

Spend Control Board

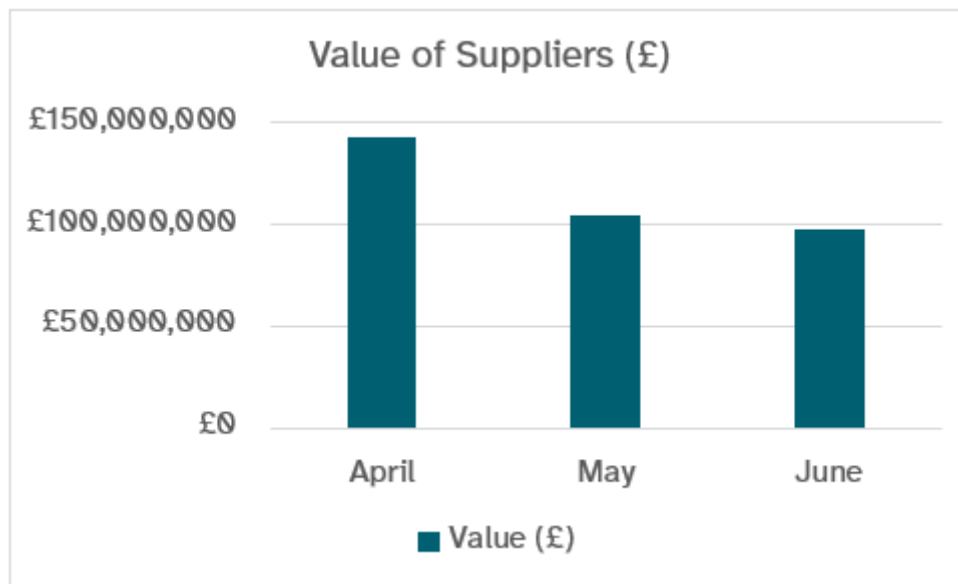
1. As Members are aware the Spend Control Board was initially established in October 2023, with the Council implementing additional controls whereby all purchases over £100 were reviewed and challenged to avoid any non-essential spend. As of 1 April 2024, the terms of Board were reviewed and the limit was increased, so that any purchases over £500 are now subject to review.
2. In relation to the payment of suppliers, the Council has seen the number of suppliers paid has remained relatively steady. As shown in **Chart 2** below, 9,153 suppliers were paid in April, rising in May to 10,586 before reducing again to 9,716 in June.

Chart 2 – Number of Suppliers paid April to June 2024



3. The value of suppliers paid, has reduced within the first quarter of 2024/25 as shown in **Chart 3** below. In April £142.6m was paid, followed by £104.3m in May, and £97.7m in June.

Chart 3 – Value of Suppliers paid April to June 2024



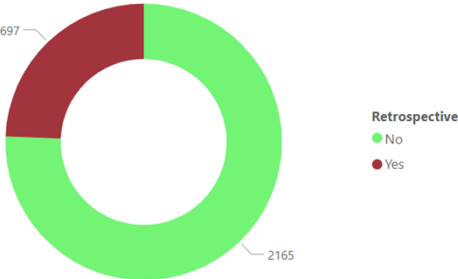
4. Last financial year, the Council enforced a 'No Purchase Order, No Pay' policy. Since then, the Exchequer Team have rejected any supplier invoice if the goods or services in question, are not on our exemption list and the supplier failed to quote a live Purchase Order (PO) number. Communication was made to all suppliers on the system (approx. 22,000) ahead of the Council enforcing this policy, therefore it should not be unexpected if an invoice gets returned for not quoting a Purchase Order number.

5. Finance continues to work with the services to ensure they are following the policy and ensuring they issue a Purchase Order number ahead of an invoice being received, to avoid any payment delays to the supplier. The Council will always pay for goods and services it has received and enforcing this policy is not about withholding payment to suppliers, it is about ensuring services are following the correct procedure for procuring goods and services, and for budgeting and forecasting purposes. Services have continued to improve in their compliance, and this is partly down to a better understanding of the process required, but also the culture change in the organisation which has taken time to embed.

6. When the spend control board was originally set up last financial year, the Council saw a high number of retrospective purchase orders being processed through the finance system. This meant that the control boards were unable to stop expenditure which they may have otherwise challenged. With the 'No Purchase Order, No Pay' policy being enforced, we have seen a decline in retrospective orders as demonstrated in the below graphic.

Spend Board Review – Retrospective PO Activity January to June 2024

Retrospective PO's



£92.38M

Value of Orders Reviewed

£5.27M

Value of Retro Orders

Orders Reviewed Summary (Retro Yes/No)

Year	No	Yes	Total
2024	2363	695	3017
January	465	238	696
February	477	170	643
March	466	130	588
April	508	58	565
May	339	61	400
June	193	45	237
Total	2363	695	3017