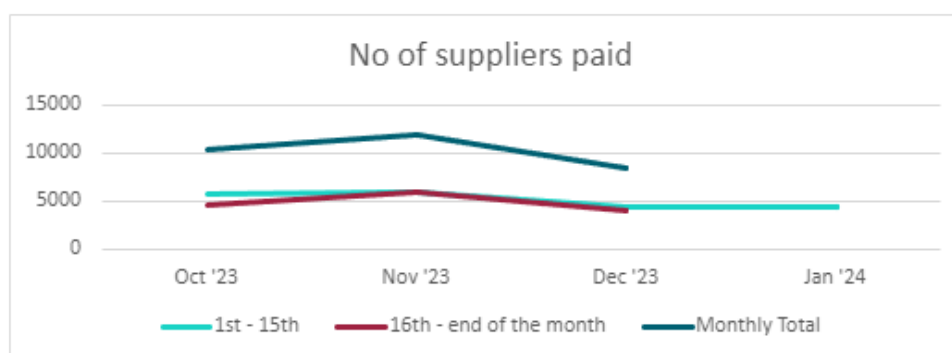


## Month 9 Revenue Budget Monitoring Report 30 December 2023

### Spend Board Information Extracted from the report

1. The Finance team are still working on reviewing its payment values to see the true effect the spend board is having. Although early indications were the spend was going down, this can be distorted when a large payment is made in relation to a capital project, and depending on suppliers invoicing on time, this can distort the figures too. This method of reviewing the impact does not also pick up the activity that never reached spend board in the first place as it was stopped at the service level.
2. In relation to the payment of suppliers, we have seen the number of suppliers paid reduced as shown in Chart 1 below. 10,450 suppliers were paid in October, rising in November to 12,057 before reducing again to 8,443 in December.

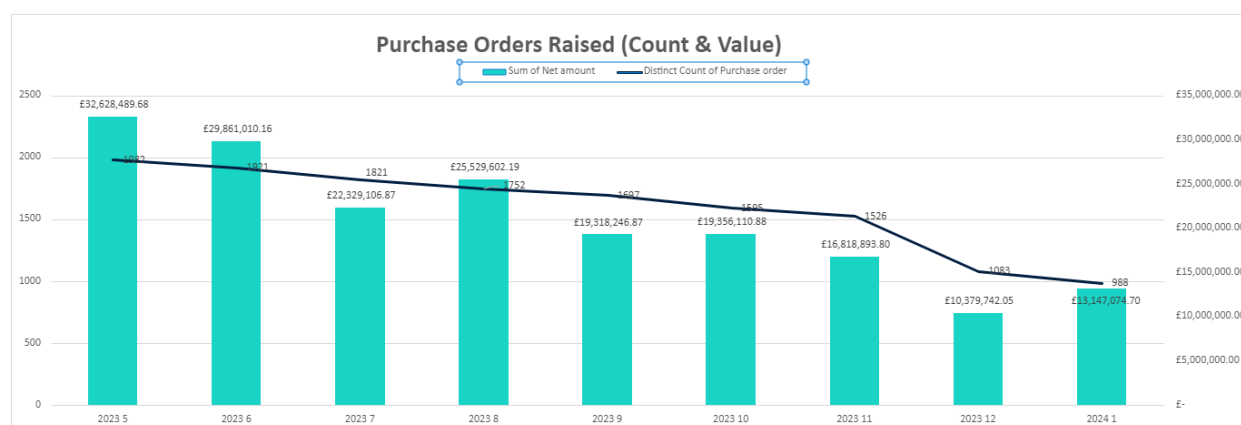
Chart 1 – Number of suppliers paid October to December 2023



3. The Council has now enforced its' 'No purchase order no pay Policy'. The exchequer team have so far rejected approximately 300 supplier invoices as the invoice received for the goods or services in question were not on our exemption list and they failed to quote a live purchase order number. Communication was made to all suppliers on our system (approx. 22,000) ahead of the Council enforcing this policy, so it should not be unexpected if their invoice gets returned for not quoting a purchase order number.
4. Finance continues to work with the services to ensure they are following the policy and ensuring they issue an order number ahead of an invoice being received as not to cause any delay to the supplier payment. The Council will always pay for goods and services it has received. Enforcing this policy is not about withholding payment to suppliers, it's about ensuring services following the correct procedure for procuring goods and services, and the Council knows its commitments for budgeting and forecasting purposes.

5. Since the control boards have been in place, we have seen a high number of retrospective orders being processed through our finance system. This meant that the control boards were unable to stop expenditure which they may have challenged on whether it was essential or statutory in this financial emergency. The board had to automatically let it through to ensure we paid for the goods or services we had received. With the order policy being enforced we should see these reduce now as the invoice won't get through our systems to be processed. Services know they to provide order numbers for everything purchased outside our goods and services purchase number exemption list.
  
6. Chart 2 shows the change in number of purchase orders raised and values attributable to these from May 23 to January 24. With the enforcement of the 'No purchase order no pay Policy' we would expect to see the number of purchase orders raised increase. However, with the control boards in place, and declared financial emergency the chart shows a decline, especially last month. As the implementation of the policy was only from December 2023 we will continue to monitor as we work with services.

*Chart 2 – Number of purchase orders raised and financial values May 23 to January 24*



7. At the time the control boards were implemented, a review of the number and use of procurement cards was also undertaken. In October 2023 there were 393 active cards which have been reduced to 227 for those services where justification could be made for them being retained. Chart 3 shows the change in spend now we have fewer active cards in use. We should see this lower spend remain or reduce further into 2024.

*Chart 3 – Procurement card spend pattern March 2023 to December 2023.*

