



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Resources

LEAD OFFICER: Director of Finance and IT

DATE: 14th July 2016

**PORTFOLIO/S
AFFECTED:** All

WARD/S AFFECTED: All

KEY DECISION: YES NO

SUBJECT: CORPORATE BUDGET MONITORING REPORT - 2015/16 outturn position

1. EXECUTIVE SUMMARY

To report the overall financial position of the Council, for both capital and revenue as at 31st March 2016, highlighting major issues and explaining variations since the last report.

To determine the year end position with regard to portfolio under/overspends.

To consider the position with regard to earmarked reserves.

2. RECOMMENDATIONS

That the Executive Board:

- a) Notes the final capital outturn as per Appendix 1, together with the variations shown in Appendix 2.
- b) Agrees that the slippage of £7.348 million in the 2015/16 capital programme shall be carried forward and for the 2016/17 capital programme to be amended accordingly.
- c) Approves the portfolio cash limit adjustments outlined in Appendix 3
- d) Agrees that there will be no general carry forward of underspends in respect of portfolio cash limits, but agrees to the specific amounts shown in Appendix 3 being carried forward from 2015/16 to 2016/17.
- e) Agrees to the earmarked reserves position shown in Appendix 4 and
- f) Agrees to the variations to revenue expenditure listed in Section 6.5 which would result in a revised balance of £5.067 million on the unallocated reserves at 31 March 2016.

3. BACKGROUND

All portfolios are required to examine their revenue and capital budget position on a monthly basis. Regular reports are submitted to Executive Board for review along with a final report, detailing the financial outturn position.

4. KEY ISSUES

CAPITAL

a) The aggregate cost of the Council's capital investment in 2015/16 was £65.548 million. In March this was estimated to be £72.815 million. The variance of £7.267 million is made up of £7.084 slippage and an increase to the capital programme of £83,000 as itemised in Appendix 2.

b) Capital receipts to the value of £9.690 million were received in 2015/2016 and used in capital financing, as shown in Appendix 1. The revised estimate last reported was £9.700 million.

REVENUE

c) The draft, unaudited 2015/16 statement of accounts report that the Council's net expenditure was £142.172 million which compares to the original budget for 2015/16 of £138.175 million, i.e. an increase in expenditure of £3.997 million.

UNALLOCATED RESERVES

d) General Fund unallocated reserves stand at £5.067 million. At 31st March 2015 these stood at £6.651 million. The reduction relates to a number of transfers to/from unallocated reserves that were approved during the year.

EARMARKED RESERVES

e) The Council holds earmarked reserves for discretionary purposes. These include;

- £2.453 million to fund improvements to assets, infrastructure and IT
- £6.787 million to meet the cost of downsizing and transformation in future years including meeting redundancy costs
- £3.465 million for People and Place services
- £0.413 million for invest to save projects
- £1.311 million set aside in respect of the council tax support scheme, business rates and welfare reform.
- £2.475 million in respect of unspent grants and contributions carried forward.

f) The Council also holds reserves of £1.401 million for specified non-discretionary purposes. A further £19.760 million is available for spending for Schools and Education, and £0.363 million is held in respect of joint arrangements, charitable purposes and other ring-fenced commitments.

5. POLICY IMPLICATIONS

This report accords with the capital strategy and the three year budget forecast within the Medium Term Financial Strategy 2015-18, as approved at Finance Council on 2 March 2015.

6. FINANCIAL IMPLICATIONS

6.1 CAPITAL PROGRAMME

The variations in projected spend and resource availability for 2015/16 are summarised by portfolio in Appendix 1. Variations in spending are set out in Appendix 2.

The total variation at outturn in the Capital Programme compared to the last report approved by Executive Board is £7.265 million, of which £4.4 million relates to slippage on the Schools capital

programme. The major capital variations to note are as follows:

6.1.1 Health & Adults Social Care

- The demolition of Longshaw home for older people will only commence in 2016/17. The total estimated cost of this scheme was £185,335 and in year only £31,000 has been spent, with £145,000 already slipped into 2016/17 to cover the demolition and survey costs. It is requested that the remaining £10,000 is also slipped into 2016/17 to assist with the demolition costs.
- A combined underspend of £21,000 is reported on the Disabled Facilities Grant and telecare project capital schemes.

6.1.2 Children's Services

- Disabled Facilities Grant – This is a 'needs' led investment with applications being received throughout the year. As this process involves several stakeholders, it is difficult to accurately predict during the year what the actual outturn spend will be for the year. The position has now been quantified at closure and resources amounting to £129,000 can be carried forward to be utilised in 2016/17.
- Early Education of Two Year Olds – It is requested that £46,000 is slipped into 2016/17. It has been identified that there are some areas of the borough where eligibility for 2 year old places is high, but there is an undersupply of provision. A full assessment of childcare sufficiency is being undertaken, to identify areas of under or over supply and will determine a forward expenditure plan for the remaining capital monies.

6.1.3 Environment

- Highways Network Recovery – An underspend of £348,000 is reported and it is requested that this is utilised in 2016/17. A reserve list of schemes has been developed and the Executive Member has agreed a programme for 2016/17.
- Street Lighting – An underspend of £1.033 million is reported due to less column and lantern replacement works than originally anticipated.
- Darwen Ordinary Water Course – Grant of £200,000 was received from Department of Environment in March 2016 to fund the flood asset improvement for replacement debris screens on the River Darwen. It is requested that the full £200,000 is slipped into 2016/2017 as the grant was received late in 2015/2016 and could not be utilised in year.
- The Environment Portfolio is also reporting slippage on the following programmes:

Blackburn Surface Water Management	£24,000
Darwen Surface Water Management	£21,000
Blackburn with Darwen Culvert Study	£12,000

Approval to slip the above amounts into 2016/17 is requested.

6.1.4 Leisure, Culture and Young People

- Witton Park Athletics Development – An overspend of £247,000 is reported on this project.

This is due to changes made to the specification as a result of findings from the ground condition survey. The survey identified that alterations were required to the specification to protect the building from flood risk.

- Library Frontage – An overspend of £128,000 on this project is reported which includes £33,750 to cover the retention costs. This is due to several delays including the postponement of phase 2 due to the Christmas period and delays in the delivery of materials from the quarry.
- Waves Demolition – The Waves site is currently being demolished. The spend incurred in 2015/16 was £102,000 which is reported as an overspend. It had been assumed that all of the demolition costs would be incurred by 31st March 2016 however due to the timing of the work there will be further spend of £345,000 in 2016/2017 to complete this.
- Blackburn Leisure Centre Replacement – £208,000 is requested to be slipped into 2016/2017 as the final defects and accounts have not yet been received.
- Bangor Street – A request is made to slip £25,000 on this scheme to cover further works required on the boiler.
- Making Rooms - A grant was received from The Arts Council of £275,000 to fund the equipment and materials for this project. Making Rooms will occupy the former Bentleys site, thereby changing its use to an art technology and manufacturing hub. It is requested that £36,000 of the funding and capital expenditure is slipped into 2016/2017 to cover the remaining project costs.

6.1.5 Neighbourhoods, Housing & Customer Services

- Bank Top and Griffin – There are still acquisition costs to be paid on this scheme in respect of the purchase of a property on Stansfield Street. The current owner is still preparing their new property in order to relocate. A request is made to slip £57,000 into 2016/17 to cover the costs associated with this.
- Insulation for Hard to Treat Places – A request is made to bring forward £13,000 from the future years' programme to cover the costs incurred in year.
- Neighbourhood Intervention Fund – There are a number of empty properties that have been compulsory purchased by the Council, however claims from the former owners remain outstanding. As it is difficult to predict when these claims will be made, it is requested that £54,000 is slipped into 2016/17 to cover costs in the event of a claim.
- Equity Loans – Equity Loans are issued when homes are compulsory purchased by the Council to assist with the homeowner's relocation expenses. An expected loan was not completed in 2015/2016 and funds of £42,000 are still required to complete this in 2016/17. A request to slip the funds into 2016/2017 is therefore made.
- Empty Homes Cluster – A request is made to slip £60,000 to 2016/2017. The intention is to utilise these monies to fund additional properties in bringing empty homes back into use.
- CCTV Hub – This capital scheme was added to the program in March 2016. As the scheme is not yet completed, request is made to transfer funds of £439,000 to 2016/2017.

- Alley Gating – There is an underspend of £25,000 reported on this project.
- Other Neighbourhoods, Housing and Customer Services schemes where slippage is required are listed below:

Group Repair slippage - £3,000
Other Acquisition Costs - £10,000

6.1.6 Regeneration

- Assistance to Industry - Slippage to 2016/2017 of £39,000 is requested. The full budget for 2015/2016 has been committed in the form of grant offers to business however most of these grants are paid in 2 instalments with the balance paid on the creation of new jobs; payments in respect of some of these grants are only due to be made in 2016/2017.
- New Blackburn Market – An overspend of £55,000 is reported. This was to cover unexpected rewiring costs.
- Redevelopment of Market Site – A request is made to slip £266,000 into 2016/17. Expenditure on project fees and compensation to the former perimeter shops was estimated at £376,000 however the actual spend in year was only £109,000 as not all the anticipated payments were made. This will result in £816,000 being available in 2016/2017 to cover outstanding project fees, compensation and demolition costs (including the Exchange building).
- Cathedral Quarter – An overspend of £100,000 is reported on this scheme reflecting required variations to highway works following design changes to the original specification.
- Pennine Reach – This scheme has been re-profiled as a result of payment of the final DFT grant instalment ahead of schedule in 2015/2016. Main programme funding has been brought forward to cover costs incurred in the year and £300,000 Section 106 funding has also been utilised.

Based on both the current and the forecast expenditure across the whole of the Pennine Reach programme, an overspend of £2.3 million is anticipated (which includes spend arising from the Bus Station and Furthergate development). We are still finalising the overall programme and will report on the overall financial position of this on completion of the scheme.

- M65 J5 Signalisation – Slippage is requested of £170,000.
- Clitheroe to Manchester Rail Improvements – An overspend of £238,000 is reported on this scheme, which has arisen from unforeseen exploratory mining works and delays on the scheme as a result of the Farnworth Tunnel project. There is still a risk that the Council could face further costs dependant on the findings from the exploratory works. Network Rail are currently compiling a Risk and Fee fund application that would compensate for these unforeseen costs.

6.1.7 Resources

- Corporate ICT –The following ICT capital schemes are not yet complete and slippage is requested as follows:

Capital Scheme	Future Years Capital Programme	Slippage	Revised Future Years Capital Programme
Monitor & Management Service System	£110,000	£21,000	£131,000
System Migration	£0	£21,000	£21,000
Digital Services	£243,000	-£4,000	£239,000
Public Access – PC deployment	£150,000	£139,000	£289,000
Communications and Network	£0	£197,000	£197,000
Replacement Infrastructure	£603,000	£431,000	£1,034,000
HR System	£0	£48,000	£48,000
Till and Stock System	£0	£42,000	£42,000
Virtual Learning Environment	£0	£5,000	£5,000

- Corporate ICT Adult Social Care System – The scheme has been reduced by £72,000 to adjust for the part financing from Health and Adults Social Care PSS capital grant which had previously been reflected as an increase in the total cost of the scheme. A request is made to slip £29,000 into 2016/2017 to complete the scheme.
- Old Town Hall/Tower Block Complex– Slippage of £68,000 is requested on this scheme. This will bring the total future year’s capital budget to £1,924,000.
- Freckleton Street Acquisitions – An overspend of £420,000 is reported on this scheme this year. In the main this is due to higher than expected exhumation costs, and savings on the road construction not being realised to fund the archaeology works. A further spend of £770,000 will be incurred in 2016/2017 to complete the reburials and archaeology works.
- Griffin Lodge – Work has not commenced on this scheme yet and as such a request is made to slip a further £170,000 into 2016/2017.
- Disposal of Land At Whitebirk Industrial Estate – The demolition required at Whitebirk Industrial Estate will only complete in 2016/17, therefore slippage of £135,000 is requested.
- Via Investment – Due to the administration of Via (Connexions), the Council was required to pay the original investment loan of £300,000 to Lancashire County Council who had funded this initially on behalf of the Council. This was funded from reserves.

6.1.8 Schools and Education

- Building Schools for the Future – An underspend of £240,000 is reported on this scheme.
- Audley Junior - £32,000 has been funded from future years’ budgets to cover the costs of works on the campus incurred in this financial year.
- Avondale – Cost savings of £30,000 have been realised on this scheme.
- Daisyfield – Cost savings of £7,000 have been realised on the fencing works.

- Lower Darwen – Cost savings of £10,000 have been realised on this scheme.
- Holy Trinity – Cost savings of £14,000 have been realised on this scheme.
- Lammack – A new scheme of £200,000 was introduced to cover classroom refurbishment costs. In 2015/2016 only £15,000 was spent so slippage of £185,000 is requested. This scheme is funded from the Schools Unallocated Capital Fund.
- Longshaw Infants – The anticipated costs for the extension and internal remodelling work have increased by £105,000. £65,000 of this is to be funded by a contribution from the school and a further £40,000 will be funded from the Schools Unallocated Capital Fund. As the work will only be completed in 2016/2017 slippage of £68,000 is requested.
- Holden Fold – The overall costs on repairs to the security system and demolition have increased by £13,000, which will be funded from the Schools Unallocated Capital Fund. The demolition works will only be completed in 2016/2017 so a request to slip £85,000 is requested.
- A number of schemes have been introduced and funded from the Schools Unallocated Capital Fund:

School	Amount of Scheme	Details
Ashworth Nursery	£1,000	Repointing and Repairs
Brunel Nursery	£8,000	Refurbishment of playground
Belmont	£6,000	An additional £6,000 from unallocated reserves was required to cover the full costs of wall repairs and replacement windows.
Brookhouse	£6,000	An additional £6,000 from unallocated reserves was required to cover the full costs of toilet refurbishments.
Feniscowles	£2,000	Footpaths
Griffin Park	£22,000	Footpaths
Intack	£57,000	Extension of classrooms
St Thomas	£7,000	Refurbishment of playground
St Thomas PRU	£20,000	An additional £20,000 from unallocated reserves was required to cover the full costs of roofing and heating repairs.
Newfield ASD	£239,000	Demolition works in readiness for new build.

6.2 CAPITAL RECEIPTS

Actual capital receipts at the end of March 2016 were £9.69 million; all of these were fully utilised in the financing of the capital programme.

6.3 CASH LIMITS AND REVENUE EXPENDITURE

6.3.1 Revenue Budget Overview

The statement of accounts shows that overall net expenditure of the Council was £142.172 million compared to an original budget of £138.175 million (before the use of reserves). This is summarised in the table below:

	Original budget	Actual outturn	Variations
	£ 000's	£ 000's	£ 000's
Portfolio cash limits	112,848	119,412	6,564
Interest and MRP	24,521	21,612	(2,909)
Other	806	1,148	342
Net expenditure	138,175	142,172	3,997
(Use of)/ contribution to reserves	(2,983)	(6,670)	(3,687)
Total net expenditure	135,192	135,502	310
<i>Financed by:</i>			
Government Grants	70,067	70,377	310
Business Rates share	23,099	23,099	0
Council Tax	42,026	42,026	0
Total financing	135,192	135,502	310

The original budget planned to use £2.983 million of reserves but at outturn there has been a net contribution from earmarked and general reserves of £6.670 million resulting in an increase in usage of £3.687 million; this includes approved variations previously reported to Executive Board during the year. The reasons for this are shown below:

	£ 000's
Further use of reserves to support budgets (previously reported)	- 3,663
Change to MRP Policy (previously reported)	+ 1,733
Lower interest and debt repayment costs (previously reported)	+ 1,108
Other net variations (previously reported)	+ 25
Further use of reserves to support budgets as reported this time (Appendix 4)	- 1,001

Budgets to be carried forward as reported this time (Appendix 4)	+ 2,268
Savings from contingencies not required	+ 169
Net overspend against portfolio cash limits	- 4,727
Savings in respect of schools (DSG)	+ 312
Business rates refund – car parks	+ 255
Additional government grant income	+ 89
Via Investment (reimburse LCC)	- 300
Further savings in relation to interest and debt repayment costs	+ 67
Other net variations	- <u>22</u>
TOTAL	- <u>3,687</u>

6.3.2 Performance against cash limits

Appendix 3 details the approved cash limits and the final adjustments/variations now requested. Overall, Portfolios have spent £4.726 million more than their approved cash limits, assuming all adjustments shown in Appendix 3 are approved, which represents an aggregate variation of 4.12%. Explanations for each portfolio are shown below.

Health & Adult Social Care

The portfolio spent a total of £4,860,000 (or 13.3%) above its cash limit as noted below.

Adult Services

The Adult Services department was anticipating an overspend against its cash limited budget in the region of £4.5m for 2015/16 due to an overall upward trend in demand pressures and the increasing complexity of service needs continuing throughout the course of the year. The actual position at the year end is an overspend of £4.86m against the cash limit.

Pressures across the commissioning budgets totalled around £6m due to increased demand in the areas of home care, residential care, direct payments and a proportion of clients with very complex needs leading to higher costs. The portfolio has mitigated pressures in the year, as much as service needs would allow, including greater use of modern technologies such as telecare, utilising new ways of working such as reablement and accelerating work with our external efficiency partner Newton Europe. However not all of the pressures within ASC could be contained.

The pressure on Adult Social Care budgets is not just a local issue; the pressures have been recognised nationally.

Public Health

The outturn position for Public Health department is break even after the transfer of ring-fenced grant funding of £244,700 to the Public Health Reserve and £326,400 to the Transforming Lives Reserve. These transfers arise as a result of slippage and will be utilised for continuation of the programme in 2016/17.

Children's Services

The portfolio spent £2,500 below its cash limit. Managed savings across the portfolio mitigated the demand led pressures in the volatile area of commissioned placements expenditure.

Environment

The final outturn position was an overspend of £163,500 having previously reported a pressure of £161,000. Highways reactive and planned maintenance budgets have overspent and the bad weather over the Christmas and New Year periods gave rise to additional pressures on the Drainage budgets.

Leisure, Culture and Young People

The portfolios outturn position for 2015/16 is an overspend of £14,700. The department had previously reported a potential overspend of approximately £200,000 however at outturn, savings identified on staffing costs and increases in income relating to the Leisure budgets offset the majority of the forecast overspend.

Neighbourhoods, Housing and Customer Services

The final outturn position was £57,700 below the adjusted cash limit. Savings on the portfolio arose from rental income relating to Outreach support and underspends on salary budgets.

Regeneration

The final outturn for the portfolio including Regenerate Pennine Lancs (RPL) was an over spend of £2,200. The portfolio had previously reported pressures of £124,000 but savings identified at the year end in relation to Concessionary Fares largely offset the pressures. The portfolio also returned £255,000 to reserves in respect of windfall savings from business rates refunds for car parks.

Resources

The final outturn for the portfolio was an underspend of £64,700 below the cash limit. Savings were identified in relation to corporate property income, telephony, MFD printer/photocopiers and business support.

Schools and Education

The outturn position was an £188,700 underspend against the portfolio's cash limit after carrying forward £95,000 to reserves to cover any administration costs arising from the wind-up of Via (Connexions). The savings arose from vacant posts together with windfall savings from rates refunds and income.

Dedicated Schools Grant

Schools & Education funding from DSG is monitored by the Schools Forum and reports are considered on a regular basis.

The non-delegated budgets within the DSG spent £3.39 million below the available funding after an increase in charges in respect of central costs of £1.36 mill; this level of underspend is consistent with that of 2014/15 (£4.07mill). The Council and the Schools Forum have recognised

that the reserve may need to be used to assist with any transitional arrangements arising from the new National Schools Funding Formula being introduced by Central Government. It is anticipated that the changes in formula will almost certainly mean a reduction in overall DSG allocation to BwD. The underspend has been added to the balance of £8.07 million previously carried forward to provide a carried forward amount of £11.46m.

With regards to the Budgets delegated to individual schools, these have produced a net overspend for the year of £3.078m resulting in a reduction in the carried forward level of reserves to £8.305m.

6.4 COLLECTION FUND

6.4.1 Council Tax

Income from council tax in 2015/16 was £144,292 lower than the original estimate thereby reducing the cumulative surplus carried forward to £70,687. The Council's share of the surplus is £60,102.

6.4.2 Business Rates

The collection rate for business rates has again improved over the previous year however the total amount of income generated through business rates has reduced. A cumulative surplus of £415,700 in relation to the Council's share of business rates was anticipated for carry forward at the year end, however this was in fact a cumulative deficit of £228,917.

6.5 GENERAL FUND UNALLOCATED RESERVES

Note: In this paragraph predicted underspending leads to an increase in reserves and is shown as a plus (+) and overspending is shown as a minus (-).

	£000	£000
Forecast Unallocated Reserves following Executive Board 12 March 2016		9,517
<i>Variations now requested:</i>		
Contingencies no longer required and transferred into unallocated reserves	+ 169	
Windfall income from business rates on car parks	+ 255	
Additional government grant income	+ 89	
Net savings in respect of interest and debt repayment	+ 67	
Savings in "ringfenced" budgets	+ 21	+ 601
Net overspendings on portfolios	- 4,727	
Via Investment (reimburse LCC)	- 300	
Other net variations	- 24	- 5,051

6.6 EARMARKED RESERVES

Earmarked reserves held for discretionary use by the Council are £18.305 million. These reserves will reduce as they support future planned expenditure and the use of £2.897 million has previously been agreed to support the 2016/17 budget. Other earmarked reserves, largely in respect of schools, are currently £20.123 million. Details of all earmarked reserves are shown in Appendix 4.

6.7 BALANCE SHEET POSITION

6.7.1 Overview

Good balance sheet management assists in the effective use and control over the Council's assets and liabilities. Key assets comprise the Council's tangible fixed assets, debtors, investments and bank balances. Key liabilities include long and short-term borrowing, creditors and reserves.

6.7.2 Non-current Assets

Tangible non-current assets include property, plant and equipment held by the Council for use in the production or supply of goods and services, for rental to others or for administrative purposes. Property assets are the responsibility of the Resources portfolio. One fifth of all assets are re-valued every year, and annual reviews are undertaken to establish whether any impairment or other adjustments need to be applied. New assets, and enhancements to existing assets, are managed by way of the capital programme, as reported on in Appendix 1.

6.7.3 Borrowing and Investments

Long term borrowing requirements flow from the capital programme. Regular dialogue and meetings take place between the Director of Finance & IT, her staff and the Council's independent Treasury consultants, Arlingclose, and options for optimising borrowing requirements are actively reviewed.

No long term borrowing was taken in 2014/15 or in 2015/16. Short term borrowing has historically been used to help with cash flow management however for the last two years; short term borrowing has also been used strategically to cover the borrowing requirements generated by the capital programme and the repayment of existing long term debt. This has generated significant revenue savings and has reduced investment exposures and risk. Going forward, it is recognised that this approach could impact on the Council's opportunities for obtaining the maximum benefit from future interest rate changes and as such will continue to be monitored.

The Council's surplus cash balances are managed on a day to day basis in line with the Treasury Management Strategy approved by Finance Council. The Council spreads its investment risk over a number of institutions and has limits on how much can be invested in any one institution and for how long. The list of approved institutions is kept under regular review by the Treasury Management Group in conjunction with information from the Council's treasury consultants.

Outturn variations, compared to final monitoring, included increased interest and dividends earned of £40,000 and further savings on borrowing costs of £28,000.

Treasury debt and investments at Year End were as follows:

	Amounts at 31/03/16 £000	Amounts at 31/03/15 £000
Short term borrowing	18,500	5,000
Long term borrowing	134,684	140,485
Transferred debt re Local Government Re-organisation	16,658	17,352
Recognition of debt re PFI arrangements	70,095	71,536
Investments made by the Council	10,550	7,460

The totals include the debt recognised on the balance sheet as a result of accounting adjustments in respect of bringing into use the new BSF school buildings which are financed through PFI arrangements. These adjustments are made to ensure that the Council's effective control over, and use of, these assets is recognised with corresponding adjustments to the debt. These changes do not add to the costs faced by the Council Tax payer as the actual capital costs for these schools form part of the ongoing stream of payments made to the PFI contractor (which are in turn largely offset by PFI grant funding from the Government).

6.7.4 Debtors

The Council has a corporate debt policy and more specific policies for the key areas of council tax, business rates, housing benefit overpayments, sundry debts and adult social care. The table below summarises the collection performance of the various debts and the total outstanding debt in the respective areas at a single point in time, i.e. 31st March.

	Position at 31/03/16	Position at 31/03/15
Council tax		
Current year arrears (£000)	2,633	2,352
Previous year arrears (£000)	6,318	5,331
Total Council tax arrears	8,951	7683
Collection rates	95.37%	96.05%
Business rates		
Current year arrears (£000)	1,122	1,275
Previous year arrears (£000)	1,680	1,620
Total Business rates arrears	2,802	2,895
Collection rates	99.2%	98.1%
Housing Benefit		
Overpayments balances (£000)	2,716	2,294
Collection rates	99.2%	98.1%
Sundry debt		
Arrears balances (£000)	4,944	3,807
Collection rates	87.81%	88.95%

Adult Social Care debt		
Arrears balances (£000)	410	495
Collection rates	79.59%	78.92%

6.7.5 Creditors

In general, the Council's policy is to ensure that all creditors are paid within the contractual terms agreed, with a view to optimising cash flow benefit. However for the time being, in response to the Government's request to assist businesses during the recession, the Council is aiming to pay all trade creditors within 10 days of receipt of invoices. Performance in this respect is shown in the table below. Performance has dropped in the last 3 months of the year on transfer of services back to the Council from Capita due to a number of technical and process problems that occurred resulting in a back log of invoices over the transition period. The back log has now been cleared and performance has improved.

Month	Balance at end of month £'000	Percentage paid within 10 days		
		In month	Year to date	Equivalent previous years
April	1,288	88.67%	88.67%	82.12%
May	23	87.65%	88.14%	84.97%
June	2,417	88.15%	88.15%	85.30%
July	28	87.73%	88.02%	84.33%
August	70	84.62%	87.44%	84.68%
September	267	79.28%	85.98%	84.85%
October	20	83.53%	85.62%	84.63%
November	1,208	84.46%	85.49%	84.04%
December	-440	81.61%	85.03%	76.20%
January	124	79.68%	84.61%	78.27%
February	298	56.14%	82.28%	83.02%
March	1,319	69.05%	80.80%	83.52%

7. LEGAL IMPLICATIONS

The Council has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified.

8. RESOURCE IMPLICATIONS

None

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. (*insert EIA link here*)

Option 3 In determining this matter the Executive Board members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

Regular and frequent consultation with service departments is an essential feature of the budget monitoring process.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION:	0.01
-----------------	------

CONTACT OFFICER:	Julie Jewson, Senior Finance Manager Gaynor Simons, Deputy Finance Manager
DATE:	14/07/2016
BACKGROUND PAPER:	Budget Monitoring Reports presented to Executive Board during 2015/16

