

## REPORT

To: POLICY AND RESOURCES (FINANCE) SUB-COMMITTEE	Subject: DEPARTMENT OF FINANCE PERFORMANCE MONITORING REPORT – PERIOD 1 <sup>st</sup> July to 30 <sup>th</sup> September 2006
From: DIRECTOR OF FINANCE	
Date: 9 <sup>th</sup> October 2006	Ref: LM/JMCK

1. **Introduction**

- 1.1. The purpose of this report is to advise Committee of our performance against a selection of key performance indicators across the Finance Department for the period 1<sup>st</sup> July to 30<sup>th</sup> September 2006.
- 1.2. As part of the Council's three-year service improvement and financial planning process, departments produce comprehensive service improvement plans covering all aspects of their operations and resources. These plans include departmental key actions, service developments and arrangements for performance monitoring and improvement actions.
- 1.3. The performance monitoring report integrates more closely with the service improvement plan. As part of the performance management framework detailed in the service plan, departmental performance standards are reported quarterly.
- 1.4. Integrating reporting in this way strengthens the overall corporate approach the Council has in targeting and achieving objectives through the three-year planning process.

2. **Background**

- 2.1 Performance measurement and the use of Key Performance Indicators are recognised as important tools to review progress against defined standards and targets. Using the key actions in the service improvement plan, performance measures have been established. This allows progress to be reported in meeting these actions. Also included within the performance measures are the nationally agreed KPI's which are used to measure performance across all Scottish authorities.
- 2.2 A total of 17 performance areas are included in the report covering the priority actions and performance indicators for the department across the divisions of Accounting Services, Revenues, IT and Internal Audit.
- 2.3 It is also important to note that due to the changing demands in delivering a modern public service and to meet the needs of stakeholders, performance measurement requirements must be reviewed and indicators kept up to date. Any recommendation for changes to indicators will be noted in future reports.

### 3. Consideration of Indicators

#### 3.1 Accounting Services

Six key performance areas, detailed in the service improvement plan for 2004-07, will be used to report on performance during the year and are included in paragraphs 3.1.1 to 3.1.6 below.

##### 3.1.1 (1) **Financial Controls & Reporting**

Sound Financial Management and prudent administration of the Council's financial affairs are key strategic issues for the Council. It is essential that control mechanisms exist to ensure that operational objectives funded through revenue expenditure and capital investment are met in the most economic, efficient and effective way.

The revenue budget performance, at the end of period 6 on 15th September 2006, shows a projected surplus of £2.860m (1.13%). The current forecast indicates that the projected surplus for the year end of £2.444m (0.42%). Provision is included for estimated equal pay compensation claims. While agreement has yet to be reached, a funding framework has been approved for the early year costs in respect of the implementation of job evaluation and single status which will be met by departments through their employee cost budgets. In the meantime, and until job evaluation issues have been resolved, accrued resources for this purpose will be held in reserve pending future need. The review of all areas of "non-essential" expenditure continues and updates on the implications will crystallise in future reports *Detailed figures at Appendix 1-A*

Following adjustment of the Capital Investment programme – adjustments for identified carry forward from 2005/06, slippage, acceleration and additional grants in the current year - the total capital investment programme for 2006/07 stands at £76.100m. Actual expenditure to end of period 6 is £24.936m or 32.77% of the current programme. Actual investment commitments for the period are £54.827m or 72.05% of the programme. There is a projected slippage of £1.876m or 2.47% at the year end. The programme will continue to be monitored closely by both the individual departments and the Corporate Resources Working Group. *Detailed figures at Appendix 1-B*

##### 3.1.2 (2) **Budget Planning**

During quarter 2, work continued on developing the budget strategy for 2007/08, including commencing the analysis of Efficiency Savings proposals received from departments. The department fed into work being carried out by COSLA and CIPFA to make representations to the Scottish Executive over additional government grant support for 2007/08. The Minister for Finance and Public Service Reform recently indicated that £100m additional funding will be made available to local authorities, although the Council's share of this will not be known until the method of allocating the grant has been decided.

The department is also assisting with COSLA's preparations for its submission to the Comprehensive Spending Review, due to be published by the Scottish Executive in summer 2007. This will involve COSLA setting out the case for proper grant funding for local government.

##### 3.1.3 (3) **Treasury Management - Prudential Arrangements for Capital Finance**

The approved Treasury Management Strategy for 2006/07 contains a number of indicators that require to be regularly monitored to ensure compliance with the requirements of the Prudential Code.

The projected level of capital expenditure in 2006/2007 is estimated to be marginally higher than that initially estimated. This will be financed from additional cash grants, contributions from revenue, plus additional capital receipts. These increased sources of finance have resulted in a reduction in the estimated

borrowing requirement for 2006/2007. Capital expenditure levels are monitored in detail as part of the Council's capital programme reporting mechanisms.

The prudential margin calculated to the end of the second quarter is higher than that initially estimated for 2006/2007. This illustrates that although capital investment levels are expected to be higher in 2006/2007, the capital plans are affordable sustainable, and satisfy the key requirements of the Prudential code.

During the second quarter of 2006/2007, the maximum level of borrowing undertaken remained well below approved authorised and operational limits. *Projected performance against key 2006/07 indicators is shown at Appendix 2.*

#### **3.1.4 (4) Treasury Management – Loans and Investments**

The Council holds a well-balanced loan portfolio, comprising fixed rate and variable rate debt plus a variety of variable rate investments. The net borrowing balance at the 30th September 2006 is £402m representing a decrease of £22.5m from the position as at the 1st July 2006. This decrease is attributable to a number of factors namely

- An increase of £19.6m in the investment balances accumulated as a result of positive cashflows, reducing the net borrowing position.
- The bank overdraft has fallen by £1.9m due to the falling level of payments made at 30<sup>th</sup> September 2006 in comparison with the previous quarter
- A decrease of £0.5m in North Lanarkshire Municipal Bank deposits utilised by the Council
- Principal repayments of £0.5m on long-term loans

During the quarter under review the department monitored the economic climate in conjunction with its financial targets and Treasury Management strategy, and concluded that there was little opportunity to undertake any additional debt restructuring/rescheduling exercises.

As a result of the restructuring exercise undertaken earlier in the year and reported to Committee at its meeting on 5th September 2006, net savings will accrue of approximately £462k in 2007/2008 and £101k in 2008/2009.

In line with the requirements of the prudential code, the Council has set limits on its exposure to the effects of interest rate changes. At the end of the second quarter of 2006/2007 the actual levels remain below the approved fixed and variable rate exposure limits.

Based on 2005/2006 outturn levels, total interest payments are expected to show an adverse variance of £113k primarily due to a predicted increase in interest payable on revenue balances.

The average level of surplus balances available for investment during the year are expected to be lower than initially estimated resulting in reduced interest receivable, with an expected shortfall of £383k. However there was an increase in the Bank of England base rate in August 2006, from 4.50% to 4.75% and the impact of this on investment yield will be reviewed in the coming months. This may contribute towards reversing the current trend.

To minimise the risk of the Council having to replace large sums of fixed rate debt at a time when there may be high interest rates prevailing, the council has set upper limits regarding its debt maturity structure. At the end of quarter 2 the maturity structure held is comfortably within defined limits.

*Further details regarding the Loan portfolio are given in Appendix 5.*

To allow for continuous improvement in Treasury management practices, the Treasury Management policies and procedures are continually monitored, reviewed and updated as appropriate during the year. During the quarter, the department continued to revise its documented practices to reflect new improved procedures for updating and maintaining the Treasury Management Information system.

### 3.1.5 (5) Best Value Plans

Work has continued to ensure that the Department is prepared for the audit of Best Value. An assessment of readiness has been carried out and the assessment score at the end of September is almost 98%. Work is underway to address the small number of areas where additional work is required. All outstanding actions will be completed by the time the audit takes place.

The Council has a programme of continuous improvement service reviews of services to ensure that they are operating effectively and efficiently. Three Finance Department services, Council Tax & Benefits, Cash Collection and Procurement are part of the programme for 2006/07 and are currently undergoing review. The reviews are all due to be completed by March 2007 and the outcome will be reported to Committee in due course.

### 3.1.6 (6) Insurance and Risk

The Department provides corporate advice on the safeguarding of Council assets as well as the administration and management of risk and insurance services. The following insurance indicators highlight the level of claims the department is currently managing and the performance in processing liability claims.

- **Number of Employers Liability Claims**  
During the second quarter of 2006/07, 12 claim incidents occurred against the Council, a small increase when compared to 11 incidents in the same period of the previous year. The year to date total is 27 compared with 25 last year. *See Appendix 4A for further details.*
- **Number of Public Liability Claims raised**  
During the second quarter of 2006/07, 218 claim incidents occurred. This compares with 274 in the same period in the previous year and represents a 20.4% decrease. The year to date total is 437 compared with 560 last year, a very significant reduction. *See Appendix 4B for further details*
- **Number of Motor Claims per number of Vehicles**  
For the second quarter of this year, total motor vehicle claim incidents were 120 against an insured fleet total of 1060, meaning that 11.32% of fleet vehicles were involved in accidents. The number of incidents during the quarter compares with 121 in the same period of the previous year. The year to date total is 221 compared with 231 last year. *See Appendix 4C for further details*
- **Percentage of Non-injury Claims Settled Within 6 Months**  
One of the outcomes of a Best Value review of Insurance Risk Management and Safety was the need to speed up processing of liability claims against the Council. Therefore, a target was set to increase by 10% per annum the percentage of non-injury claims settled within a 6-month period. Since the target was set in 2004 the figure has increased from 26% to 54% at 31 March 2006. The percentage at 30 September 2006 is 72%.
- **Public Liability Claims Outstanding**  
899 public liability claims were outstanding at the end of September 2006. This compares with a figure of 961 at the end of June 2006.

## 3.2 Revenue Services

The importance of having effective measures in place to maximise income collection is reflected in the Finance Department Service Improvement Plan for 2004-07. Similarly, the ability of the Council to pay invoices to suppliers within an agreed period is also critical. A number of initiatives are in place to improve collection rates and invoice payment times and the following indicators give an overview on how these initiatives impact on collection and payment performance.

### 3.2.1 **(7) Income Collected from Council Tax**

The net imposed figure for Council Tax for the year 2006/07 is £94.611m, which represents the amount after rebate income is received. The amount collected after the second quarter ended 30th September 2006 is £50.678m, representing 53.56% of the annual total. This position compares to the 2005/06 quarter 2 total when £47.987m (53.55%) was collected. This continues the improving trend in collection rate over a number of years. *Further details at Appendix 5A.*

### 3.2.2 **(8) Income Collected from Non Domestic Rates**

The net imposed figure for Non Domestic Rates for the year 2006/07 is £98.927m. The amount collected after the second quarter of 2006/07 is £41.139m, representing 41.59% of the annual total. This reported position is slightly worse when compared with £41.291m (42.10%) reported at the same stage last year but maintains an underlying improvement over previous years. *Further details at Appendix 5B.*

### 3.2.3 **(9) Number of Invoices Paid within agreed times**

The improvement of invoice payment times is a key action for the department and a target figure of 85% of all invoices to be paid within agreed terms has been set for 2006/07. Current analysis shows that 87.19% of invoices were paid within terms during the second quarter of 2006/07, compared to last year's figure of 84.34% for the same period, a significant improvement. The total for the year to date is 87.56% compared with 82.64% last year and above the target figure. *Further details at Appendix 5C.*

### 3.2.4 **(10) Aged Debt Profile**

Aged debt analysis gives an overview of unpaid debtors and how long overdue the payment is from the original invoice date. The indicator provides an overview of the total debt outstanding at the end of quarter 2 and highlights any movement from the previous reported position.

The total debt outstanding at the end of the second quarter, 30th September 2006, is £9.814m. This is £0.202m below the reported position at 30th June 2006. The increase in the sum still outstanding for 121 – 365 days reflects the seasonal influence on our billing routines experienced at the end and start of the financial year with high volume of invoices being issued. Also included are specific high balance accounts to public sector organisations. The most recent debt outstanding, 31-60 days, includes a small number of high value invoices including some for capital transactions.

The Debt Recovery Team will target the debt in all areas and use all recovery initiatives at their disposal. *Further details at Appendix 5D.*

### 3.3 Internal Audit

#### 3.3.1 (11) **Audit Plan**

Internal Audit activity in the period to 30 September 2006 continued broadly in accordance with the approved annual plan, which was approved by the Audit and Governance Panel in March 2006, although some delays are always encountered over the main holiday period in progressing reviews and receiving management responses due to absences of key client staff.

Activity in the period to 30 September included the completion of a number of reviews contained within the 2006-2007 approved annual plan. A further number of planned outputs have been issued in draft form and will subsequently be finalised after receipt of management responses including agreed actions. We have also undertaken a number of follow-up audits where we ensure that actions previously agreed by management in response to earlier audit recommendations have been implemented.

The detailed nature of internal audit reviews mean that Internal Audit exercises invariably find some evidence of control weaknesses, either in the form of inadequate or ineffective controls, and generally, therefore, contain recommendations for improvements. The Audit Manager can confirm, however, that during the period covered by this report, there were no systems of control within the Council that he required to assess overall as either inadequate or ineffective.

The Audit Manager is also pleased to report that generally management continue to respond promptly and appropriately to the recommendations contained in Internal Audit reports and that there are no significant issues arising from the work of Internal Audit during the period that he requires to bring to the attention of the Committee.

More detailed progress reports on the work of Internal Audit, including consideration of issues arising from individual audit reports, are submitted to each meeting of the Audit and Governance Panel.

*Further details of the completed Internal Audit programme of work is contained at Appendix 6.*

### 3.4 IT Services

The four areas below have been chosen to reflect the priority areas contained within the service improvement plan and provide a background to key areas of performance in terms of both corporate support for customers and new development areas.

#### 3.4.1 (12) **System Management & Reliability**

This indicator measures the success in the supply and management of networked and stand-alone systems, software configurations and maintenance and customer support on applications and hardware. For quarter 2 (2006/07), availability of software applications, corporate servers and networks again performed well above the target of 98%, achieving 99.9% in both areas. This continues the high availability and performance established over the previous year. The IT Service Centre also managed to resolve 97% of fault calls within the revised target timescale of 1 working day, again maintaining a high level of support to customer departments.

### **3.4.2 (13) Corporate Desktop & Emerging Technologies**

Following on from the Home Working pilot it has been agreed that the new office development at Scott Street in Motherwell should be used to develop the flexible working project. The CMT agreed that a working group, comprising representatives from IT, Property, Personnel and Planning & Environment, should be convened to develop the project further. The consolidated storage project in Coatbridge computer room is scheduled to be completed by the end of October 2006. Final migrations from Social Work stand alone file servers is almost complete. Phase II of the consolidated storage project is now started and orders for hardware placed. The Council's new Intranet, connectNL is now fully operational and development of departmental site information is continuing. Major projects to upgrade the current desktop Microsoft Office and messaging software to latest versions are now well underway with both projects scheduled to be completed by December 2006.

### **3.4.3 (14) Modernising Government / Electronic Service Delivery (ESD) Targets**

IT Services is heavily involved in assisting departments meet their Modernising Government/ESD targets as specified by the Scottish Executive. The main focus has been the support of the NLDirect team in establishing the Customer Contact Centre (CCC), First Stop Shops (FSS) and the Council's web site.

The application firewall mentioned in previous updates has now been installed. The penetration testing of our internally developed software and the application firewall has been carried out by an independent security company. This replicates 'hacker' type attacks and highlights any deficiencies in our security. It can be reported that the tests proved 'negative' in that it demonstrated we have implemented a very secure environment with no 'test' penetrating both the firewall and our in-house software.

This will now allow us to deploy the web facing element of e:Nquiry which will allow the public to request certain services via the Council's web site.

The successful tests will also allow the extension of the Schedule of Consultations System (SOCS) to external partners via the web.

A report is being prepared for committee as regards the potential extended usage of the National Entitlement Card for hosting Council applications. Consideration will also be given to the responsibility for this project within the council.

A meeting has been arranged with the Scottish Executive programme manager for Citizens Authentication. IT is keen to understand what the deliverables of this project will be and the facilities they will provide for allowing the provision of additional on-line services.

### **3.4.4 (15) Customer Contact Centre**

The Customer Contact Centre, now operating within the Finance Department's responsibility, continues to function effectively, offering a high level of service to customers. For Quarter 2 2006/07, Northline answered 72,426 calls from 73,948 calls received, giving an abandoned rate of only 2.8%. The majority of calls (55,541 – 77%) were answered within 10 seconds. *Further details at Appendix 7A.*

## **3.5 People Management**

As identified within the Finance Department service improvement plan, the employees of the department are its key resource. It is vital that staff have the skills and motivation necessary to enable them to effectively deliver the responsibilities placed on them. The department is committed to the continued development of all staff and this was confirmed by the successful Investors in People re-assessment in October 2005.

### 3.5.1 (16) Staff Training

During the last three months, the Finance Department has completed the last of the Personal Development Review meetings and the individual training needs of each of our staff members have been identified. Training and development activities for all staff are being progressed and monitored by relevant managers. Mid year reviews are scheduled for completion by the end of October.

### 3.5.2 (17) Absence Management

For the 2nd quarter of 2006/07, the total number of working days lost through absence was 653.5, which represents 3.71% of the total days available. Of this, 348 days (1.98%) were due to long-term illness. The increase of 212 days in long-term absence means that the total compares adversely with the previous quarter's figure of 387 lost days (3.44%) and with the total of 554 days (3.42%) for the same period for the previous year.

*Further details at Appendix 7B.*

## 4. Performance Summary

- 4.1 The department has performed well up to the end of the second quarter. Both revenue and capital budgets are on target to meet expenditure limits with provision included for equal pay compensation claims. Work has continued to develop the budget strategy for 2007/08 and support has been given to representations to the Scottish Executive over additional grant support.
- 4.2 The Prudential Code for Capital Finance enables the Council to increase its capital investment levels. At the end of quarter 2, the prudential margin is higher than initially estimated making the higher level of capital expenditure affordable, sustainable, and able to satisfy the key requirements of the prudential code.
- 4.3 Council Tax and Non Domestic Rates collection rates are similar to the same time last year and will continue to be closely monitored. The Invoice Payment rate for the year shows a significant improvement over the previous year and is over the target of 85%. The Aged Debt Profile for quarter 2 shows a slightly lower total than the previous quarter. All recovery initiatives will be actioned to control the level of debt.
- 4.4 Internal Audit have completed a wide ranging series of reports up to the 30th September and many more have been started. Overall no inadequate or ineffective systems of control have been identified and management are responding promptly and appropriately to recommendations.
- 4.5 Council wide computer systems also remain at a high level of stability in both hardware and software applications providing a level of user availability above target. Many new developments have also been continued in quarter 2 as the Council takes advantage of new more effective working solutions. The Customer Contact Centre is functioning effectively.
- 4.6 The Department has completed the last of the Personal Development Review meetings and has established the individual training needs of each of our staff members. Training and development activities are being progressed and monitored. Absence figures are above both the level reported for the previous quarter, and the comparative period for the previous year. This will continue to be closely monitored.

5. **Recommendation**

The Committee is requested to note the contents of this report.

A handwritten signature in black ink, appearing to read 'A. Moore', written in a cursive style.

**Director of Finance**

*For further information please contact Les Moore on tel. no. 01698 302408*

DEPARTMENT OF FINANCE - PERFORMANCE MONITORING REVIEW REPORT  
QUARTER 2 : 2006/07

## 1. Financial Controls &amp; Reporting

## A. Revenue Expenditure : 2006/07 (£'000)

Department	Figures to 15th Sept 2006			Figures to 31st March 2007		
	Budget	Actual	Variance	Budget	Projection	Variance
Community Services	30,344	30,130	214	79,231	79,099	132
Education	113,194	113,026	168	289,246	289,130	116
Finance	8,151	7,884	267	28,860	28,161	699
Administration	1,955	1,888	67	7,051	6,940	111
Housing & Property	9,223	9,034	189	28,110	28,075	35
Joint Boards	26,514	26,514	0	53,067	53,067	0
Personnel	750	732	18	1,979	1,965	14
Planning & Environment	12,261	12,159	102	45,023	45,023	0
Chief Executive	946	925	21	2,135	2,125	10
PPP/Trading Surplus	-562	-414	-148	-2,561	-2,534	-27
Social Work	49,474	47,512	1,962	116,571	116,571	0
Financing Costs	0	0	0	-29,228	-29,228	0
Adjustment for Central Admin				16,290	15,490	800
				-51,720	-51,720	0
<b>Total Expenditure</b>	<b>252,250</b>	<b>249,390</b>	<b>2,860</b>	<b>584,054</b>	<b>582,164</b>	<b>1,890</b>
Sources of Funding	84	84	0	584,054	584,608	-554
<b>Total Surplus / (Deficit)</b>	<b>252,166</b>	<b>249,306</b>	<b>2,860</b>	<b>0</b>	<b>-2,444</b>	<b>2,444</b>
<b>Housing Revenue Account</b>	<b>1,950</b>	<b>1,664</b>	<b>286</b>	<b>0</b>	<b>-1,052</b>	<b>1,052</b>

<b>Deviation from Plan</b>	<b>1.13%</b>	<b>0.42%</b>
	Actual vs Budget	Project outturn vs budget

## B. Composite Capital Expenditure : 2006/07 (£'000)

Department	Current Programme	Projected Outturn	Projected Variance	Actual Spend to 15/09/06	Committed to 15/09/06
Administration	718	718	0	260	273
Corporate	2,742	2,742	0	115	757
Community Services	10,019	9,943	76	2,760	6,519
Education Programme	20,422	18,622	1,800	8,106	15,777
Finance/IT	1,413	1,413	0	336	270
Housing - Non HRA Grants	4,121	4,121	0	1,434	3,638
Housing - Property Services	5,632	5,632	0	870	5,453
Planning & Environment	27,479	27,479	0	10,067	17,745
Social Work	3,554	3,554	0	988	4,395
<b>Programmed Capital Expenditure</b>	<b>76,100</b>	<b>74,224</b>	<b>1,876</b>	<b>24,936</b>	<b>54,827</b>
<b>Total Resources</b>	<b>76,100</b>	<b>76,100</b>	<b>0</b>		
<b>Slippage/(Overspend)</b>	<b>0</b>	<b>1,876</b>	<b>-1,876</b>		
			<b>-2.47%</b>	<b>32.77%</b>	<b>72.05%</b>

Deviation of projected outturn vs current programme

% of total programmed expenditure spent to date.

% of expenditure committed against programmed expenditure

## DEPARTMENT OF FINANCE - PERFORMANCE MONITORING REVIEW REPORT

QUARTER 2 : 2006/07

## 3. Treasury Management - Prudential Arrangements for Capital Finance

<b>Capital Expenditure, Capital Financing Requirement and Prudential Margin</b>			
<b>Capital Expenditure</b>	<b>Initial Estimate 2006/2007 (£000s)</b>	<b>Projected Out-turn 2006/2007 (£000s)</b>	
Total spend	104,798	117,202	
<b>Financed By:</b>			
Borrowing	33,776	26,635	
Capital receipts	45,580	56,635	
Cash grants	13,040	20,380	
Capital from Current Revenue	12,402	13,552	
	<b>Initial Estimate 2006/2007 (£000s)</b>	<b>Position as at 30/09/2006 (£000s)</b>	<b>Projected Outturn 2006/2007 (£000s)</b>
<b>Prudential Margin Calculation</b>			
Capital Financing Requirement	442,738	448,526	448,526
Net borrowing requirement	432,989	402,021	434,210
<b>Prudential Margin</b>	<b>9,749</b>	<b>46,505</b>	<b>14,316</b>
<b>Authorised Limit and Operational Boundary</b>			
	<b>2006/2007 Authorised Limit (£m)</b>	<b>2006/2007 Operational Boundary (£m)</b>	<b>2006/2007 Maximum Borrowing in Q2 (£m)</b>
Borrowing	519.00	484.00	475.48
Other long term liabilities	1.00	1.00	0.25
<b>Totals</b>	<b>520.00</b>	<b>485.00</b>	<b>475.73</b>

## DEPARTMENT OF FINANCE - PERFORMANCE MONITORING REVIEW REPORT

QUARTER 2 : 2006/07

## 4 Treasury Management - Loans and Investments

## Treasury Management Indicators

Loans and Investments as at 30th September 2006

	Balance 1st July 06 (£000s)	Debt Restructuring Early Redemption Refinancing (£000s)		New Borrowing (£000s)	Principal Repayment (£000s)	Net Cash Movements (£000s)	Balance 30th Sept06 (£000s)
<b>Long-Term Loans</b>							
PWLB	324,607	0	0	0	-488	0	324,119
Money Market Loans	117,250	0	0	0	0	0	117,250
Municipal Bank	10,000	0	0	0	0	0	10,000
Covenants	3,928	0	0	0	0	0	3,928
Other Local Authorities	411	0	0	0	0	0	411
	456,196	0	0	0	-488	0	455,708
<b>Short-Term Loans</b>							
Temporary	0	0	0	0	0	0	0
Municipal Bank	19,314	0	0	0	-469	0	18,845
Internal Loans	6	0	0	0	0	0	6
Bank Overdraft	4,726	0	0	0	-1,933	0	2,793
	24,046	0	0	0	-2,402	0	21,644
<b>TOTAL LOANS O/S</b>	<b>480,242</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,890</b>	<b>0</b>	<b>477,352</b>
<b>Investments</b>							
Cash in Hand	570	0	0	0	0	-44	526
Bank Overdraft	55,200	0	0	0	0	15,400	70,600
Telebank Investment a/c	0	0	0	0	0	4,205	4,205
<b>TOTAL INVESTMENTS O/S</b>	<b>55,770</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,561</b>	<b>75,331</b>
<b>NET BORROWING</b>	<b>424,472</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,890</b>	<b>-19,561</b>	<b>402,021</b>

## Interest Rate Exposures

	2006/07 Upper Limits	2006/07 Actual Held, Q2
Fixed interest rates	110%	105.89%
Variable interest rates	25%	-5.89%

## Interest Payments and Income due to Loans Outstanding/Funds Invested

	Initial Estimate 2006/2007 (000s)	Projected Out-turn Q2 2006/2007 (000s)	Variance (000s)	%
Interest Payable on Fixed Rate Debt	30,565	30,683	118	0.38%
Interest Payable on Variable Rate Debt	831	826	-5	-0.60%
<b>Total Interest Payments</b>	<b>31,396</b>	<b>31,509</b>	<b>113</b>	<b>0.38%</b>
Interest Receivable On Funds invested	-2,916	-2,533	-383	-13.13%
<b>Net Loan Interest Payments due</b>	<b>28,480</b>	<b>28,976</b>	<b>-496</b>	<b>-1.74%</b>

## Maturity Structure of Borrowing

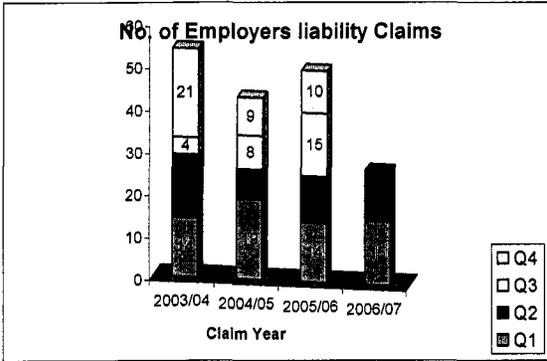
	< 12 months	12 months to 2 years	2 to 5 years	5 to 10 years	>10 years
Upper limit maturing	5.00%	5.00%	10.00%	25.00%	90.00%
Amount maturing in Period	2.84%	0.22%	4.22%	14.87%	77.85%

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6. INSURANCE AND RISK MANAGEMENT

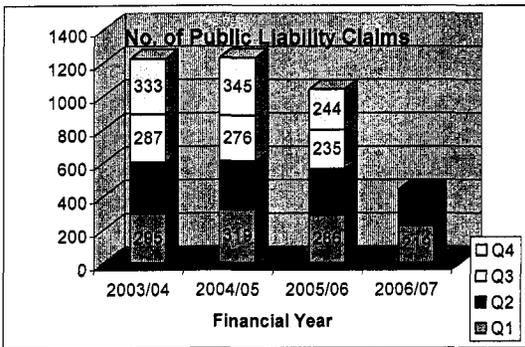
A. Number of Employers Liability Claims

	Q1	Q2	Q3	Q4	Total
2003/04	14	15	4	21	54
2004/05	19	7	8	9	43
2005/06	14	11	15	10	50
2006/07	15	12			



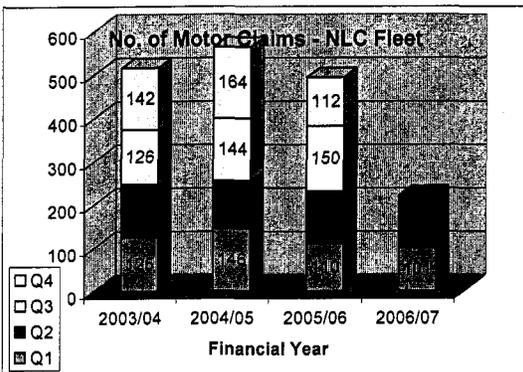
B. Number of Public Liability Claims

	Q1	Q2	Q3	Q4	Total
2003/04	295	307	287	333	1222
2004/05	319	287	276	345	1227
2005/06	286	274	235	244	1039
2006/07	219	218			



C. Number of Motor Claims across Council Fleet

	Q1	Q2	Q3	Q4	Total
2003/04	125	122	126	142	515
2004/05	146	109	144	164	563
2005/06	110	121	150	112	493
2006/07	101	120			



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**REVENUES**

**A. (7) INCOME COLLECTED FROM COUNCIL TAX**

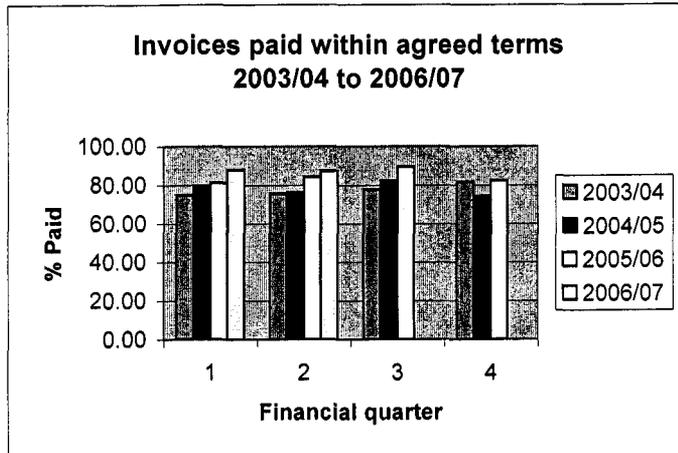
	Q1	Q2	Q3	Q4
2003/04	25.67	52.31	81.15	93.21
2004/05	26.55	53.55	81.40	93.60
2005/06	26.21	53.55	81.37	94.25
2006/07	26.37	53.56		

**B. (8) INCOME COLLECTED FROM NON DOMESTIC RATES**

	Q1	Q2	Q3	Q4
2003/04	15.49	40.83	77.72	94.75
2004/05	14.97	41.21	80.63	95.83
2005/06	14.72	42.10	80.05	94.91
2006/07	16.02	41.59		

**C. (9) PERCENTAGE(%) OF INVOICES PAID WITHIN AGREED TERMS**

	Q1	Q2	Q3	Q4	Average
2003/04	74.80	75.46	77.59	81.62	77.59
2004/05	79.58	76.21	82.14	74.26	78.07
2005/06	81.14	84.34	89.36	82.24	84.29
2006/07	87.89	87.19			



**D. (10) AGED DEBT PROFILE**

No. of Days	Amount Outstanding 30th June 2006	Amount Outstanding 30th Sept 2006
31-60	1,684,161	1,782,612
61 – 90	702,301	742,464
91-120	2,308,204	755,608
121-365	1,829,692	3,127,417
Greater 365	3,491,651	3,406,676
<b>Total</b>	<b>10,016,009</b>	<b>9,814,777</b>

## DEPARTMENT OF FINANCE - PERFORMANCE MONITORING REVIEW REPORT

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## 11. INTERNAL AUDIT

## a. Internal Audit Reviews finalised during Quarter 2 2006/07

Department	Subject
<input type="checkbox"/> Administration	Recruitment - Follow-up
<input type="checkbox"/> Community Services	Performance Information (regularity) - Community Services
<input type="checkbox"/> Corporate	Disclosure
<input type="checkbox"/> Corporate	Risk Management
<input type="checkbox"/> Corporate	Corporate Governance (Dimension 1) - Follow-up
<input type="checkbox"/> Education	Education 2010 PPP
<input type="checkbox"/> Education	Education Maintenance Allowances
<input type="checkbox"/> Finance	Effective financial management
<input type="checkbox"/> Finance	Treasury Management
<input type="checkbox"/> Finance	Cheque Control and Cashbook reconciliation - Follow-up
<input type="checkbox"/> Finance	Manual Payroll - Follow-up
<input type="checkbox"/> Housing and Property Services	Homelessness
<input type="checkbox"/> Housing and Property Services	Housing Benefit - Verification Framework
<input type="checkbox"/> Housing and Property Services	Capitla expenditure - contract management
<input type="checkbox"/> Social Work	Criminal Justice
<input type="checkbox"/> Social Work	Residential Accommodation - Elderly

## b. Internal Audit Reviews with draft report issued during Quarter 2 2006/07 but report not yet finalised.

Department	Subject
<input type="checkbox"/> Corporate	Asset Management Planning
<input type="checkbox"/> Community Services/Corporate	Trading Accounts
<input type="checkbox"/> Finance	ICT Security
<input type="checkbox"/> Finance	IT Project management - follow-up
<input type="checkbox"/> Finance	Creditors (regularity)
<input type="checkbox"/> Finance	Cash collection
<input type="checkbox"/> Housing and Property Services	Housing Benefit - Compliance with DWP Performance Standards - Security
<input type="checkbox"/> Housing and Property Services	Housing Benefit - Accuracy of calculation
<input type="checkbox"/> Planning and Environment	Management of Roads Network - Follow-up
<input type="checkbox"/> Social Work	Commissioning care services - Follow-up

## c. Internal Audit Reviews underway but not yet completed.

Department	Subject
<input type="checkbox"/> Chief Executive	PPP - Corporate management arrangements
<input type="checkbox"/> Community Services	Establishment of Leisure Trust
<input type="checkbox"/> Corporate	Equal pay compensation payments
<input type="checkbox"/> Corporate	Prevention and detection of fraud
<input type="checkbox"/> Corporate	Sustainable Development
<input type="checkbox"/> Corporate	Equalities
<input type="checkbox"/> Corporate	Purchasing/PECOS
<input type="checkbox"/> Corporate	Compliance with Sickness Absence policies
<input type="checkbox"/> Education	Performance Information/Management - regularity
<input type="checkbox"/> Education	Financial controls in schools
<input checked="" type="checkbox"/> Housing and Property Services	Effective financial planning - housing
<input type="checkbox"/> Social Work	Home care - compliance with National Care Standards
<input type="checkbox"/> Social Work	SWIS - Business continuity planning

## DEPARTMENT OF FINANCE - PERFORMANCE MONITORING REVIEW REPORT

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## A. (15) CUSTOMER CONTACT CENTRE

Service	Calls Taken	Average Waiting Time (seconds)	% Abandoned
Bookings	4,957 (3,019)	10 (11)	2.5% (2.0%)
General Enquiries	7,049 (6,411)	9 (9)	2.6% (2.3%)
Environmental	44,112 (53,705)	12 (14)	2.0% (3.1%)
Telepayments	14,954 (15,333)	10 (11)	1.5% (1.7%)
Anti-Social Behaviour Helpline	397 (368)	11 (13)	4.7% (6.3%)
Smoking Cessation Line	313 (931)	10 (11)	3.3% (2.9%)
Recruitment	644	10	4.6%
<b>Totals for Quarter 2</b>	<b>72,426</b>	<b>11</b>	<b>2.8%</b>
<b>Totals for Quarter 1</b>	<b>(79,767)</b>	<b>(11)</b>	<b>(2.7%)</b>

## B. PEOPLE MANAGEMENT

## (17) Absence Management

The Finance Department's Absence Statistics for the last two quarters are as follows :-

Service	Apr - June 2006 (2005)		July - Sept 2006 (2005)	
	No. of days through illness	% illness	No. of days through illness	% illness
<i>Accounting Services</i>	122 (69)	4.45 (2.24)	62 (43)	2.59 (1.49)
<i>Revenue Services</i>	225 (385.5)	2.29 (3.93)	281 (361)	3.01 (2.55)
<i>I.T Services</i>	25 (135)	0.65 (3.18)	310.5 (150)	5.15 (3.77)
<i>Directorate</i>	15 (incl in Acct Servs)	7.58	0 (incl in Acct Services)	0
<b>Total</b>	<b>387 (589.5)</b>	<b>2.33 (3.44)</b>	<b>653.5 (554)</b>	<b>3.71 (3.42)</b>