REPORT REFERENCE NO.	**RC/17/4**
MEETING	**RESOURCES COMMITTEE**
DATE OF MEETING	**8 FEBRUARY 2017**
SUBJECT OF REPORT	**FINANCIAL PERFORMANCE REPORT 2016-17 – QUARTER 3**
LEAD OFFICER	**Treasurer to the Authority**
RECOMMENDATIONS	***(a) That it be recommended to the Devon & Somerset Fire & Rescue Authority that:*** ***(i) it approves a transfer of £0.281m to Earmarked Reserves to fund the extension of the Home Fire Safety pilot, as outlined in paragraphs 9.1 to 9.5 of this report;*** ***(ii) the proposed budget virements, as outlined in paragraph 11.6 of this report, be approved.*** ***(b) Subject to (a) above, the monitoring position in relation to projected spending against the 2016-17 revenue and capital budgets be noted;*** ***(c) That the performance against the 2016-17 financial targets be noted.***
EXECUTIVE SUMMARY	This report provides the Committee with the third quarter performance (to December 2016) against agreed financial targets for the current financial year. In particular, it provides a forecast of spending against the 2016-17 revenue budget with explanations of the major variations. At this stage in the financial year it is forecast that spending will be £1.957m less than budget, equivalent to 2.64% of the total budget. This saving aligns with the strategy to deliver in-year savings and is largely attributable to the ongoing crewing changes as a result of the last Corporate Plan together with a strategy to hold vacancies when staff leave the organisation. The report includes a recommendation to utilise an amount of £0.281m from this year's forecast underspend to invest in a new approach to the delivery of Home Fire Safety Visits (HFSV) and checks.
RESOURCE IMPLICATIONS	As indicated in the report.
EQUALITY IMPACT ASSESSMENT	An initial assessment has not identified any equality issues emanating from this report.
APPENDICES	Appendix A – Summary of Prudential Indicators 2016-17.
LIST OF BACKGROUND PAPERS	None.

1. INTRODUCTION

1.1 This report provides the third quarterly financial monitoring report for the current financial year, based upon the position as at the end of December 2016. As well as providing projections of spending against the 2016-17 revenue and capital budget, the report also includes forecast performance against other financial performance indicators, including the prudential and treasury management indicators.

1.2 Table 1 below provides a summary of performance against the key financial targets.

TABLE 1 –PERFORMANCE AGAINST KEY FINANCIAL TARGETS 2016-17

	Key Target	Target	Forecast Outturn		Forecast Variance	
			Quarter 3	Previous Quarter	Quarter 3 %	Previous Quarter %
	Revenue Targets					
1	Spending within agreed revenue budget	£73.977m	£72.020m	£72.365m	(2.64%)	(2.18%)
2	General Reserve Balance as %age of total budget (minimum)	5.00%	7.14%	7.14%	(2.14)bp*	(2.14)bp*
	Capital Targets					
3	Spending within agreed capital budget (*revised*)	£6.417m	£4.021m	£4.217m	(37.33%)	(34.28%)
4	External Borrowing within Prudential Indicator limit (*revised*)	£28.101m	£27.098m	£27.098m	(3.57%)	(3.57%)
5	Debt Ratio (debt charges over total revenue budget)	4.18%	4.17%	4.17%	(0.01)bp*	(0.01)bp*

**bp = base points*

1.3 The remainder of the report is split into the three sections of:

- **SECTION A** – Revenue Budget 2016-17.
- **SECTION B** – Capital Budget and Prudential Indicators 2016-17.
- **SECTION C** – Other Financial Indicators.

1.4 Each of these sections provides a more detailed analysis of performance, including commentary relating to the major variances.

2. SECTION A - REVENUE BUDGET 2016-17

2.1 Table 2 overleaf provides a summary of the forecast spending against all agreed subjective budget heads, e.g. employee costs, transport costs etc. This table indicates that spending by the year end will be £72.020m compared with an agreed budget figure of £73.977m, representing a saving of £1.957m, equivalent to 2.64% of the total budget.

TABLE 2 – REVENUE MONITORING STATEMENT 2016-17

DEVON & SOMERSET FIRE AND RESCUE AUTHORITY
Revenue Budget Monitoring Report 2016/17

Line No		2016/17 Budget £000	Year To Date Budget £000	Spending to Month 9 £000	Projected Outturn £000	Projected Variance over/ (under) £000
	SPENDING					
	EMPLOYEE COSTS					
1	Wholetime uniform staff	28,462	21,316	20,551	27,185	(1,277)
2	Retained firefighters	12,340	8,949	8,607	12,263	(77)
3	Control room staff	1,564	1,165	1,134	1,522	(41)
4	Non uniformed staff	10,152	7,606	7,358	9,683	(469)
5	Training expenses	953	715	637	812	(141)
6	Fire Service Pensions recharge	2,786	2,309	6,281	2,919	133
		56,256	**42,060**	**44,568**	**54,384**	**(1,872)**
	PREMISES RELATED COSTS					
7	Repair and maintenance	1,192	894	922	1,228	36
8	Energy costs	612	410	205	586	(26)
9	Cleaning costs	450	337	384	450	0
10	Rent and rates	1,686	1,475	1,465	1,657	(29)
		3,939	**3,116**	**2,976**	**3,920**	**(19)**
	TRANSPORT RELATED COSTS					
11	Repair and maintenance	629	472	373	593	(36)
12	Running costs and insurances	1,372	1,099	1,286	1,296	(76)
13	Travel and subsistence	1,394	961	967	1,340	(54)
		3,395	**2,532**	**2,625**	**3,229**	**(166)**
	SUPPLIES AND SERVICES					
14	Equipment and furniture	2,341	1,756	1,528	2,239	(102)
16	Hydrants-installation and maintenance	175	132	107	179	4
17	Communications	2,007	1,505	571	1,998	(9)
18	Uniforms	587	440	417	661	74
19	Catering	171	128	64	74	(97)
20	External Fees and Services	59	44	62	52	(7)
21	Partnerships & regional collaborative projects	141	106	103	142	1
		5,481	**4,111**	**2,878**	**5,345**	**(136)**
	ESTABLISHMENT COSTS					
22	Printing, stationery and office expenses	351	278	185	292	(59)
23	Advertising	35	26	19	35	0
24	Insurances	329	319	463	343	14
		715	**623**	**667**	**670**	**(45)**
	PAYMENTS TO OTHER AUTHORITIES					
25	Support service contracts	716	503	534	737	21
		716	**503**	**534**	**737**	**21**
	CAPITAL FINANCING COSTS					
26	Capital charges	3,615	774	843	3,515	(100)
27	Revenue Contribution to Capital spending	3,159	-	-	1,694	(1,465)
		6,773	**774**	**843**	**5,209**	**(1,565)**
28	**TOTAL SPENDING**	**77,275**	**53,719**	**55,091**	**73,494**	**(3,781)**
	INCOME					
29	Investment income	(154)	(115)	(79)	(190)	(36)
30	Grants and Reimbursements	(3,150)	(2,362)	(2,500)	(2,991)	159
31	Other income	(590)	(443)	(365)	(634)	(44)
32	Internal Recharges	(30)	(23)	(31)	(30)	0
33	**TOTAL INCOME**	**(3,923)**	**(2,943)**	**(2,975)**	**(3,844)**	**79**
34	**NET SPENDING**	**73,352**	**50,776**	**52,116**	**69,650**	**(3,702)**
	TRANSFERS TO EARMARKED RESERVES					
35	Transfer to Earmarked Reserve	625	469	625	906	281
37	Capital Funding	0		0	1,465	1,465
		625	**469**	**625**	**2,370**	1,746
38	**NET SPENDING**	**73,977**	**51,245**	**52,740**	**72,020**	**(1,957)**

2.2 These forecasts are based upon the spending position at the end of December 2016, historical trends, and information from budget managers on known commitments. It should be noted that whilst every effort is made for projections to be as accurate as possible, some budget lines are susceptible to volatility in spending patterns during the year e.g. retained pay costs which are linked to activity levels, and it is inevitable therefore that final spending figures for the financial year will differ than those projected in this report.

2.3 This projection for an underspend of £1.957m is largely attributable to savings on staffing costs primarily as a result of in year leavers and retirees not being replaced as agreed as part of the 2013 Corporate Plan implementation

2.4 In addition, all budget managers have been tasked by the Chief Fire Officer and Executive Board to reduce spending 'in year' and managers are responding accordingly.

2.5 Explanations of the more significant variations from budget (over £50k variance) are explained below in paragraphs 3 to 7.

3. EMPLOYEE COSTS

Whole-time Staff

3.1 At this stage it is projected that spending on whole-time pay costs will be £1.277m less than budget largely as a result of more staff retirements and leavers during the year than had been budgeted, reducing staffing levels towards those required post Corporate Plan crewing changes. Given the level of retirements, vacancies are at a level to initiate recruitment of new whole time fire-fighters – the first recruitment for 8 years.

3.2 ***Retained Pay Costs***

At this stage in the financial year spending is forecast to be under budget by £0.077m. In making this projection an assumption has been made that activity levels in the remainder of the financial year are consistent with the average for the same period for the last three financial years. It should be emphasised that by its very nature retained pay costs can be subject to significant variations e.g. volatility to spending caused from spate weather

Non Uniformed Pay

3.3 It is anticipated that savings of £0.469m will be achieved against non-uniformed pay costs primarily as a result of staffing vacancies and management action to challenge whether vacancies are filled, as per the agreed strategy. This figure also includes a savings of £0.059m as a result of a reduction in the number of courses to be run this year in relation to the Job Centre Plus initiative. Members are reminded that this initiative is delivering courses on behalf of the Department of Work and Pensions to young adults having trouble securing themselves jobs. This has had a compensatory effect on the Grants & Reimbursements line.

3.4 ***Training Expenses***

The forecast for training expenses is an underspend of £0.141m mainly as a result of delays in planned training for Station 60 (Urban Search & Rescue) of £0.050m and a reduction in the requirement for Organisational Development of £0.023m. The Academy are forecasting to underspend by £0.041m. As mentioned above, there is a reduction in the number of courses being delivered for Job Centre Plus, this also means savings of £0.032m in this financial year relating to associated training costs.

Pensions Recharge

3.5 It is forecast that expenditure will be £0.133m over budget relating to Firefighters Pensions recharges due to anticipated cases of ill-health retirements in 2016-17. This figure is more than had been previously forecast at Q2 (£0.088m). This is due to an ill health pensioner who had service prior to the 2006 pension scheme which Retained staff are able to join, as such, he was entitled to a greater lump sum which is charged against the revenue budget. This figure may be subject to change as given the long term nature of these retirement cases, the leaving date may slip into future financial years. It should be noted that the large difference between the spend to date figure (£6.281m) and the forecast outturn figure (£2.919m) is due to the amount of top-up grant due from the Home Office to balance the pension account.

4. TRANSPORT RELATED COSTS

Running costs and insurances

4.1 Forecast savings of £0.050m on vehicle insurance as a result of the Service moving to new insurance arrangements through the Fire and Rescue Insurance Consortium (FRIC), and £0.026m resulting from savings on vehicle fuel.

Travel and subsistence

4.2 Forecast savings on Travel and Subsistence of £0.054m are mostly due to anticipated savings on lease car costs.

5. SUPPLIES AND SERVICES

5.1 **Equipment and Furniture**

Forecast savings of £0.102m - £0.015m Breathing Apparatus maintenance, £0.020m operational equipment, £0.021m from Community Safety due to fewer Job Centre Plus courses (income offsets) and £0.029m CS Prevention. The Business Intelligence department had been forecasting to spend £0.030m on a replacement system, however this is no longer going to happen in 2016/17. .

Catering

5.2 As a result of the Service decision to close both of the canteens at Service Headquarters and at our Plympton site the spend associated with catering purchases will reduce. We are therefore forecasting an underspend of £0.097m – this will be partially off-set by a reduction in meals income.

Uniforms

5.3 As a result of the requirement to issue additional uniform to stations involved in the Marauding Terrorist Firearms Attack (MTFA) project, we are forecasting an overspend on this line of £0.074m. The MTFA Project has been established to help protect against terrorist threats as recently suffered in Paris and Nice and involves equipping firefighters with the necessary protection to engage in these incidents.

6. ESTABLISHMENT COSTS

6.1 Printing, Stationery and office expenses is anticipated to underspend by £0.059m. A large proportion of this £0.031m comes from the fact that there is a significant reduction in the running of the Job Centre Plus courses detailed earlier in the report.

7. CAPITAL FINANCING COSTS

Capital Charges

7.1 We are anticipating an under spend of £0.100m on this budget line to reflect the fact a number of leased vehicles have now been either returned or the leases have been bought out.

Revenue Contribution to Capital Spending

7.2 Due to reduced in-year capital expenditure, as reported in Section B of this report, it is forecast that £1.465m of the Revenue Contribution to Capital will not be utilised in 2016-17. The final amount of unutilised budget at year end will be transferred to the Capital funding reserve for use in future years.

8. INCOME

Grant and Reimbursements

8.1 It is anticipated that there will be a £0.159m under recovery against a budget of £3.150m. This is mainly due to fewer Job Centre Plus courses in this year – as reported earlier in this report there will be a corresponding reduction in costs to match this reduction of income.

9. TRANSFERS TO EARMARKED RESERVES

Proposed Transfer to Earmarked Reserve

9.1 There has been a pilot operating since October 2014 within Central Command to introduce a new approach to the delivery of Home Fire Safety checks and visits as part of our continued drive to reduce fatal fires and injuries in domestic properties. Following completion of this pilot, it has been agreed that that this new approach be rolled out across the Service for an initial period of two years.

9.2 This will involve the leasing of vehicles, purchasing of equipment, development of a new reporting system and the provision of mobile hand held devices. A new team of technicians will deliver visits using these fully equipped vehicles across DSFRS with a potential capacity to deliver over 20,000 visits per year. This approach will provide DSFRS with a resilient platform on which to develop efficient collaborative approaches to community risk reduction through joint working with the police, health, and other key partners. Through the use of technicians it will also address the risks raised in both the Peer Review and by Internal Audit regarding the reliance on advocates.

9.3 The cost of this new approach is estimated to be £0.463m per annum. An amount of £0.182m of this cost can be funded from the existing earmarked reserve for Community Safety investment leaving a balance of £0.281m of additional cost in the first year.

9.4 Elsewhere within the agenda for the meeting is a separate report to consider the proposed revenue budget and council tax for 2017-18. This new investment of £0.281m would ordinarily be included within that budget proposal, however given the underspend position in the current year an alternative approach is to utilise an amount of £0.281m from the underspend to increase the Community Safety earmarked reserve. This alternative approach would secure the funding for the first year and avoid the need to increase the 2017-18 revenue base budget by this amount. The 2018-19 cost will need to be considered as part of the 2018-19 budget setting process.

9.5 The Committee is asked to make a recommendation to the next meeting of the Devon and Somerset Fire and Rescue Authority that, from the 2016-17 underspend, an amount of £0.281m be transferred to the existing earmarked reserve for Community Safety investment. It should be emphasised that the figures reported in Table 2 already reflect this transfer on the basis that the Committee support this request.

10. RESERVES AND PROVISIONS

10.1 As well as the funds available to the Authority by setting an annual budget, the Authority also holds reserve and provision balances.

Reserves

10.2 There two types of Reserves held by the Authority:

Earmarked Reserves – these reserves are held to fund a **specific** purpose and can only be used to fund spending associated with that specific purpose. Should it transpire that not all of the agreed funds are required then the agreement of the Authority would be sought to decide how any remaining balance is to be utilised.

General Reserve – usage from this Reserve is **non-specific** and is held to fund any unforeseen spending that had not been included in the base budget e.g. excessive operational activity resulting in significant retained pay costs.

Provisions

10.3 In addition to reserves the Authority may also hold provisions which can be defined as:

Provisions – a Provision is held to provide funding for a liability or loss that is known with some certainty will occur in the future, but the timing and amount is less certain.

10.4 A summary of predicted balances on Reserves and Provisions is shown in Table 3 overleaf. These figures includes the proposed in-year transfer to earmarked reserve of £0.281m outlined in paragraphs 9.1 to 9.5, and also the proposed transfer at year-end relating to unutilised revenue contribution to capital, currently forecast at £1.465m as outlined in paragraph 7.2. However the figures exclude utilisation of the year-end underspend which will be subject to a formal reserve request at year end.

TABLE 3 – FORECAST RESERVES AND PROVISION BALANCES 31 MARCH 2017

RESERVES AND PROVISIONS							
RESERVES	**Balance as at 1 April 2016 £000**	**Approved Transfers £000**	**Proposed Transfers £000**	**Spending to P9 £000**	**Projected Spend 2016-17 £000**	**Proposed Balance as at 31 March 2017 £000**	
Earmarked reserves							
Grants unapplied from previous years	(983)	-	-	241	352	(631)	
Change & improvement programme	(1,112)	-	-	429	852	(260)	
Budget Carry Forwards	(696)	-	-	169	380	(316)	
Commercial Services	(192)	-	-	2	58	(134)	
Direct Funding to Capital	(12,911)	(625)	(1,465)	-	321	(14,680)	
Comprehensive Spending Review*	(4,957)	-	-	-	-	(4,957)	
Community Safety Investment	(173)	-	(281)	69	152	(301)	
PPE & Uniform Refresh	(996)	-	-	367	344	(652)	
Pension Liability reserve	(1,525)	-	-	-	-	(1,525)	
National Procurement Project	(372)	-	-	68	-	(372)	
NNDR Smoothing Reserve	(612)	-	-	-	-	(612)	
Total earmarked reserves	**(24,529)**	**(625)**	**(1,746)**	**1,345**	**2,460**	**(24,440)**	
General reserve							
General fund balance	**(5,282)**		-	**-**	**-**	**(5,282)**	
Percentage of general reserve compared to net budget							7.14%
TOTAL RESERVE BALANCES	**(29,812)**					**(29,723)**	
PROVISIONS							
Fire fighters pension schemes	(694)		-	2	62	(632)	
PFI Equalisation	(295)		-		-	(295)	
TOTAL PROVISIONS	**(989)**		-	**2**	**62**	**(927)**	

** The CSR Reserve has been established to provide additional financial contingency during the period of austerity, which is now confirmed by the CSR 2015 to run until at least 2019-20. It provides contingency in the event that transfers from reserves are required to meet government grant reductions and spending pressures in the Authority's Medium Term Financial Plan.*

11. SUMMARY OF REVENUE SPENDING

11.1 At this stage it is forecast that spending will be £1.957m less than the agreed budget figure for 2016-17, which aligns with the strategy adopted to deliver in-year savings where possible to be available to enhance Reserve balances and prepare the Authority for future austerity measures.

11.2 Given that we are three quarters of the way through the financial year, and the figures will inevitably be subject to change, this report does not make any recommendation as to how this forecast saving is to be utilised at this stage.

11.3 At this time there are two emerging budgetary issues which may be required to bring forward to members as a recommendation to utilise in year underspend once further details are known and the risk has been assessed. Firstly, local partners have raised concerns about funding for the Emergency Services Mobile Communications Project (ESMCP) and whether the government grant will be sufficient to cover costs of implementation. Secondly, there may be a requirement to enhance the Change and Improvement reserve to support transformational projects and collaborative work.

11.4 Future decisions to be made by the Committee on utilisation of in-year savings will be influenced by other factors e.g. the need to support capital spending plans therefore reducing debt exposure, and also the need to maintain sufficient Reserve balances during the period of austerity.

Budget Virements

11.5 Financial Regulations require that in-year virements between objective budget lines in excess of £100,000 require the approval of the Resources Committee, and the full Authority where the amount exceeds £200,000 (Regulations A19 and A20 refers).

11.6 Table 4 below provides details of proposed transfers between objective budget headings to reflect changes to the organisational structure that was implemented earlier in this year. This resulted in £1.423m being moved between different Departments to reflect the change. The budget figures in Table 2 are not affected by the impact of these virements.

TABLE 4

Department	Amount (£)
Academy	**(269,500)**
Civil Contingencies	252,800
Corporate Plan Alignment	679,700
Groups	**(961,700)**
Improvement & Development	95,000
Organisational Assurance	174,900
Organisational Development	220,900
Response Policy & Specialist Capability	**(425,700)**
Response Support/Resourcing	254,000
Strategy & Business Change	**(20,400)**
Grand Total	0

12. SECTION B – CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2016-17

Monitoring of Capital Spending in 2016-17

12.1 Table 5 overleaf provides a summary of anticipated expenditure for this financial year and demonstrates the funding requirements.

TABLE 5 – FORECAST CAPITAL EXPENDITURE 2016-17

Item	PROJECT	2016/17 £000 Revised Budget	2016/17 £000 Forecast Outturn	2016/17 £000 Timing Differences	2016/17 £000 Re-scheduling/ Savings
	Estate Development				
2	Minor improvements & structural maintenance	2,095	1,581	(514)	0
	Estates Sub Total	**2,095**	**1,581**	**(514)**	**0**
	Fleet & Equipment				
3	Appliance replacement	1,854	1,660	(40)	(154)
4	Community Fire Safety	0	0	0	0
5	Specialist Operational Vehicles	265	217	(48)	(0)
6	Equipment	1,377	487	(7)	(883)
7	ICT Department	800	50	(750)	0
8	Water Rescue Boats	26	26	0	0
	Fleet & Equipment Sub Total	**4,322**	**2,440**	**(845)**	**(1,037)**
	Overall Capital Totals	**6,417**	**4,021**	**(1,359)**	**(1,037)**
	Programme funding				
	Earmarked Reserves:	**1,266**	**321**	**(945)**	**0**
	Revenue funds:	**3,159**	**1,708**	**(414)**	**(1,037)**
18	Application of existing borrowing	1,992	1,992	0	0
	Total Funding	**6,417**	**4,021**	**(1,359)**	**(1,037)**

12.2 Forecast Capital expenditure for the year is £4.021m against a revised budget of £6.417m. Previous slippage reported at Quarter 2 of £1.162m has increased to £1.359m for Quarter 3, the movements against budget represent timing differences whereby the budget for those projects will be spent in future years.

12.3 As previously reported, the majority of timing differences of £1.359m is due to delays to the purchase of new Mobile Data Terminals (MDTs) in fire appliances (£0.750m). There is uncertainty over this project due to the planned change of carrier for communications in 2019 (was Airwave) under the Emergency Services Mobile Communications Project. Analysis is underway to assess whether MDTs can be purchased which are compatible with both systems and offer good value for money for the transitional period whilst alternatives such as using second hand items from another service are also being explored.

12.4 Two projects for investment in equipment amounting to £0.904m have already been subject to programme rescheduling by the Resources Committee at Quarter 1. The L4P replacement pilot requires just one prototype now rather than the original two releasing a further £0.134m of Capital funding back to the Earmarked Reserve for Capital expenditure.

12.5 None of these changes require any increase in the external borrowing requirement.

Prudential Indicators (including Treasury Management)

12.6 Total external borrowing with the Public Works Loan Board (PWLB) as at 31 December 2016 stands at £25.770m (a slight reduction from the balance at the end of September which was £25.790m). This level of borrowing is well within the Authorised Limit for external debt of £28.101m (the absolute maximum the Authority has agreed as affordable). No further external borrowing is planned in this financial year.

12.7 Investment returns in the quarter yielded an average return of 0.54% which outperforms the LIBID 3 Month return (industry benchmark) of 0.264%. The anticipated reduction in interest rates following the vote for Brexit hasn’t materialised yet. It is therefore forecast that investment returns from short-term deposits is anticipated to come in over the budgeted figure of £0.154m by 31 March 2017.

12.8 Appendix A provides a summary of performance against all of the agreed Prudential Indicators for 2016-2017, which illustrates that there was no breach of any of these indicators.

13. SECTION C - OTHER FINANCIAL PERFORMANCE INDICATORS

Aged Debt Analysis

13.1 Total debtor invoices outstanding as at Quarter 3 were £172,332 (previous quarter £32,630). Table 5 below provides a summary of all debt outstanding as at 31 December.

13.2 Of this figure an amount of £835 (£9,623 as at 30 September 2016) was due from debtors relating to invoices that are more than 85 days old, equating to just 0.48% (29.49% as at 30 September 2016) of the total debt outstanding. Table 6 below provides an analysis of all debt in excess of 85 days.

TABLE 6 – OUTSTANDING DEBT AS AT 31 DECEMBER 2016

	Total Value £	**%**
Current (allowed 28 days in which to pay invoice)	38,842	22.54%
1 to 28 days overdue	126,122	73.19%
29-56 days overdue	4,288	2.49%
57-84 days overdue	2,245	1.30%
Over 85 days overdue	835	0.48%
Total Debt Outstanding as at 31 December 2016	**172,332**	**100.00%**

13.3 Table 7 below provides further analysis of those debts in excess of 85 days old.

TABLE 7 – DEBTS OUTSTANDING FOR MORE THAN 85 DAYS

	No	**Total Value**	**Action Taken**
Individual Debts less than £1,000	3	£835	Each debt being pursued by the Risk and Insurance Officer.

Payment of Supplier Invoices within 30 days

13.4 There is a statutory requirement from April 2015 for the Authority to pay all undisputed invoices within 30 days. The performance for this year to date is calculated to be 82%. The process for recording this data is very manually intensive, however we are exploring ways within the finance team, to ensure the system is able to capture the data for us in the future. Due to long-term absenteeism, this hasn't been feasible to explore until now.

13.5 The statutory requirement is to publish performance data on supplier performance on an annual basis and therefore there is not a current risk of breach. Information will be passed on to members on year to date performance when this becomes available.

KEVIN WOODWARD
Treasurer to the Authority

APPENDIX A TO REPORT RC/17/4

PRUDENTIAL INDICATORS 2016-17

Prudential Indicators and Treasury Management Indicators	Forecast Outturn £m	Target £m	Variance (favourable) /adverse £m
Capital Expenditure	**4.021**	**6.417**	**(2.369)**
External Borrowing vs Capital Financing Requirement (CFR) - Total - Borrowing - Other long term liabilities	**27.098** 25.724 1.374	**27.098** 25.724 1.374	**0.000**
External borrowing vs Authorised limit for external debt - Total - Borrowing - Other long term liabilities	**27.098** 25.724 1.374	**28.101** 26.824 1.278	**(1.003)**
Debt Ratio (debt charges as a %age of total revenue budget	**4.17%**	**4.18%**	**(0.01)bp**
Cost of Borrowing – Total - Interest on existing debt as at 31-3-16 - Interest on proposed new debt in 2016-17	**1.092** 1.092 0.000	**1.092** 1.092 0.000	**(0.000)**
Investment Income – full year	**0.190**	**0.154**	**(0.036)**
	Actual (30 December 2016) %	**Target for quarter %**	Variance (favourable) /adverse
Investment Return	**0.54%**	**0.26%**	**(0.28)bp**

Prudential Indicators and Treasury Management Indicators	Forecast (30 March 2017) %	Target Upper limit %	Target Lower limit %	Variance (favourable) /adverse %
Limit of fixed interest rates based on net debt	100.00%	100.00%	70.00%	0.00%
Limit of variable interest rates based on net debt	0.00%	30.00%	0.00%	(30.00%)
Maturity structure of borrowing limits				
Under 12 months	0.36%	30.00%	0.00%	(29.51%)
12 months to 2 years	0.36%	30.00%	0.00%	(29.14%)
2 years to 5 years	3.03%	50.00%	0.00%	(48.92%)
5 years to 10 years	6.34%	75.00%	0.00%	(66.78%)
10 years and above - 10 years to 20 years - 20 years to 30 years - 30 years to 40 years - 40 years to 50 years	**89.91%** 17.34% 16.33% 20.21% 36.03%	**100.00%**	**50.00%**	**(10.14%)**