

Spend Control Board

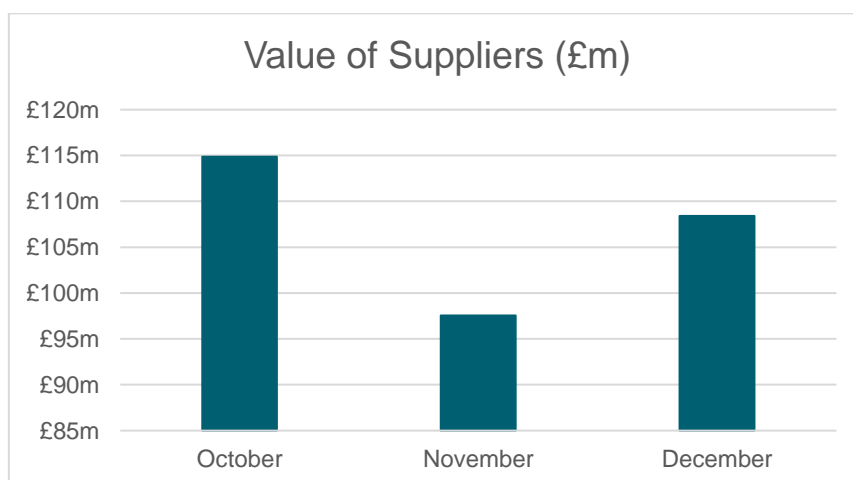
1. The Spend Control Board was initially established in October 2023, with the Council implementing additional controls whereby all purchases over £100 were reviewed and challenged to avoid any non-essential spend.
2. In relation to the payment of suppliers, the Council has seen the number of suppliers paid has slightly increased from 28,929 in Quarter 2, to 29,124 in Quarter 3. As illustrated in **Chart 1** below, 10,886 suppliers were paid in October, reducing in November to 9,596, reducing again to 8,642 in December.

Chart 1 – Number of Suppliers paid October to December 2024



3. The value of suppliers paid, has slightly increased in Quarter 3 by £3.765m, and has a total value of £320.834m as illustrated in **Chart 4** below. In October, £114.869m was paid, followed by £97.569m in November, and £108.396m in December.

Chart 2 – Value of Suppliers Paid October to December 2024



4. Last financial year, the Council enforced a 'No Purchase Order, No Pay' policy. Since then, the Exchequer Team has 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 (approximately 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.

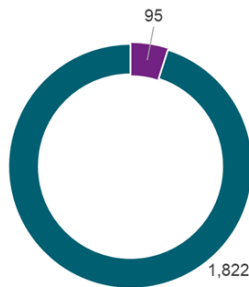
5. Finance continues to work with the services to ensure they are following the policy and ensuring they issue a purchase order number ahead of an invoice being received, to avoid any payment delays to the supplier. The Council will always pay for goods and services it has received and enforcing this policy is not about withholding payment to suppliers. The policy is to ensure 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. This is in part due to a better understanding of the process required, but also a cultural 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 October to December 2024

7. The value of Purchase orders reviewed has reduced in Quarter 3 from what was reviewed in Quarter 2 by £29.52m and has a total value of £16.01m as illustrated in **graphic 1**. The number of POs reviewed has increased from 1,091 in Quarter 2, to 1,884 in Quarter 3. Within the total number of purchase orders reviewed for Quarter 3, £0.998m related to retrospective POs which is a decrease in value of £0.142m to what was reviewed in Quarter 2.

Graphic 1 – Value and Number of Purchase Orders Reviewed by the Spend Control Board in Quarter 3 2024/25

Retrospective Purchase Orders



■ Yes ■ No

£16.01m Value of Orders Reviewed **£1.26m** Value of Challenged Orders **£998.40k** Value of Retrospective Orders

Orders Reviewed Summary (Retrospective Yes/No)

Month	No	Yes	Total
October 2024	972	54	1,026
November 2024	448	24	472
December 2024	402	17	419
Total	1,822	95	1,917