
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	5th SEPTEMBER 2013	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF FINANCE AND CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/financial monitoring reports/2013 3 September
SUBJECT:	BUDGET and FINANCIAL MONITORING 2013/14	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendation

- 1.1 That the latest budget and financial monitoring figures for 2013/14 are considered and approved.
- 1.2 That the updated Capital Programme for 2013/14 as detailed in **Appendix 5** is approved.

2.0 Purpose of Report

- 2.1 In accordance with its financial management framework, the Council monitors income and expenditure against its budgets on a regular basis throughout the year. This is undertaken on at least a monthly basis.
- 2.2 Financial information is available directly on the Council's Financial Management System to enable day-to-day monitoring within services. Formal monitoring involves budget managers together with their service accountant, meeting and reviewing performance against their particular budgets. This is intended to identify any variances as early as possible to enable remedial and timely action to be taken.
- 2.3 Overall financial performance and the major budget variances are reported to this Committee throughout the year. In accordance with its Treasury Management Strategy, the Council monitors its lending and borrowing on a regular basis.
- 2.4 The Council's cash flow is monitored and actioned on a daily basis, with monthly reports summarising activity provided to the Chief Finance Officer. Again, overall performance is reported to this Committee throughout the year.
- 2.5 This is the first monitoring report for the financial year 2013/14. It details performance up to 30th June 2013, i.e. the 1st quarter's performance.

3.0 Detail

GENERAL FUND REVENUE ACCOUNT

- 3.1 Apart from Council Housing, day to day income and expenditure is accounted for through the General Fund. The net expenditure is financed from Government Grant and Council Tax, with any shortfall/deficit being financed from the Council's Reserves.
- 3.2 The original budget, which was approved in February 2013, estimated a budget deficit of £109,357 in 2013/14 to be financed from general reserves. As in previous years, the Budget included contingent sums set-aside for inflation, growth and the implementation of the local pay and grading review. The Budget is summarised in the following table.

Net Expenditure on Services	£11,435,942
Depreciation and Capital Charges (in above)	-£689,023
Minimum Revenue Provision	£250,000
Contribution to Bad Debts Provision	£20,000
Contingent Sums	£375,265
Total Estimated Spending	£11,392,184
Financing	-£11,282,827
Deficit	£109,357

- 3.3 In accordance with budget monitoring arrangements, the position on Net Expenditure on Services is the main area that is subject to on-going review. This is the amount (£11,435,942) that is directly managed and controlled by the various budget holders across the Council.

Latest Monitoring Figures

- 3.4 The Budget, together with major variances identified as at June 2013 is summarised in the tables which follow. A full analysis of each service area at cost centre level with variances across each policy committee is detailed in **Appendices 1 to 3**.
- 3.5 These appendices also show actual spend to-date, budget remaining, together with narrative on any assumptions, risks and reasons for major variances.

Performance against Budget 2013/14 as at June 2013 (by Committee)

Summary by Policy Committee	Approved Budget £	Projected Actual £	Projected Variance £	Earmarked Reserves £	General Reserve £
Environmental and Development Services	3,900,966	3,852,339	-48,626	2,925	-51,551
Housing and Community Services	2,495,096	2,464,647	-30,448	19,175	-49,624
Finance and Management	5,039,881	4,890,857	-149,024	0	-149,024
TOTAL	11,435,942	11,207,844	-228,098	22,100	-250,199

Performance against Budget 2013/14 as at June 2013 (by Service)

Summary by Main Service Area	Approved Budget £	Projected Actual £	Projected Variance £	Earmarked Reserves £	General Reserve £
Economic Development	278,742	259,972	-18,770	0	-18,770
Environmental Health Services	543,651	520,479	-23,171	0	-23,171
Highways	22,152	21,185	-967	0	-967
Licensing and Land Charges	-35,755	-40,133	-4,378	0	-4,378
Planning	599,870	589,677	-10,194	0	-10,194
Town Centre	71,466	71,465	-0	0	-0
Waste Collection & Street Cleansing	1,523,416	1,529,345	5,929	0	5,929
Environmental Education	69,774	72,699	2,925	2,925	0
Transport Account	827,650	827,650	0	0	0
Community Development and Support	547,537	558,893	11,356	8,366	2,990
Leisure and Recreational Activities	113,497	117,242	3,745	5,211	-1,466
Leisure Centres and Community Facilities	639,713	626,434	-13,279	-10,662	-2,617
Parks and Open Spaces	708,315	697,803	-10,512	14,731	-25,242
Private Sector Housing	486,034	464,275	-21,759	1,529	-23,288
Central and Departmental Accounts	3,325,324	3,225,585	-99,739	0	-99,739
Revenues and Benefits	294,819	294,819	-0	0	-0
Electoral Registration	106,754	105,772	-982	0	-982
Corporate and Democratic Costs	867,498	816,445	-51,053	0	-51,053
Payments to Parish Councils	311,182	311,182	0	0	0
Concessionary Travel	3,000	2,370	-630	0	-630
Property and Estates	-79,724	-79,724	0	0	0
Pensions, Grants and Interest	211,027	214,408	3,381	0	3,381
TOTAL	11,435,942	11,207,844	-228,098	22,100	-250,199

3.6 The variances reflect the latest situation and although projected to out-turn at this level, could change during the remainder of the year. Areas of projected overspend are kept under review in order to mitigate the effects on the overall budget.

3.7 The previous tables show that based on current income and expenditure, there will be a decrease in net expenditure on services of £228,098 compared to the Budget for the year. After allowing for some additional expenditure to be financed from earmarked reserves, the overall decrease is forecast at £250,199.

Main Variances

3.8 The main reasons that account for the projected variance are summarised in the following table. They show services where current spending is expected to vary compared to the Budget as at June 2013. This could change over the remainder of the year and all areas are kept under review.

	£'000
Senior Management Restructure	-136
Staff Vacancies - Environmental and Development Services	-26
Staff Vacancies - Community and Leisure Services	-20
Additional income on Licensing, Land Charges and Building Control	-19
Democratic and Members Costs	-17
Additional income from Leisure and Recreational Facilities	-15
Corporate Training	-10
Corporate and Central Services	-9
Other Variances (net)	2
TOTAL - OVERALL PROJECTED VARIANCE	<u>-250</u>

3.9 The largest variance is the confirmed savings relating to the Senior Management Restructure approved in March 2013. The associated one-off costs were accounted for in 2012/13 and reported to the Committee in May.

Contingent Sums

3.10 The Revised budget continues to include the following contingent sums totaling approximately £375,000

- Pay and Grading - additional on-going resources £130,000
- Provision for Inflation and General Growth £160,000
- Waste Collection - Provision for Growth of the District £85,000

3.11 Over recent years, there has been a limited need to draw on these sums. The additional resources for the local pay model depend on implementation of the pay and grading review.

3.12 Provision of 1% is included for a local government pay award in 2013/14. Following consultation between the employers and trade unions, a 1% increase has been accepted and approved for the year. This will cost the Council approximately £68,000 and will be drawn down from the above provision.

3.13 It is anticipated that no other sums for inflation will be required at this stage.

Kerbside Recycling

3.14 As part of financing the extension to the dry recyclables service, it was approved that a sum of £33,000 would be temporarily taken from the growth contingency, pending savings still to be made in the overall Waste Collection service.

Municipal Mutual Insurance

3.15 As reported to the Committee on 22nd May 2013, a payment of £12,247 is due in accordance with the Scheme of Arrangement.

Business Rates Collection

- 3.16 Included in the Financing amount is an estimated figure of £2,204,773 for retained Business Rates (BR).
- 3.17 As previously reported, under the new Rates Retention System, the Council's BR Baseline Income has been set at £8,172,603 for 2013/14. This is the target amount against which retained growth, together with any tariff, levy and safety net contribution is measured.
- 3.18 The BR Baseline represents the Council's 40% estimated share of net business rate income in the District after allowing for 50% to be paid to the Government and 10% to the County Council/Fire Authority.
- 3.19 The financing figure of £2,204,773 is much lower than the BR Baseline income amount of £8,172,603. The difference of £5,967,830 is the Tariff that is being paid to the Government under the redistribution part of the system.
- 3.20 It is important to note that these are estimated figures and the actual business rates collected, together with retention and levy amounts, etc will not be known until the year end. However, income from Business Rates is monitored and as the year progresses, the actual situation can be tracked against that estimated.
- 3.21 This is important, as any changes between the actual and estimated figures in setting the Budget will have an impact on General Fund resources – this part of the Council's core funding is not fixed.
- 3.22 As at 31st July 2013, the actual position is looking favourable compared to that estimated, as shown in the following table.

Business Rates Income 2013/14	Estimate	Jul-13	Variance
Number of Businesses	2,113	2,131	18
Rateable Value (RV)	£54,249,510	£54,910,535	£661,025
Multiplier (rate in the £)	0.462	0.462	0
Gross Yield before Adjustments	£25,063,274	£25,368,667	£305,394
Mandatory Reliefs and Exemptions	-£2,604,565	-£2,543,169	£61,396
Discretionary Rate Reliefs	-£2,386	-£12,015	-£9,629
Rates to be Billed and Collected	£22,456,323	£22,813,483	£357,161
Provision for Bad and Doubtful Debts	-£1,651,751	-£1,020,777	£630,974
Allowance for Collection (transferred to the General Fund)	-£90,901	-£91,741	-£840
Net Yield	£20,713,671	£21,700,965	£987,295
Rate Retention Adjustments			
Change in Receipts year to year due to RV adjustments	£628,885	£152,696	-£476,189
Change in Receipts year to year due to Appeals	-£911,048	-£911,048	£0
Net Yield - for Distribution	£20,431,508	£20,942,613	£511,106
Net cost of Transitional Relief (paid separately)	£27,185	£43,168	£15,983
	£20,458,693	£20,985,781	£527,089

Table
continues

Distribution / Share

Government (50%)	£10,215,754	£10,471,307	£255,553
South Derbyshire District Council (40%)	£8,172,603	£8,377,045	£204,442
Derbyshire County Council (9%)	£1,838,836	£1,884,835	£45,999
Derbyshire Fire and Rescue Authority (1%)	£204,315	£209,426	£5,111
	£20,431,508	£20,942,613	£511,106

3.23 The main reason for the favourable position at this stage is the collection losses being less than estimated. There has been a small increase in the number of business paying Rates with no major additions or reductions in business growth during the year to-date.

3.24 The overall Rateable Value has increased. However, this is mainly due to revaluations, rather than growth, which are excluded from the distribution system.

3.25 The above table shows a projected additional net yield of approximately £1/2m compared to that estimated. The Council's share of this amount is £204,000, although this will be subject to a levy of around 50%. Therefore, based on the position to-date, the Council will generate an additional £100,000 in rates income on the General Fund compared to the Budget.

Other Financing and Grants Received

3.26 An additional sum of £18,688 has been received for the year under the New Homes Bonus scheme. This follows the final allocation of overall resources set-aside by the Government for 2013/14.

3.27 In addition, the Council has received the following ring-fenced grants for 2013/14:

- To meet costs associated with the Community Right to Bid (£7,855)
- To meet costs associated with the Community Right to Challenge (£8,547)
- To implement system changes for the Local Council Tax Support Scheme and Welfare Reform (£49,603)
- To implement Individual Electoral Registration (£6,330) with a further amount due later in the year. This will enable on-line registration from June 2014.

3.28 Any grant remaining unspent at the year end, will be transferred to an earmarked reserve in accordance with Council policy. At this stage, no costs are foreseen for either of the "Community Right" funding grants in 2013/14; some additional costs will be incurred for Welfare Reform and Electoral Registration.

COLLECTION FUND

- 3.29 The Collection Fund is a separate ring-fenced account that has to be statutorily maintained. It accounts for the collection of Council Tax and Business Rates and shows how that income has been distributed to the Government and other Preceptors on the Fund, including this Council.
- 3.30 Any surplus or deficit on the Fund is transferred to the General Funds of the Preceptors, with the proportion for South Derbyshire being approximately 11.5%.
- 3.31 The current estimated position on the Fund for 2013/14 is detailed in **Appendix 4**. This shows that the overall Fund is projected to achieve a surplus for the year of approximately £266,000.
- 3.32 This is mainly due to the increase in Council Tax collectable. As previously reported, the cost of the Local Council Tax Support Scheme is lower than estimated, with additional income being collected from empty properties, together with an increase in new properties.
- 3.33 The latest estimate includes a slightly lower collection rate than previous years (97.4% compared to 97.9%) to include the effects of collecting Council Tax from households previously in receipt of benefit.

HOUSING REVENUE ACCOUNT (HRA)

- 3.34 The Council is required to account separately for income and expenditure in providing Council Housing.
- 3.35 The approved HRA Budget was set with a deficit to finance from reserves of **£118,530**. Performance on the HRA as at June 2013 is summarised in the following table.

Summary HRA as at June 2013	Approved Budget £	Projected Actual £	Projected Variance £
Supervision and Management Costs	1,404,969	1,389,267	-15,701
Housing Repairs	3,209,959	3,213,657	3,698
Interest on Debt	1,614,677	1,614,677	-0
Supported Housing	362,976	357,488	-5,488
Rent and other Income	-11,974,050	-11,950,791	23,259
Transfer to Capital Works Reserve	5,500,000	5,500,000	0
TOTAL	118,530	124,297	5,767

- 3.36 This shows that the HRA is forecast to achieve a slightly higher deficit of £124,297. This is mainly due to the level of council house sales in 2012/13, being greater than assumed in the base budget for 2013/14, which has reduced rent income.
- 3.37 This is being offset to some extent by void properties being relet at Formula Rent levels, together with staffing vacancies which are currently being filled.

CAPITAL EXPENDITURE and FINANCING 2013/14

3.38 The Programme has been updated following the approved out-turn for 2012/13 and includes an amount of £2.4m brought forward from the previous year. It also includes a further government allocation of £108,000 for Disabled Facility Grants. The updated programme is detailed in **Appendix 5**.

3.39 Progress to-date is summarised in the following table.

Capital Spending 2013/14 (as at June 2013)	Updated Budget £	Actual £
Council House Improvements	6,247,527	956,915
Private Sector Housing and DFGs	541,641	98,224
Leisure and Community Development	3,531,937	302,064
Environmental Schemes	44,439	0
Property Maintenance	106,794	48,233
	<u>10,472,338</u>	<u>1,405,436</u>

Leisure and Community Development

3.40 An update on progress on the main schemes is summarised in the following sections.

Green Bank Leisure Centre

3.41 Following the successful wet side changing accommodation project an application was made to Sport England for £150,000 towards further refurbishment works. This application has now been successful.

3.42 This grant will support a £499,000 package of works which will include refurbishment of public areas and provision of exercise studio space, extension of the gym and replacement of the current sauna. The design of the refurbishment and the Procurement Framework are being finalised with a start date expected in the autumn of 2013.

3.43 A further issue for determination on the Green Bank works is to settle on the compensation figure for the loss of income during the completed and future refurbishment works. The Council is responsible for this compensation payment and historical usage patterns are being used to agree a figure.

Etwall Leisure Centre

3.44 The project to install a full size Artificial Grass Pitch has been completed and officially launched. The cost was £490,000 with £239,000 from the Football Foundation - John Port School and the District Council each providing £100,000 with the Centre's sinking fund and Hilton Harriers providing the balance. Full community use started in May.

- 3.45 A further project is being developed that will look at the potential of a larger gym area along with minor enhancements to other areas of the Centre. Over £200,000 has already been secured for this project and further options are being examined.

Rosliston Forestry Centre

- 3.46 The Forestry Commission is undertaking a revised tendering process to build toilet facilities adjacent to the 'Glade in the Forest Arena'. Work will commence in the autumn after the summer wedding and performance season is complete.
- 3.47 In addition, Derbyshire County Council Aiming High funds of £87,710 have been secured for improving facilities and opportunities for young disabled users.
- 3.48 The project was due to be completed by the end of August 2013 and will result in new play equipment, an access friendly archery shelter, a nursing bed, an improved bird hide, new laser games equipment and a revamped crazy golf facility on site. The total project spend will be £193,000.

Eureka Park

- 3.49 The Project is to restore and repair the heritage features of Eureka Park and deliver a community engagement programme for which a successful Heritage Lottery Fund application has received £547,316 towards a scheme with a total value of £828,830.
- 3.50 This includes revenue funding for a Community Engagement post who has been appointed. In addition, a Landscape Consultant has been appointed and a Project Steering Group set up to oversee the works.

Melbourne Sporting Partnership (MSP)

- 3.51 This £2.5m multi sports club project has been further supported with a £600,000 grant from the Football Foundation and £150,000 from Sport England. A further application has been submitted to the Rugby Football Union. A consultation event has been held and final planning conditions satisfied.

Melbourne Leisure Centre

- 3.52 An initial lease for the Centre (now known as Melbourne Assembly Rooms) has been transferred to Melbourne Community Group, who is developing funding bids with a view to enhancing and developing the facility for increased community use.
- 3.53 Discussions are underway in relation to a longer lease that would support additional grant applications where a long lease is a pre-requisite. The Heads of Terms have been previously been approved by the Committee.

Hilton Village Hall

3.54 Phase one of the extension to Hilton Village hall was opened on the 12th of June. Event bookings have commenced the project has been well received by the local community.

Replacement of Vehicles

3.55 2013/14 is an intensive year for the replacement of vehicles and other major items of plant and equipment, such as mowers. Approximately £400,000 will be spent in the year, financed from the Asset Replacement Reserve.

3.56 During the procurement of a new Channel Sweeper for the Street Cleansing Service, an option became available to purchase an ex-demonstration model. Normally, a full tendering process would take place as the cost of a new sweeper was estimated at £130,000.

3.57 Given that ex-demonstration models only stay on the market for a limited time, 4 manufacturers, from a recognised framework agreement, were asked to quote (and not submit formal tenders) for ex-demonstrators.

3.58 Approval for this was given by Director of Finance, together with the Chief Executive in consultation with the Leader of the Council, acting under delegated powers within Section 4 of the Contract Procedure Rules.

3.59 Formal quotations were received with the cheapest of £89,000 being accepted. The ex-demonstrator met all technical requirements and included a full warranty agreement.

Capital Receipts

3.60 The following receipts were in the first quarter to June 2013.

- Approved sale of Garden Land - £6,250
- Sale of HRA Land - £70,000
- 1 Council House Sales - £49,000

3.61 Three further Council House Sales have recently been completed and are subject to pooling; the amount retained for the New Build Reserve, will be updated in the next quarterly report when this has been confirmed through the Government's half yearly return.

TREASURY MANAGEMENT

3.62 An analysis of the Council's borrowing and short-term investments/bank deposits is summarised in the tables, below. This shows the position at 30th June 2013.

3.63 Debt outstanding is split between the HRA and the General Fund and this represents the "two pool" approach adopted for debt management with the implementation of self-financing in the HRA.

Debt Outstanding - HRA	01/04/2013 £'000	30/06/2013 £'000	Change £'000
Self-financing Debt (Average rate 2.7%)	57,423	57,423	0
Market Loan (4.875% fixed)	1,000	1,000	0
Transferred Assets (<i>SEE NOTE BELOW</i>)	279	0	-279
Total Debt Outstanding - HRA	58,702	58,423	-279

Capital Financing Requirement - HRA	62,860	62,581	-279
Debt Cap (Fixed on Self-Financing)	66,853	66,853	0
Borrowing Headroom (Cap Less Debt o/s)	8,151	8,430	279

Debt Outstanding - General Fund			
Actual Loans o/s	0	0	0
Capital Financing Requirement (CFR)	6,315	6,065	-250
Borrowing Headroom (CFR Less Debt o/s)	6,315	6,065	-250

Temporary Investments and Borrowings			
Temporary Bank and other Deposits	4,500	12,545	8,045
Less Parish Council Deposits	-32	-32	-0
Less Temporary Debt	0	0	0
Total - Short-term Cash Position	4,468	12,512	8,044

Average Interest Rate Earned (Cumulative)	0.31%	0.40%	0.09%
Target - Average 7-Day Local Authority Rate	0.51%	0.48%	-0.04%

Debt Outstanding

3.64 This is largely fixed and no repayments are anticipated during the financial year. £10m of the HRA Self-financing Debt is at variable rates. These rates continue to remain historically low (0.6%) and therefore, it is unlikely that any revisions to the Treasury Management Strategy will be required as far as managing this part of the debt portfolio.

Repayment of Debt on Transferred Assets

3.65 This relates to debt transferred on Local Government Re-organisation in 1974. This was in respect of capital expenditure on council houses incurred under a previous capital accounting system. The debt was administered by a

neighbouring local authority who took over the management of the assets and the associated debt in 1974.

- 3.66 As this debt was owed to the Government and for administrative ease, the debt was transferred between the authorities with the Council making annual contributions to the other Authority.
- 3.67 Due the relatively small amount involved, the 2 authorities agreed for the Council to repay the debt early without incurring any penalty. This was completed in April 2013. The effect on the Council's accounts has been to reduce the CFR and the debt outstanding by equal amounts, i.e. £279,000. On an on-going basis, the Council will save interest costs in the Housing Revenue Account.

Short-term Investments

3.68 The funds are currently invested as follows:

Other Local Authorities	£5.0m	0.31%
UK High Street Banks	£7.5m	0.45%

- 3.69 The amounts on deposit with Banks are in instant access reserve accounts. The average interest rate earned (0.4%) has improved during the first quarter of the financial year and is much closer to the average market rate, although still slightly below that estimated of 0.45%.
- 3.70 Total interest earned to-date totals approximately £11,000 which is in line with that budgeted due to a greater level of balances on deposit (£9.5m compared to £7.5m).

Co-operative Bank

- 3.71 The Co-op is the Council's Bank for operational day to day financial transactions; they operate and maintain the Council's Current Account. It has been widely reported that they have been experiencing financial difficulties and require £1.5bn worth of Capital to bolster their financial resilience.
- 3.72 The Co-op has submitted a broad plan to the Banking Regulator in order to generate the necessary Capital. This has been approved by the Regulator and the Co-op is currently seeking to deliver this plan and raise the required Capital by the end of 2014.
- 3.73 A key part of this plan needs the agreement of the Bank's bondholders, whose approval will be required; following a period of consultation and a ballot, their decision is expected in November 2013.
- 3.74 Due to its financial position, the Co-op's credit rating has been severely downgraded. As regards investments, the Council does not have any exposure; the Co-op's credit rating has not been adequate for some time to allow it to be included on the Council's counterparty list as set out in the Lending Policy.

- 3.75 There are no indications currently to suggest that day to day financial transactions (payments and income collection) through the banks clearing system will be affected. However, additional precautions are being taken on large daily transactions to ensure that they clear the system and no balances remain in accounts overnight. The situation is being kept under constant review.
- 3.76 The Co-op Bank is part of the Co-operative Group of Companies and this does offer some protection. The Co-op provides banking services to around one third of local authorities (130) in England and Wales. Although some authorities have withdrawn their deposits with the Co-op, there is no indication that any authorities have transferred their day to day business.
- 3.77 The Council's current contract with the Co-op ends in March 2014. A tendering exercise is currently underway to let a new banking contract in April 2014. The Co-op is likely to tender along with other UK High Street Banks. As part of the evaluation, financial standing and financial resilience will be assessed.

OTHER FINANCIAL INDICATORS

- 3.78 These are reported to monitor the efficiency of financial services. In addition, the collection rates are targets that form part of the Income Guarantee arrangement under the Corporate Services Partnership. The processing of benefit claims are also key performance indicators which are subject to default conditions if they are not achieved.
- 3.79 The indicators are detailed in the following table.

	Estimated Annual Volumes	2012/13 Actual	Yearly target	Actual June 2013	Actual June 2012	At Risk
Collection Rates						
Council Tax in-year Collection	£44.1m	97.90%	97.40%	30.20%	30.40%	Yes
Council Tax Arrears Collection	£3.8m	23.40%	26.70%	8.90%	7.40%	No
Business Rates Collection	£22.8m	98.30%	96.10%	29.40%	29.00%	No
Recovery of Housing Benefit Overpayments	£0.5m	39.50%	34.20%	16.70%	9.10%	No
Sundry Debtor Collection (incl. Arrears)	£4.5m	90.60%	82.60%	60.00%	46.70%	No
Benefits Processing (Average Time)						
New Claims	1,000	16 Days	18 Days	18 Days	12 Days	No
Change of Circumstances	14,000	7 Days	8 Days	15 Days	7 Days	Yes
Financial Efficiency						
Percentage of Invoices paid within 30-days	5,100	98.20%	97.50%	96.40%	98.80%	No
Percentage of Invoices paid within 10-days	5,100	80.60%	65.00%	71.20%	80.70%	No
Number of Payments made Electronically	46,200	93.70%	90.00%	96.30%	92.30%	No

- 3.80 The table shows 2 indicators currently at risk of falling below target. Firstly, in-year council tax collection is slightly below the level achieved in the first quarter of the previous year (2012/13). However, the greatest deterioration in performance is in benefits processing and in particular, processing change of circumstances.

- 3.81 This is due to an increase in the amount of information that is being sent automatically to local authorities, from the DWP, in a format that allows direct loading into council systems. This is part of a major project, which commenced in July 2011, to provide councils with automatic notification of tax credit awards and other DWP benefits which are included in the assessment of housing benefit.
- 3.82 The aim of the project is to ultimately increase the speed of benefits processing as information is more readily available for local authorities; it should also reduce the risk of an incorrect benefit being made as information is up to date.
- 3.83 Since July 2011, there have been instances where a substantial amount of data has been sent out by the DWP for validation. As every item initially needs to be checked, this slows down the processing of each claim, but is only a temporary situation.
- 3.84 During the first quarter, additional information was sent from the DWP regarding a tax credit review. Much of the information did not change benefit awarded but needed initial verification.
- 3.85 The Council's software provider is due to issue an upgrade to the benefits system which will make it easier for information to be handled more efficiently when there are peaks in the data sent out.

Collection Rate Comparisons

- 3.86 The following tables compare the most recent performance in Council Tax and Business Rates in-year collection between the Council, the average in Derbyshire, the average in the Council's "family group" of authorities as per the Audit Commission and the average across shire districts.

Council Tax Collection Rates	2009/10	2010/11	2011/12	2012/13
South Derbyshire	97.3%	97.5%	97.9%	97.9%
Derbyshire Average	97.5%	97.8%	97.9%	97.9%
Family Group Average	98.2%	98.2%	98.3%	98.3%
English Shire Districts	98.1%	98.2%	98.2%	98.1%

NNDR Collection Rates				
South Derbyshire	97.3%	97.4%	97.0%	98.3%
Derbyshire Average	97.4%	97.9%	98.0%	98.1%
Family Group Average	98.1%	98.5%	97.9%	98.4%
English Shire Districts	98.2%	98.4%	98.3%	98.1%

- 3.87 The tables show that NNDR (Business Rates) Collection has improved and was above average in 2012/13 and virtually on par with the family group average. Although there has been a steady improvement in Council Tax collection, it was still below the average in 2012/13.

4.0 Financial Implications

4.1 As detailed in the report.

5.0 Corporate Implications

5.1 None directly

6.0 Community Implications

6.1 None directly

7.0 Background Papers

7.1 None