

ANGUS COUNCIL

SCRUTINY & AUDIT COMMITTEE – DATE(S)

UPDATE ON CREDITORS PAYMENT PERFORMANCE TO MARCH 2015

REPORT BY IAN LORIMER, HEAD OF CORPORATE IMPROVEMENT & FINANCE

ABSTRACT

This report updates members on Council wide performance in paying supplier invoices based on data for the financial year 2014/15.

1. RECOMMENDATION(S)

It is recommended that the Committee review and scrutinise the contents of this report.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

This report contributes as a whole to the local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013-2016.

3. BACKGROUND

At its June 2010 meeting the former Scrutiny & Audit Sub Committee agreed that the Director of Corporate Services should provide regular (preferably quarterly) updates on the Councils performance on paying its creditors within a 30 day period. Measurement of this “creditor payment” performance is covered by the Council’s statutory performance reporting arrangements and prompt payment is an important issue for many suppliers in the current economic climate.

4. CURRENT POSITION

Performance for Quarter Ending March 2015

4.1 The figures in the table below reflect the number of invoices paid within 30 calendar days of receipt as a % of all invoices paid.

Financial Year 2014/15 (2013/14 figures are in italics)

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full Year
87.5%	85.5%	86.0%	84.7%	85.9%
<i>87.5%</i>	<i>85.9%</i>	<i>88.3%</i>	<i>88.2%</i>	<i>87.5%</i>

Average for year to date: - 85.9% (87.5%)

4.2 For comparison purposes the full year performance for recent financial years for Angus Council and the Scottish Average was as follows:-

Financial Year	Angus	Scottish Average
2007/08	80.6%	86.5%
2008/09	76.3%	86.4%
2009/10	83.2%	88.5%
2010/11	83.6%	89.5%
2011/12	87.3%	90.2%
2012/13	89.7%	90.5%
2013/14	87.5%	92.2%

4.3 Payment performance across all four Quarters of 2014/15 shows a reduction in performance compared to the previous year. Performance is still markedly better than the low of 76.3% in 2008/09 but not as good as the high of 89.7% in 2012/13.

4.4 A summary of performance for each department is shown in the table below:-

2014/15 Performance by Department

Department	Performance
Chief Executive's	88.7%
Resources	91.7%
Communities	83.0%
People	89.6%
TOTAL	85.9%

5. ISSUES TO NOTE

5.1 Each Council department is responsible for processing their own invoices in a timely manner so that the Corporate Improvement & Finance Division can arrange payment. This indicator therefore reflects the performance of all Council departments in authorising invoices for payment within 30 days of invoice receipt.

5.2 The Council does not record an "invoice received date" within its systems so the payment within 30 days measure assumes that invoices are received 2 days after the date on the invoice as per Audit Scotland's guidance. It is inevitable that in some cases the period between the invoice date and the date on which the Council received the invoice will be longer than 2 days and this means the Council's performance on invoice payment is likely to be better than the statistics show.

5.3 Adjustments have been made in the calculations to remove disputed invoices and invoices which are known to have been subject to a significant delay in the Council receiving them. This only applies to invoices processed by Property Services (part of Corporate Services in the Table above) due to the high volume of invoices and the ability to record invoice received dates on the Archimedes system.

6. FINANCIAL IMPLICATIONS

6.1 There are no financial implications associated with the recommendations in this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

REPORT AUTHOR: Ian Lorimer, Head of Corporate Improvement and Finance
EMAIL DETAILS: FINANCE@angus.gov.uk