

PERFORMANCE MONITORING DATA

Treasury Management

Treasury management activities cover borrowings raised to finance the Council's capital expenditure and investment of its cash balances. The Council's external debt as at 31 March 2010, which is all at fixed rate, was £134.5 million at an average rate of 4.57%. This average rate can be compared to the Bank Base Rate, 0.5% from 5 March 2009, and interest receivable on investments. The actual total external debt of £134.5 million can be compared against the Council's Authorised Limit for borrowing of £250 million which must not be exceeded, and the Operational Boundary (maximum working capital borrowing indicator) of £195 million.

At 31 March 2010 external investments totalled £12.2 million and have yielded interest at an average rate of 1.77% in the financial year 09-10. This amount excludes the Icelandic investments. The performance of the investments is above the target benchmark 7 day rate of 0.42%. This high performance of interest returns will decline as the investments made before the bank base rate cut to 0.50% mature and are replaced.

Prompt Payment (Invoices paid within 30 Days)

The cumulative performance (93.80%) for the prompt payment of invoices for 2009/10 in comparison to the cumulative performance for 2008/09 is shown in Table 3.

Table 1 : Performance on Borrowings 2009/10

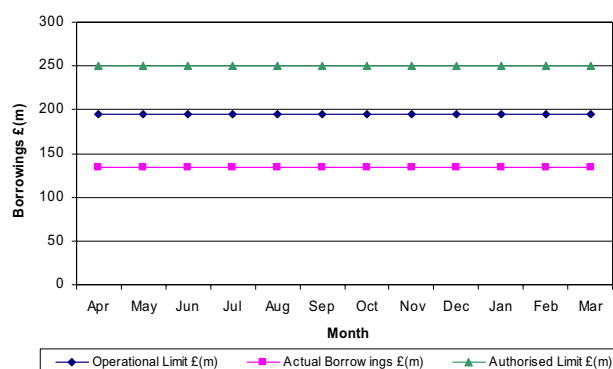


Table 2 : Performance External Investments 2009/10

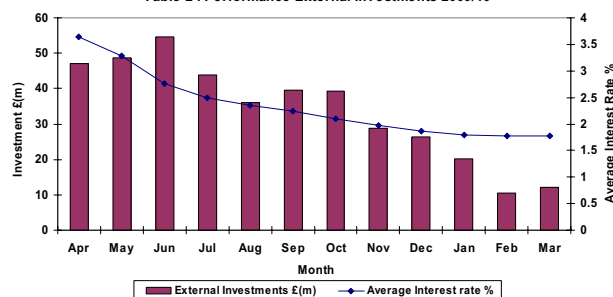
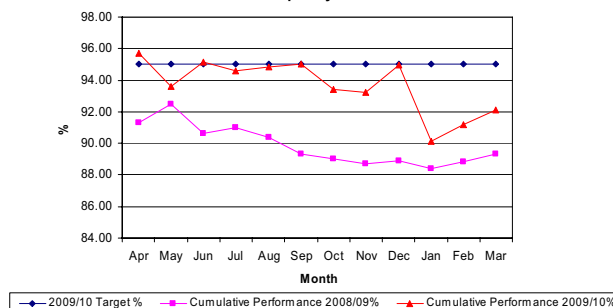


Table 3 : Prompt Payment of Invoices



Sundry Debt Performance

The outstanding sundry debt figure for debt in excess of 6 months old at the end of 2009/10 is £3.5m. The impact of the recession has resulted in delayed payment of invoices by customers, non payment or rescheduling of the amount due into instalments. During 2009/10 the debt function has been overhauled and centralised from April 2010 to improve debt management. Action is currently ongoing to identify uncollectable aged debt and process these for write off in appropriate cases.

The total amount of write offs completed during 2009/10 totalled £6,172. Due to a revision of debt management processes, debt write off has remained static. However, it is anticipated that the centralised debt processes will identify older debt for write off and therefore the Council's debt provision has been revised to reflect uncollectable aged debt based upon best estimate.

Housing Benefit Overpayments

Table 6 shows the total amount of housing benefit overpayments recovered against the target rate of 45%.

Work continues in this area to improve current performance, the Council carried £1.914m over at 31 March 2009 and raised a further £1.757m of overpayment debt during the year. Of the total debt £1.327m has been recovered this year, equating to 37.79% of in year identified and previous year balances collected. This is an increase of 0.13% on the collection rate for 2008/09. The benefit caseload increased by 1,338 during 2009/10 the largest increase being in working age claimants. These claim types give rise to a larger number of overpayments due to the greater number of changes to entitlement that are recorded for this group.

Table 4 : Sundry Debt Performance

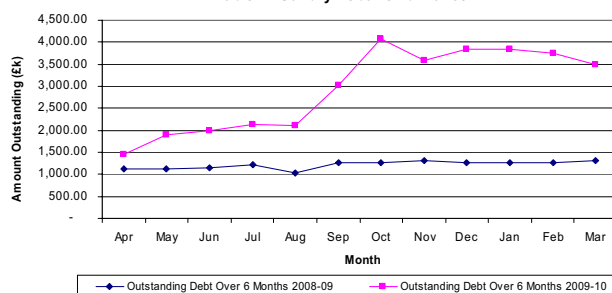


Table 5 : Amount Written Off

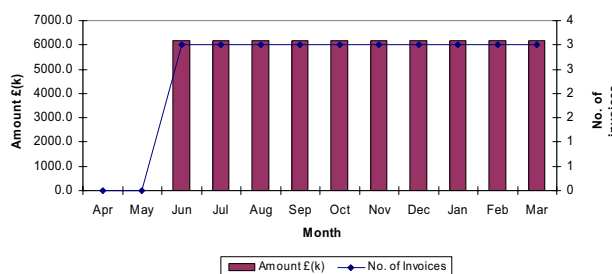
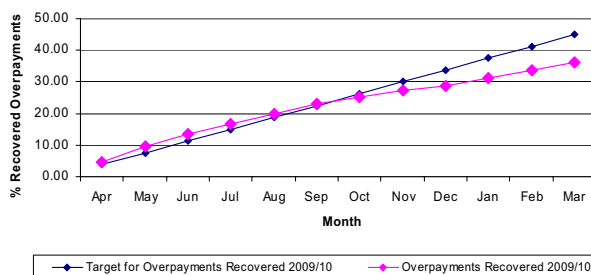


Table 6 : Housing Benefit Overpayments Recovered



Council Tax and Business Rates Collection

The following tables 7 and 8 show the performance for collection of Council Tax and Business Rates for the period to date.

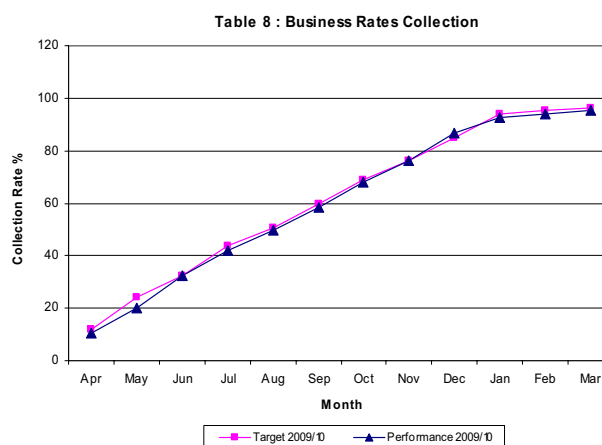
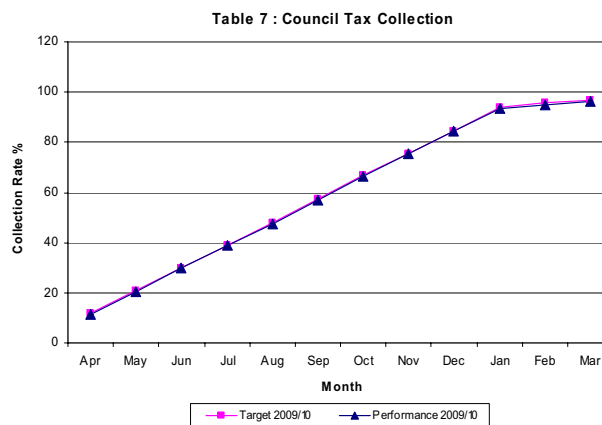
Council Tax

The collection rate for Council Tax at the end of the financial year 2009/10 is 96.06% against a target of 96.5% (down 0.44%). Compared with the collection rate for the previous year when the collection rate was 96.24% (down 0.12%).

The economic downturn faced in 2008/09 has affected the ability to increase collection rates in 2009/10 as council tax payers are still paying previous years arrears and delaying current year payments. There can be little doubt that this has affected the ability to improve upon the previous years collections although proactive recovery actions are being taken by the recovery team the impact of these has not been as effective as anticipated. An end to end review of the recovery process and the methods used is being undertaken in 2010/11 to implement improvements in collection. This will be undertaken in conjunction with the move to the new structure for the service.

Business Rates

The collection rate for Business Rates at the end of the financial year 2009/10 is 95.7%. This is 2.5% down on the target and 1.2% down on the previous year. The impact of the changes in legislation introduced on 1 April 2008 that introduced charges for previously exempt properties are still having an impact as organisations and individuals owning these properties in many cases do not have the financial resources to pay the charge and in the current economic climate are unable to find a tenant for the property. This change increased the overall amount that needed to be collected by some £8m on accounts where it was always known there would be significant problems with collection. In addition to this the continuing economic situation is undoubtedly continuing to have a direct impact on the level of business rates collected.



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