
Economic Development	7,554	2,393	7,561	7
Contingency	530	-	530	-
Total	**120,834**	**46,281**	**113,248**	**(7,586)**

37. In the Children and Young People's Committee, there is a total forecast underspend of £6.0m. This is mainly as a result of slippage against the School Places programme (£4.6m) and savings identified against the School Capital Refurbishment programme (£1.3m).

38. Also in the Children and Young People's Committee, a £0.7m allocation is already approved as part of the 2015/16 capital programme to provide childcare places for disadvantaged two year old children across the County. The Local Authority has approval from the Department for Education to use a further £0.3m of their revenue funding to further this programme.

It is proposed that the Children and Young People's capital programme is varied to reflect the addition to the Early Education Places for Two Year Olds programme.

39. In the Transport and Highways Committee, a forecast overspend of £1.0m has been identified. This is mainly as a result of over-programming against the Road Maintenance and Renewal and Integrated Transport Measures programmes. Work is on-going to drive this forecast overspend down and to manage within the approved budget.

40. In the Finance and Committee capital programme there is a forecast underspend of £2.4m. This is mainly as a result of underspends against the Water Monitoring System (£0.9m), the Sir John Robinson House project (£0.6m) and the Energy Saving Scheme (£0.5m).

41. A remote water monitoring trial (at nil cost) at TBH has not been successful. The supplier has not provided any assurances that the issues can be easily resolved. It is proposed to continue exploring this invest to save proposal but for the time being remove £0.9m associated funding from the capital programme. A further bid for funding will be submitted if confidence in the technical equipment can be improved.

It is proposed that the Finance and Property capital programme is varied to reflect that the Water Monitoring System project will not progress at this stage.

42. An underspend of £0.6m has been identified against the Sir John Robinson House project as works associated with boilers and mains will slip into the next financial year.

It is proposed that the Finance and Property capital programme is varied by £0.6m to reflect the slippage identified against the Sir John Robinson House project.

43. An underspend totalling £0.5m has been identified against the Energy Saving Scheme as, although feasibility and design work is underway on a number of projects, projects are expected to slip into the next financial year.

It is proposed that the Finance and Property Committee is varied by £0.5m to reflect the slippage identified against the Energy Saving Scheme.

Financing the Approved Capital Programme

44. Table 4 summarises the financing of the overall approved Capital Programme for 2015/16.

Table 4 – Financing of the Approved Capital Programme for 2015/16

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People	17,536	26,486	817	5,401	50,240
Adult Social Care & Health	4,124	729	45	35	4,933
Transport & Highways	12,703	22,069	47	1,142	35,961
Environment & Sustainability	1,187	729	500	-	2,416
Community Safety	-	-	-	-	-
Culture	1,232	70	-	230	1,532
Policy	2,029	-	-	4	2,033
Finance & Property	13,348	50	-	1,939	15,337
Personnel	-	118	-	180	298
Economic Development	4,109	3,445	-	-	7,554
Contingency	530	-	-	-	530
Total	**56,798**	**53,696**	**1,409**	**8,931**	**120,834**

45. It is anticipated that borrowing in 2015/16 will decrease by £5.4m from the forecast in the Budget Report 2015/16 (Council 26/02/2015). This decrease is primarily a consequence of:

- £8.9m of net slippage from 2014/15 to 2015/16 and financing adjustments funded by capital allocations.
- Variations to the 2015/16 capital programme funded from capital allocations totalling £7.6m as approved to the November 2015 Finance and Property Committee.
- Net slippage in 2015/16 of £6.7m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

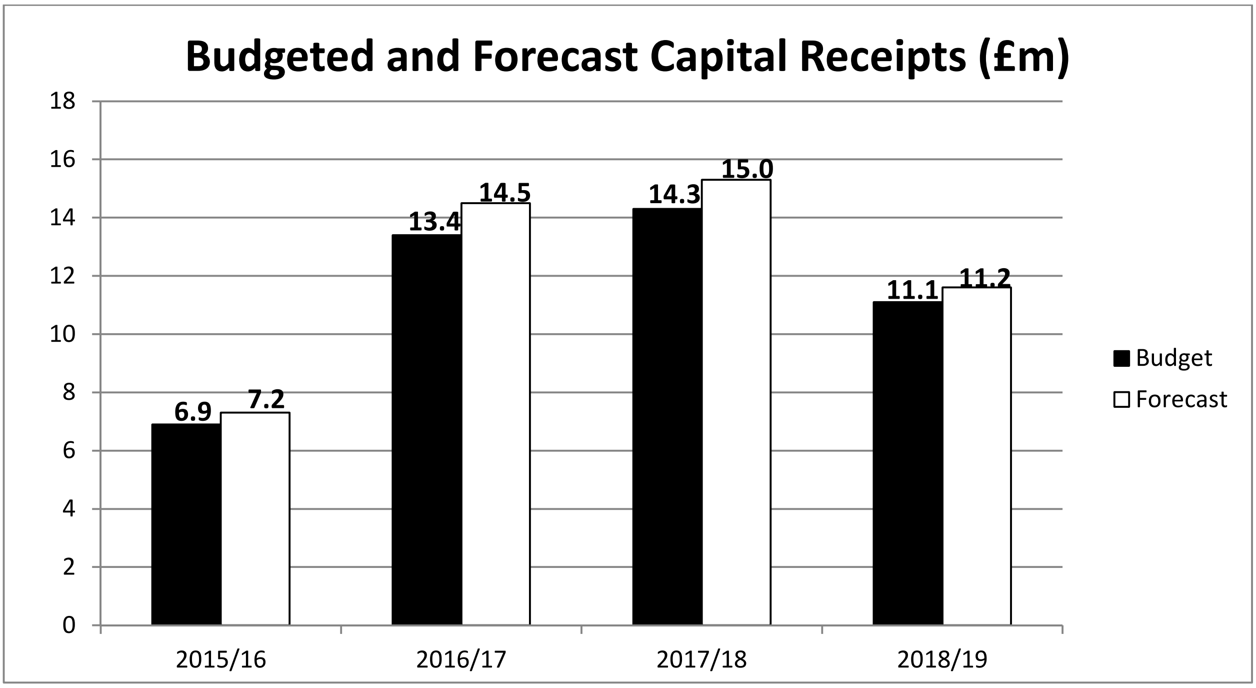
Prudential Indicator Monitoring

46. 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

47. 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.

48. The chart below shows the budgeted and forecast capital receipts for the four years to 2018/19.



49. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2015/16 (Council 26/02/2015). These capital receipts budgets prudently incorporated slippage, giving a degree of "protection" from the risk of non-delivery.

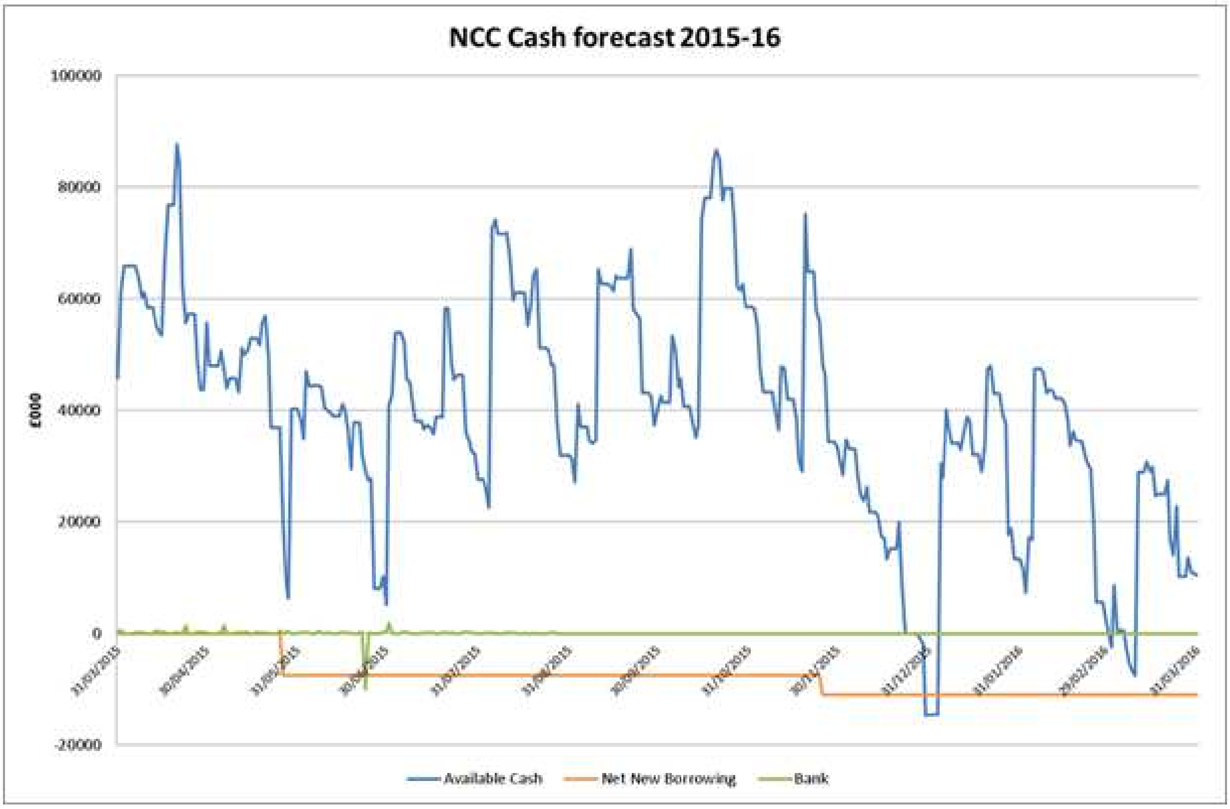
50. The capital receipt forecast for 2015/16 is £7.2m. To date in 2015/16, capital receipts totalling £5.1m have been received.

51. 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 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.

52. 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.

Treasury Management

53. Daily cash management aims for a closing nil balance across the Council's pooled bank accounts with any surplus cash invested in accordance with the approved Treasury Management Policy. Cash flow is monitored by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group. The Cash forecast chart below 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.



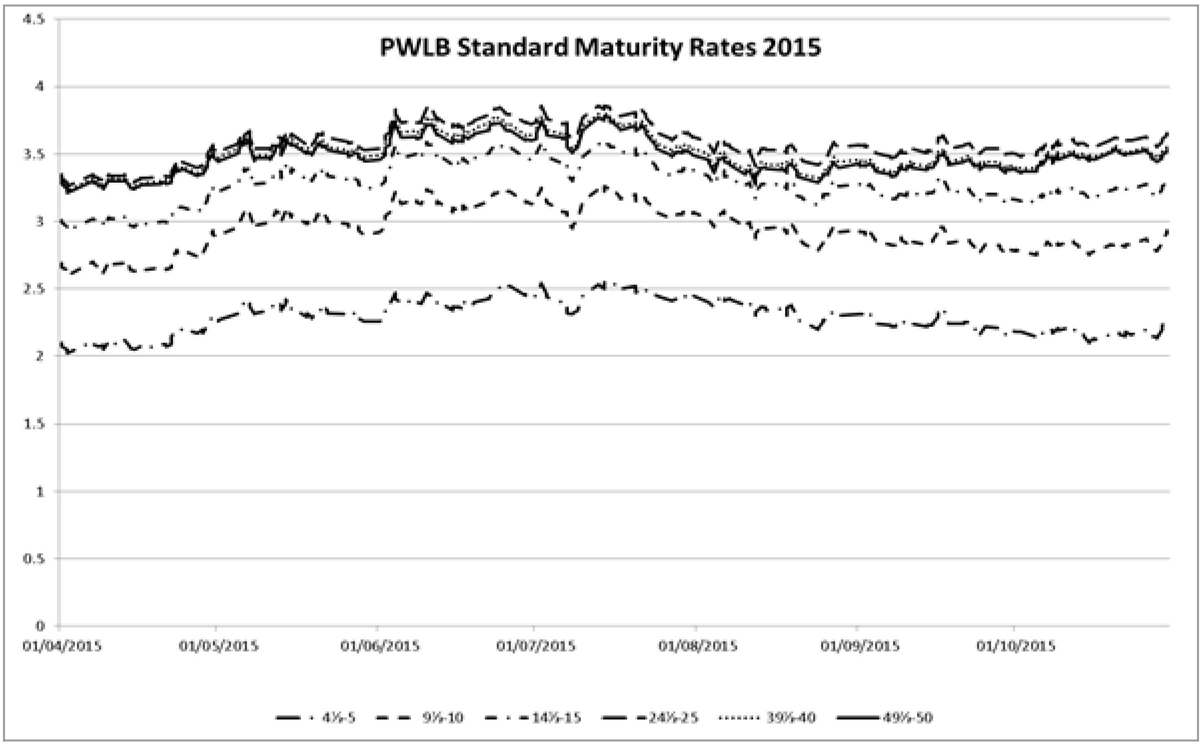
54. The chart above gives the following information:

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.
Available cash	That element of surplus cash held in the Council's Barclays Bank account.

55. The Treasury Management Strategy for 2015/16 originally identified a need for additional borrowing of £78m to fund the capital programme, replenish internal balances and to replace maturing debt. However, this has since been adjusted to nil, in line with the most recent capital monitoring and reserves forecast and the Treasury Management Mid-Year report, which indicates a year-end under-borrowed position of £215m. In other words, the Council reserves and working capital have will allow some £215m of potential debt to be postponed to 2016/17. To date for 2015/16 there has been no new borrowing.

56. However, the forecast above indicates that some temporary borrowing will almost certainly be required, possibly as soon as Dec-Jan, and so the option to take on new long-term PWLB debt will be considered at this time.

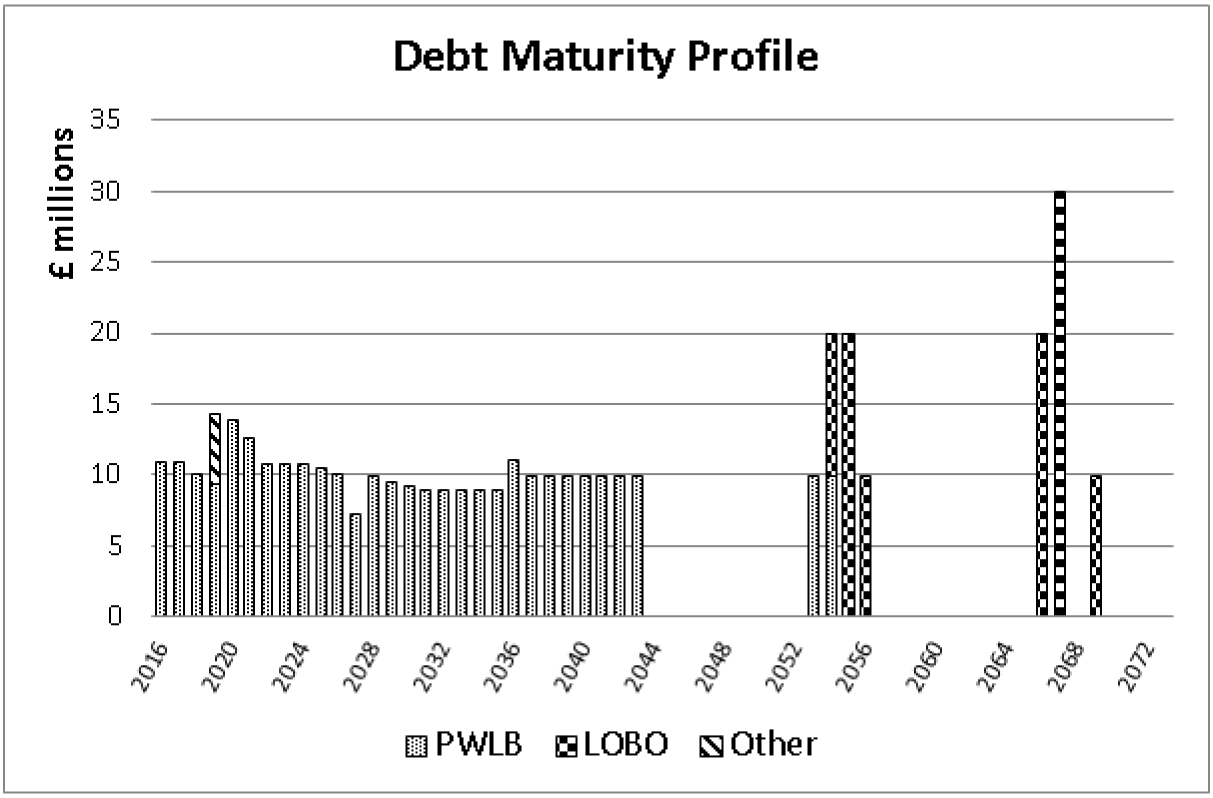
57. PWLB rates are monitored closely in order to feed into decisions on new borrowing. Longer term rates are currently slightly higher than they were at the beginning of the year although they have dropped off recently. Shorter term rates have drifted up by around 0.2%. The Council is able to take advantage of the PWLB “certainty rate” which is 0.2% below the standard rates. The chart below shows the movement in standard PWLB maturity rates during 2015/16.



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

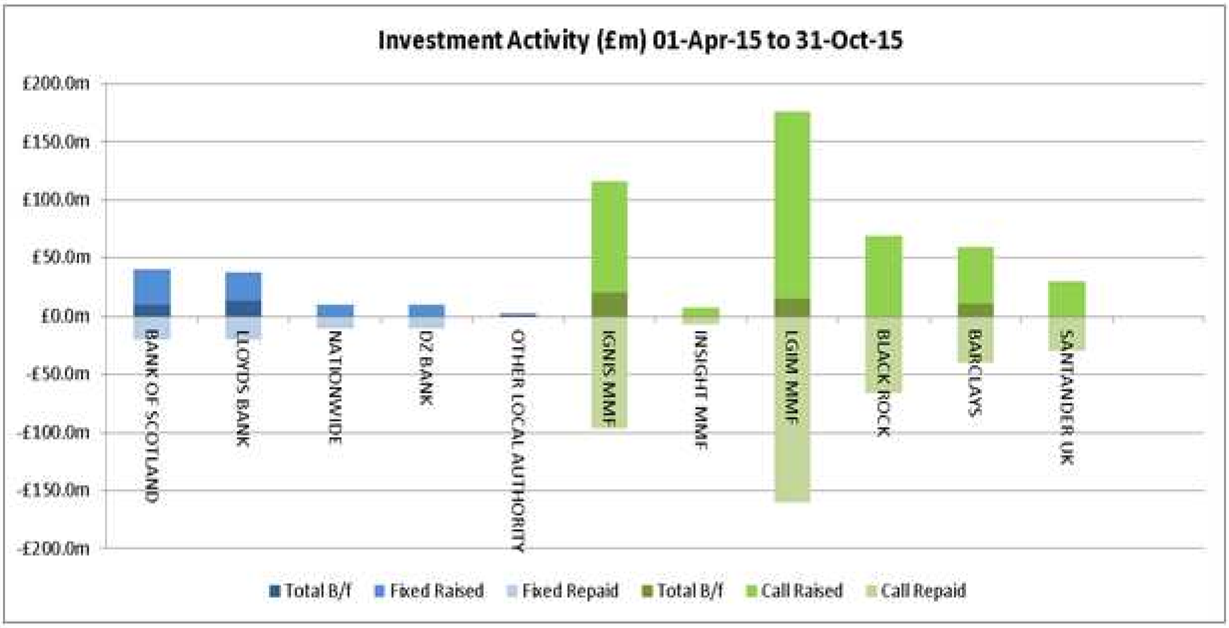
- expected movements in interest rates
- current maturity profile
- the impact on revenue budgets and the medium term financial strategy
- the treasury management prudential indicators

59. 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). These loans are treated as fixed rate loans (on the basis that, if the lender increases the rate at an option point, the Council will repay the loan) and were all taken at rates lower than the prevailing PWLB rate at the time. The ‘other’ loan denotes 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.



60. The investment activity for 2015/16 to the end of October 2015 is summarised in the chart and table below. Outstanding investment balances totalled £70.2m at the start of the year and £98.05m at the end of the period. This is in line with the forecast cash flow profile for the year.

	Total B/f £ 000's	Total Raised £ 000's	Total Repaid £ 000's	Outstanding £ 000's
Bank of Scotland	10,000	30,000	(20,000)	20,000
Lloyds Bank	13,000	25,000	(20,000)	18,000
Nationwide	-	10,000	(10,000)	-
DZ Bank	-	10,000	(10,000)	-
Other Local Authority	1,500	-	-	1,500
IGNIS MMF	20,000	96,250	(96,250)	20,000
Insight MMF	-	6,700	(6,400)	300
LGIM MMF	14,550	161,300	(160,000)	15,850
Black Rock	500	68,250	(66,350)	2,400
Barclays	10,650	49,100	(39,750)	20,000
Santander UK	-	29,500	(29,500)	-
Total	**70,200**	**486,100**	**(458,250)**	**98,050**

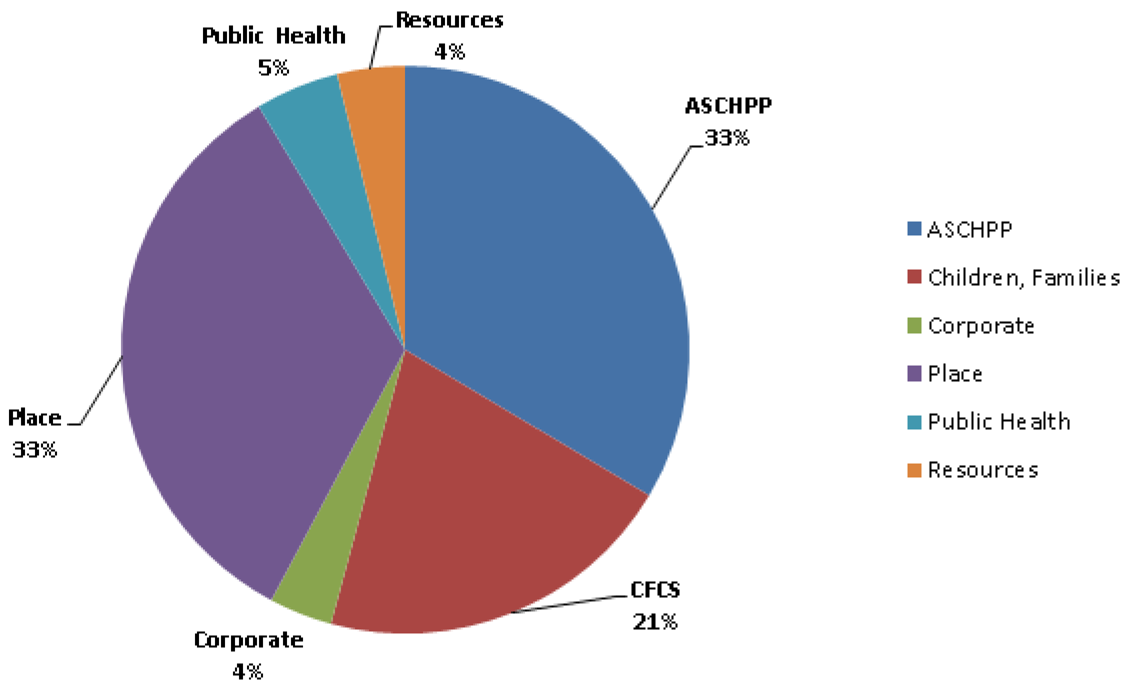


Procurement Performance

61. As an organisation, NCC has spent £366m in the first 7 months of the financial year 2015/16 with external suppliers, which is an increase of £6m from the same period of previous financial year.

62. The top 6.4% (370) of suppliers account for 80% (£292m) of the total supplier spend. The remaining 93.6% (5,389 suppliers) have a total expenditure of £73m with an average spend of £13,500.

63. The chart below shows how the total amount spent, in period, is divided across Departments, almost 60% of all expenditure going through Care (ASCHPP, CFCS and Public Health) and 40% through Resources and Place.



64. The Council's preferred ordering route is through 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 e.g. Frameworki

65. Purchase Orders are beneficial to the organisation as they provide visibility of what we spend. Currently:-
    - Compliant ordering (PO) has increased by 8% in the last 7 months from 30.6% to 38.3% of the total spent
    - Non-compliant (non PO) ordering has decreased by 7% in the last 7 months from 38% to 25% of the total
    - Interface has increased only 5% in the last 7 months from 31% to 36% of the total spent

66. The table below shows the number of retrospective orders in a monthly basis across departments with a reasonable decrease every month.

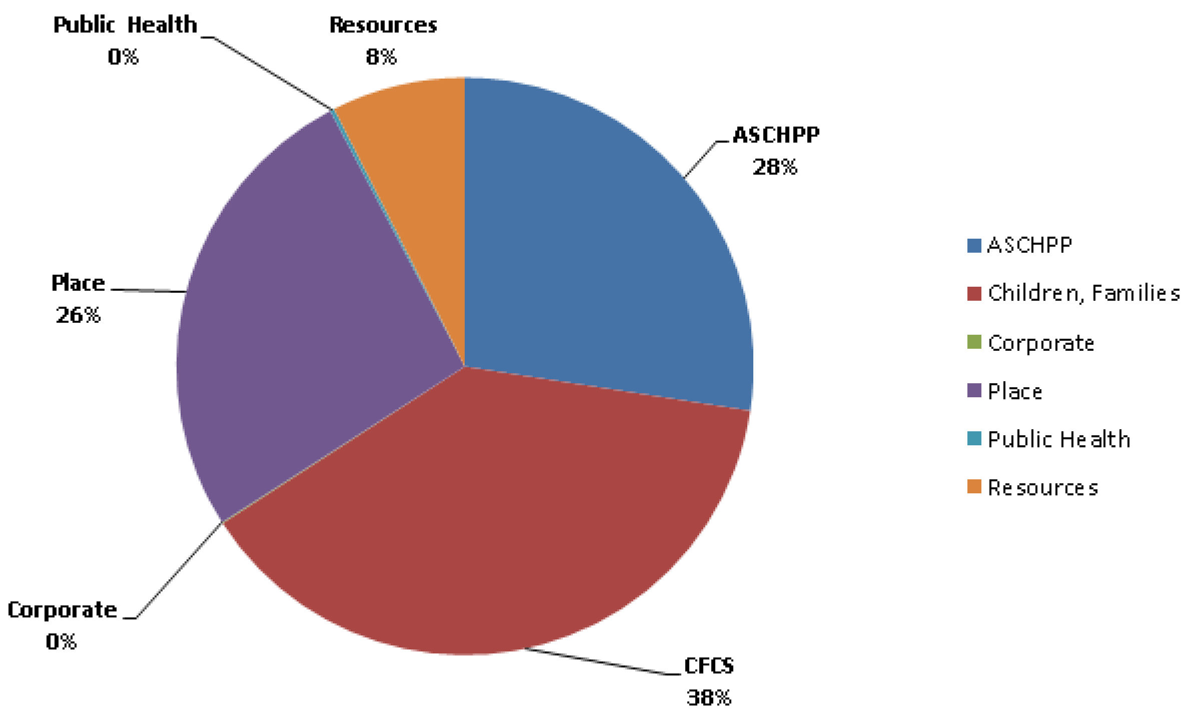
Department	Apr-14	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
ASCHPP	457	349	360	377	346	287	306
Children, Families and Cultural Services	649	496	503	501	472	471	433
Corporate	3	9	0	2	0	2	2
Place	521	469	527	426	405	377	436
Resources	73	77	71	65	80	100	78
Public Health	2	1	0	5	1	1	6

67. The table below shows the percentage of retrospective spent of each department total spent.

	Total Spend	Retrospective Spend	Percentage
ASCHPP	15,791,464.66	£4,526,082.47	28.66%
Children, Families and Cultural Services	21,717,725.82	£7,700,787.56	35.46%
Place	29,268,969.26	£10,251,796.37	35.03%
Corporate	320,010.72	£11,882.00	3.71%
Public Health	383,087.67	£3,547.50	0.93%
Resources	3,732,840.53	£234,436.04	6.28%
Grand total	**£71,214,098.66**	**£22,728,531.94**	**31.92%**

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.

69. The chart below identifies the percentage of total Red orders by Directorate in the second quarter of 2015/16 financial year. The category managers are working with stakeholders to address these figures.



70. A full list of ongoing developments within the Procurement Team is included in Appendix A.

Debt Recovery Performance

Invoices raised in quarter

	Qtr. 2	Year to date
Number	41,078	79,367
Value	£36,765,206	£76,221,491

Debt Position at 30/09/15

	Residential & Domiciliary Care	All Other	Total
Total	£8,531,208	£10,789,746	£19,320,954
Over 6 months	£4,043,081	£1,158,186	£5,201,267
% over 6 months	47.4%	10.7%	26.9%

71. The overall debt increased by over £1.76m during September. The increase was mainly due to the ACFS Residential invoices being raised at the end of the month, which is illustrated by the increase in the overall Residential and Domiciliary care debt figure by £1.73m. The overall other debt figure increased by £24,600. The over 6 months debt increased by over £226,000 during September. The increase was largely down to 2 invoices due from Bassetlaw CCG totalling £178,000 slipping into the over 6 months figures. These invoices have since been paid.

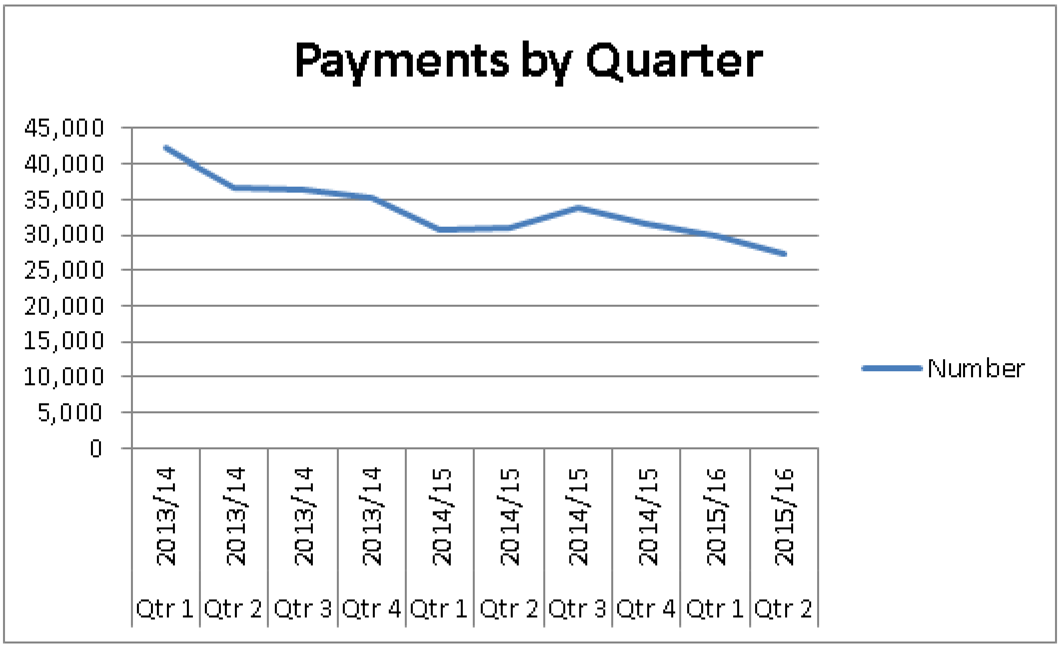
72. There are currently a few large invoices which may also enter into the over 6 months figures during October. There are £92,000 of invoices for Carillion in relation to Cleaning Contract charges, which have been disputed. The relevant NCC staff are currently looking at resolving the issues. In terms of the Residential and Domiciliary care debt over 6 months debt there is currently an invoice for £50,500 which will be paid once the property asset with an Estate has been sold.

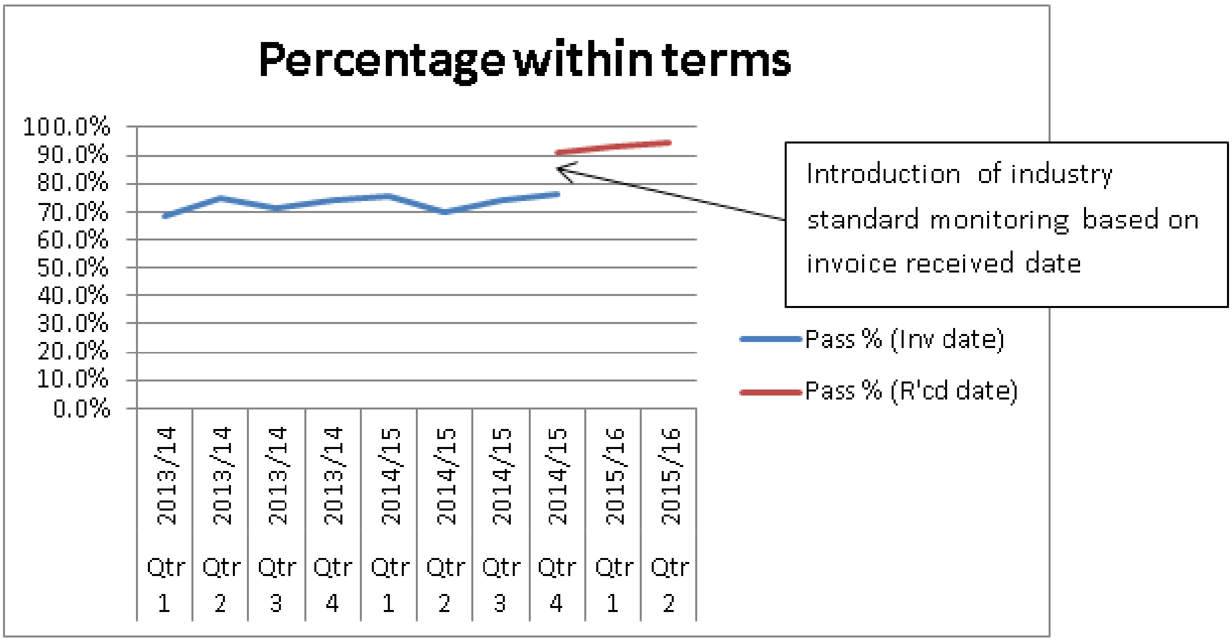
73. During the second quarter we have received repayment of £2,529 following High Court action, £3,348 from 3rd Party Debt Collection agencies and £9,516 following other legal action.

74. Debts of £76,547 were written off as unrecoverable in the quarter following all possible legal action.

Accounts Payable Performance

75. The overall performance in terms of invoices paid within terms has increased slightly to 94.6%.The graphs show that the number of invoices processed by Accounts Payable continues to fall gradually. Much of the recent fall is due to the introduction of the Managed Service Provider (MSP) for Agency staff. This replaces a large number of small value invoices with one consolidated weekly invoice for all staff operating under the MSP.





76. The two procure to pay pilot hubs have been established and went live in May 2015. The hubs operate within the business support function providing a dedicated procure to pay service within the ASCH&PP and CFCS departments at Lawn View House and Sir John Robinson Way. The hubs are working well and a great deal of positive feedback has been received. The next steps in rolling out this new way of working is currently under consideration by the project group.

Statutory and Policy Implications

77. 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 Capital Programme expenditure to date and year end forecasts and approve variances to the Capital Programme

3) To note the Council's Balance Sheet transactions

4) To note the performance of the Procurement Team

5) To note the performance of the Accounts Payable and Accounts Receivable teams

Nigel Stevenson Service Director – Finance, Procurement and Improvement Division

For any enquiries about this report please contact:
Glen Bicknell - Senior Finance Business Partner, Senior Accountant
Simon Cunnington - Senior Accountant, Pensions and Treasury Management

Constitutional Comments (HD 23/11/15)

82. Committee has the authority to determine recommendations within the report.

Financial Comments (GB 20/11/2015)

83. The financial implications are stated within the report itself.

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'