

Allerdale Borough Council

Executive – 24 February 2021

Quarter 3 Finance Report April to December 2020

Portfolio holder	Councillor Jim Lister PH Finance and Legal
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Wards affected	All
Is this a key decision	No

1.0 The reason for the decision

- 1.1 This report informs members of the Council's financial performance against budget for the period April to December 2020 along with the forecast position to 31 March 2021.

2.0 Recommendations

- 2.1 That the contents of the report are noted.

3.0 Background and Introduction

- 3.1 The Council's Financial Regulations require the Section 151 Officer (Head of Financial Services) to report regularly, (at least quarterly) to Executive, the latest financial position against budget.
- 3.2 This report outlines for the Council's revenue budget (section 5) and capital budget (section 9):
- actual (net) expenditure during the period April to December 2020
 - the projected net expenditure (full year forecast/forecast outturn) against budget for the year to 31 March 2021 (section 5)
 - reasons for significant variances (+/- £30k) between the full year forecast actual expenditure and the approved estimates (budget) for 2020-21.

3.3 This report also provides:

- details of forecast expenditure on projects funded from earmarked reserves (section 7)
- a summary forecast income from business rates, council tax and non-specific (un-ringfenced) grants (section 8)
- a summary of the impact of the forecast outturn position on earmarked reserves and general fund balances (section 10)
- details of treasury management activity and confirmation of compliance with the Treasury and Prudential Indicators included in the Council's Treasury Management Strategy Statement (section 11)
- an overview of insurance activity during the period (section 12)
- performance information relating to sundry debtors income and write offs, payment of creditor invoices and the collection of council tax and business rates income (section 13).

4.0 Key Messages

4.1 The headline messages at the end of quarter 3 of 2020-21 are:

Revenue Budget

- (i) Expenditure from the revenue budget, excluding projects funded from earmarked reserves, is forecast to exceed budget by £369k
- (ii) After taking into account the additional Covid-19 funding received of £1,594k, plus an estimate of the amount to be received under the income guarantee scheme of £1,565k, the projected outturn position will require a contribution of £55k from General Fund reserves to meet the forecast net overspend

Earmarked Reserves Budget

- (iii) It is anticipated that £80k of the budgeted use of earmarked reserves will now be spent in future financial years and has therefore been reprofiled within the forecast spend of earmarked reserves in 2020-21.
- (iv) After accounting for this reprofiling, a saving of £2k is expected.

Capital Budget

- (v) Expenditure from the capital budget is forecast to underspend by £7.945m (before carry forwards); £341k net of anticipated carry forward requests

Treasury Management

- (vi) Treasury management activities during the period were carried out in accordance with the Council's treasury management and investment strategies and within the limits established by the approved treasury and prudential indicators for 2020-21
- (vii) No new external borrowing was undertaken during the three months ending 31 December 2020.

5.0. Summary of Projected Revenue Outturn Position

5.1 Table 1 shows, as at the end of December 2020, the Council's overall projected 2020-21 revenue outturn position. It shows:

- net budgeted expenditure on services of £18.105 million
- projected outturn on services (including contributions to reserves) of £18.474 million
- a projected overspend on services for the year to March 2021 of £369k
- projected favourable variance against the earmarked reserves budget (updated to reflect the 2019-20 outturn position) of £2k.

Table 1 - Summary of Projected Outturn against Annual Budget

	Budget £'000	Projected Outturn £'000	Projected Variance £'000	Report Ref.
Net Expenditure on Services	15,647	16,016	369	
Parish Precepts	2,458	2,458	0	
Net Expenditure on Services	18,105	18,474	369	Section 6
Expenditure on Earmarked Priorities	1,475	1,473	(2)	
Total Net Expenditure	19,580	19,947	367	
Less: Planned use of earmarked balances	(1,475)	(1,473)	2	Section 7
Net Budget Requirement/ Outturn	18,105	18,474	369	
Funding:				
Taxation & Government Grants	15,614	15,961	347	Section 8
Council Tax (Parish Precepts)	2,458	2,458	0	
Contribution from/to General Fund	33	55	22	Section 10
Total Funding	18,105	18,474	369	

5.2 To balance the Council's budget, the projected overspend of £369k will require a contribution from the Council's General Fund balance of £55k.

6.0 Analysis of Net Expenditure on Services against Budget

6.1 A summary of the projected outturn variance (£369k) by portfolio is shown in Table 2.

Table 2 - Summary of variance by Portfolio

	Annual Budget	Projected Outturn	Planned contribution to reserve	Projected Variance
	£'000	£'000	£'000	£'000
Economic Growth, Community Development & Placemaking	610	521	25	(64)
Finance & Legal	4,520	4,417	0	(103)
Environmental Services	4,703	5,243	0	540
Policy, Governance & People Resources	2,809	2,810	40	41
Leisure & Tourism	289	288	0	(1)
Customer Experience & Innovation	2,716	2,672	0	(44)
Parish Precepts	2,458	2,458	0	0
Total	18,105	18,409	65	369

- 6.2 A breakdown and analysis of significant variances (i.e. full year forecast of +/- £30k) by portfolio area is set out in the following paragraphs.

Economic Growth, Community Development & Placemaking Portfolio

- 6.3 The forecast net variance against the Economic Growth, Community Development & Placemaking portfolio budget is £63,960 (favourable). Significant variances underlying the current forecast outturn position are summarised in the following table.

Table 3 - Economic Growth, Community Development & Placemaking significant variances

Service/Activity	Gross Variance adverse/ (favourable) £	Planned Contr. to Reserves £	Net Variance adverse/ (favourable) £
Building Control	51,210	0	51,210
Planning & Development	(89,391)	0	(89,391)
Sub Total	(38,181)	0	(38,181)
Activity variances not exceeding +/- £30k	(50,779)	25,000	(25,779)
Total variance	(88,960)	25,000	(63,960)

Building Control: (adverse variance of £51,210)

- 6.4 The current under recovery of projected building control income is due to a reduced number of applications being received during the last quarter than expected. Demand may have been affected by the pandemic however the service is also subject to competition from the private sector.

Planning and Development: (favourable variance of £89,391)

- 6.5 The receipt of two unexpected major planning applications in December 2020 has significantly increased the forecast planning fee income to a favourable variance of £89k.

Finance & Legal Portfolio

- 6.6 The forecast net variance against the Finance & Legal portfolio is £102,727 (favourable). Significant variances underlying the current forecast position are summarised in the following table:

Table 4 - Finance & Legal significant variances

Service/Activity	Gross Variance adverse/ (favourable) £	Planned Contr. to Reserves £	Net Variance adverse/ (favourable) £
Banking & Interest	(61,357)	0	(61,357)
Licensing Service	34,295	0	34,295
Food Safety & Occupational Health	(76,337)	0	(76,337)
Business Grants – Covid-19	(64,046)	0	(64,046)
Sub Total	(167,445)	0	(167,445)
Activity variances not exceeding +/- £30k	64,718	0	64,718
Total variance	(102,727)	0	(102,727)

Banking and Interest (favourable variance of £61,357)

- 6.7 The reported variance is underpinned by the net of:
- a £64k reduction in PWLB borrowing costs, reflecting changes to anticipated external borrowing requirements needed to fund the 2020-21 capital programme, and updated interest forecasts incorporating reductions made to rates following implementation of the PWLBs revised lending terms in November
 - £3k reduction in the interest earned from investments reflecting expected cash balances and interest rates

Licensing Service (£34,295 adverse variance)

- 6.8 The Licensing Service has experienced a reduction in applications for licences due to the restrictions imposed in response to the Covid-19 pandemic. This has adversely affected the receipt of licencing fee compared to what was originally built into the budget.

Food Safety and Occupational Health Pay Group (favourable variance of £76,337)

- 6.9 Staff within the Food Safety and Occupational Health team have been supporting critical areas of work in connection with the Covid-19 pandemic. Government grant has been received to fund the delivery of these critical services which has led to a favourable variance in respect of the team's salary budget, where staffing has not been able to be backfilled.

Business Grants – COVID-19 (favourable variance of £64,046)

- 6.10 The reported variance relates to a new allocation of New Burdens funding received in relation to the administration of grants to businesses in receipt of Local Restrictions Support Grants.

Environmental Services Portfolio

- 6.11 The forecast net variance against the Environmental Services portfolio budget is £539,845 (adverse). Significant variances underlying the current forecast position are summarised in the following table:

Table 5 - Environmental Services significant variances

Service/Activity	Gross Variance adverse/ (favourable) £	Planned Contr. to Reserves £	Net Variance adverse/ (favourable) £
Domestic Waste	34,519	0	34,519
Off-street – Owned Car Parks	391,045	0	391,045
Multi-storey Car Park	115,252	0	115,252
Sub Total	540,816	0	540,816
Activity variances not exceeding +/- £30k	(971)	0	(971)
Total variance	539,845	0	539,845

Domestic Waste (adverse variance of £34,519)

- 6.12 The adverse variance is due to the number of requests for replacement bins in comparison to that allowed for in the budget, and associated delivery costs. This variance is increased further by a decision not to implement the charge for replacement bins.

Off-street – Owned Car Parks (adverse variance of £391,045)

- 6.13 Government restrictions imposed on the back of rising Covid-19 cases from a new variant of the virus is having a significant impact on car park fee income. An adverse variance of £391k is now expected, compared to the revised budget forecast at quarter 2, as a result of additional lockdown measures.

Multi-storey Car Park (adverse variance of £115,252)

- 6.14 As with off-street owned car parks, the fee income of the multi-storey car park is being significantly affected by the pandemic. A decision was taken to temporarily close the multi-storey car park due to its limited use during government restrictions.

Policy, Governance & People Resources Portfolio

- 6.15 The forecast net variance against the Policy, Governance & People Resources portfolio is £41,286 (adverse). Significant variances underlying the current forecast position are summarised in the following table:

Table 6 - Policy, Governance & People Resources significant variances

Service/Activity	Gross Variance adverse/ (favourable) £	Planned Contr. to Reserves £	Net Variance adverse/ (favourable) £
Strategy, Policy & Performance	89,941	0	89,941
Housing Improvement	(58,437)	0	(58,437)
Sub Total	31,504	0	31,504
Activity variances not exceeding +/- £30k	(30,218)	40,000	9,782
Total variance	1,286	40,000	41,286

Strategy, Policy & Performance Pay Group (adverse variance of £89,941)

- 6.16 The budget includes £80k of transformational savings which are not expected to be deliverable within the current financial year.

Housing Improvement Pay Group (favourable variance of £58,437)

- 6.17 The favourable variance is in part, due to a vacancy existing within the Housing Improvement team throughout the year. In addition, the Housing Manager has been supporting critical work in connection with the Covid-19 pandemic which has been funded by a specific government grant. An interim period of not being able to backfill this role has also contributed to an underspend on the salary budget.

Other portfolios

- 6.18 At the end of quarter 3, there were no significant variances (i.e. variances of +/- £30k) to report within the following portfolios:

- Leisure and Tourism
- Customer Experience & Innovation

7.0. Projects funded from Earmarked Reserves

- 7.1 At 1 April 2020, the balance held in earmarked reserve was £3,248k, and comprised:

- £1,948k held for service expenditure
- £1,300k held for accounting purposes or as contingency against specified risks.

- 7.2 Against the balance of £1,948k (reserves held for service expenditure) the profiled spend identified for 2020-21 is £1,475k. The remaining balance is profiled to be spent in subsequent financial years.

- 7.3 The current projected outturn for 2020-21 is £1,393k, projecting an underspend of £82k.

- 7.4 Out of the forecast underspend of £82k, £80k is due to a change in the timing of expenditure and will be spent in future financial years, leaving a forecast saving of £2k.

Table 7 - Summary of projected expenditure from earmarked reserves

Reserve Funded projects	Reserve Balance 1-4-2020 £'000	Revised Budget 2020-21 £'000	Projected outturn £'000	Variance £'000	Re-profiled to/(from) future years £'000	Saving £'000
Economic Growth, Community Development & Placemaking	650	556	555	(1)	0	(1)
Finance & Legal	215	140	141	1	0	1
Environmental Services	439	425	423	(2)	0	(2)
Policy, Governance & People Resources	305	106	91	(15)	15	0
Leisure & Tourism	61	61	61	0	0	0
Customer Experience & Innovation	278	187	122	(65)	65	0
Total held for service expenditure	1,948	1,475	1,393	(82)	80	(2)
Accounting/Contingency reserves	1,300	0	0	0	0	0
Total Reserves	3,248	1,475	1,393	(82)	80	(2)

8.0 Taxation and Non-specific grant income

- 8.1 Details of the Council's taxation and non-specific grant income and expenditure for the year compared with budget, are shown in the following table. This includes income received from:

- Non-ring fenced government grants, such as Revenue Support Grant and New Homes Bonus
- Council tax and Non Domestic Rates (NNDR).

Table 8 - Taxation and Non-specific grant income

	Revised Budget £'000	Projected Outturn £'000	Variance £'000
Revenue support grant	199	199	0
Rural Services Delivery Grant	326	326	0
New Homes Bonus	606	606	0
Council tax – excluding parish element	5,400	5,400	0
Collection fund surplus/(deficit) - Council Tax	21	21	0
NNDR funding (see table 11)	6,250	6,250	0
Other Grants – Covid-19 emergency funding	1,594	1,594	0
Other – Covid-19 income guarantee	1,218	1,565	347
	15,614	15,961	347

NNDR Funding (business rates)

- 8.2 The amount of NNDR income available to the general fund, and taken into account when setting the budget each year, is based on the figures contained in the government return - NNDR1.
- 8.3 Although the NNDR1 form fixes a significant portion of NNDR income available to the Council's general fund for the financial year, it does not fix:
- the levy the Council pays to the Cumbria business rates pool
 - the retained levy that the Council receives back from the pool or
 - the grant it receives from central government to compensate for certain business rate reliefs (section 31 grant)
 - the balance of amount payable or receivable in respect of the preceding years disregarded income (renewable energy reconciliation adjustment).
- 8.4 Amounts relating to levy payments and section 31 grant are based on the Collection Fund outturn position, rather than on the estimates included in the NNDR 1 return. The retained levy also takes into account the Collection Fund outturn positions of other pool members. As a consequence, the amount of income the Council receives and pays in relation to these items, is subject to change over the course of the financial year. The renewable energy reconciliation adjustment is based on the previous year's outturn position.
- 8.5 The composition of funding available from business rates in 2020-21, including related s31 grants is summarised in table 9.

Table 9 - NNDR (business rates) funding 2020-21

Funding element	Approved Budget £'000	Projected Outturn £'000	Variance £'000
Fixed Elements:			
Allerdale Share of NNDR Income	11,168	11,168	0
Renewable Energy 'disregard' retained by billing authority	522	522	0
Net tariff payable to Central Government	(7,418)	(7,418)	0
Share of estimated collection fund surplus	138	138	0
'Fixed' element of NNDR income	4,410	4,410	0
Variable Elements:			
Reconciliation adjustment re prior years disregarded income	(7)	(7)	0
Section 31 grant	8,498	8,498	0
Levy payable (net of reduction under pool arrangements)	(491)	(491)	0
Variable element of NNDR income	8,000	8,000	0
Total Fixed & Variable Elements	12,410	12,410	0
Transfer to Earmarked Reserve	(6,160)	(6,160)	0
Net Credit to the General Fund	6,250	6,250	0

- 8.6 During 2020-21, a number of additional and extended business rates reliefs have been introduced in response to the Covid-19 pandemic (including, in particular, the increased and expanded retail discount scheme). This has resulted in a significant reduction in the amount of business rates expected to be collected from ratepayers in 2020-21.
- 8.7 The Authority is compensated for this loss in business rates income by way of additional section s31 grant, payable in 2020-21. However, because the demand on the Collection Fund in respect of business rates is fixed prior to the start of the financial year, the full impact of the cost of these additional and extended reliefs (i.e. the Authority's share of the collection fund deficit generated by the additional reliefs granted) will not be borne by the general fund until 2021-22. To offset the significant fall in business rates income in 2021-22, generated by the need to repay the collection fund deficit when setting the 2021-22 revenue budget, the additional s31 grant received in the current financial year will be transferred to an earmarked reserve in 2020-21 and released in 2021-22 to offset the reduction in business rates income.

Covid-19 funding - emergency funding tranches 2, 3 & 4 (£1,594k)

- 8.8 During the current financial year, the Authority has received emergency funding totalling £1,594,228, in the form of un-ringfenced grants to meet urgent and unforeseen costs and financial pressures arising from the Covid-19 pandemic.

Covid-19 funding - income guarantee scheme

- 8.9 In July, the government announced an income guarantee scheme, under which authorities will be compensated for 75% of losses of income from sale, fees and charges - for example, car parking charges - arising as a result of Covid-19 and the consequent reductions in economic activity. Under the scheme, authorities will be required to absorb losses of up to 5% of their planned sales, fees and charges income, with the government compensating them for 75% of the losses in excess of the 5% threshold. Crucially however, commercial revenues, including rental amounts, are not considered relevant losses and will not be compensated for under this scheme.
- 8.10 At the end of December, the estimated amount of compensation receivable under the scheme, based on forecast (net) losses associated with eligible income streams is £1,565k.
- 8.11 The amount receivable by the Authority under the income guarantee scheme is based on actual irrecoverable losses incurred, compared to the budgets set by the Authority for eligible income streams. The amount receivable will therefore be subject to change over the course of the financial year as the full extent of irrecoverable revenue losses emerge.

9.0 Capital budget

9.1 The current capital budget is £11.63m, comprising:

- £13.3m approved budget for 2020-21 (approved March 2012)
- £1.39m budget carry forward from 2019-20.
- £3.06m net saving (£2.41m) and reprofiling adjustments (£0.65m) included in the 2020-21 revised budget submission (approved December 2020).

9.2 The projected Capital Outturn position for 2020-21 is summarised in table 10. This shows:

- a projected outturn position of £3.684m
- an underspend compared to budget of £7.945m.
- expected budget carry forward requests (re-profiling adjustments) of £7.604m
- an overall favourable variance (net of carry forward requests) of £341k.

Table 10 - Capital Programme – Projected Outturn by Portfolio

	Current Budget £'000	Projected Outturn £'000	Outturn Variance £'000	Re-profiled £'000	Variance £'000
Capital Expenditure					
Econ. Growth, Community Development & Placemaking	8,071	944	(7,127)	6,843	(284)
Finance and Legal	0	0	0	0	0
Policy, Governance & People Resources	1,425	786	(639)	639	0
Environmental Services	990	761	(229)	172	(57)
Leisure and Tourism	1,058	1,108	50	(50)	0
Customer Experience and Innovation	85	85	0	0	0
Total - Capital Expenditure	11,629	3,684	(7,945)	7,604	(341)
Capital Financing					
Capital Grants	4,837	2,856	(1,981)	1,981	0
Capital Receipts	647	403	(244)	214	(30)
Earmarked Reserves	0	0	0	0	0
Revenue Budget	0	0	0	0	0
General Fund Balances	94	87	(7)	7	0
Borrowing	6,051	338	(5,713)	5,402	(311)
Total - Capital Funding	11,629	3,684	(7,945)	7,604	(341)

Key variances

9.3 Details of key variances are set out in Appendix B.

10.0 Impact on General Fund and Earmarked Reserve Balances

10.1 The impact of current budget forecasts on the Council's general fund and earmarked general fund balances (earmarked reserves) is summarised in the following table:

Table 11 - Movement in Balances

	Current Budget		Projected Outturn	
	General Fund £'000	Earmarked Reserves £'000	General Fund £'000	Earmarked Reserves £'000
Opening Balances April 2020	3,144	3,248	3,144	3,248
Transfers to/(from) Reserves:				
Release of E/M to GF	167	(167)	167	(167)
Use for capital programme	(94)	0	(87)	0
Use to support Revenue Budget	(33)	(1,475)	(55)	(1,473)
Planned to Earmarked Reserves	0	65	0	65
Requested to Earmarked Reserves	0	0	0	0
Additional Taxation and Government Grants to Earmarked Reserves	0	6,160	0	6,160
Increase/(Decrease) in Balance	40	4,583	25	4,585
Balance at 31 March 2021	3,184	7,831	3,169	7,833
Retained - Minimum Balance	(2,700)	-	(2,700)	-
Available for Use	484	7,831	469	7,833

Impact on General Fund Balances

10.2 This reserve plays an important part in managing unforeseen risk and cash flow management of the Authority. At the end of quarter 3, the projected revenue and capital outturn positions for the year to March 2021, will result in a net increase in the Council's general fund balance of £25k, compared to the increase of £40k included in the current budget.

Impact on Earmarked Reserves

10.3 The profiled spend (budget) from earmarked reserves for 2020-21 is £1,475k. The projected outturn at the of quarter 3 is £1,473k, resulting in a forecast £2k underspend.

11.0 Treasury Management

Treasury Management Activity

- 11.1 A summary of treasury management activity during the three months to 31 December and the financial year to date, including details of investment and borrowing transactions and information about the Council's investment and loans portfolios, is contained in Appendix C. During the period ending 31 December 2020:
- treasury management activities were carried out in accordance with the Council's treasury management and investment strategies.
 - no new external borrowing was undertaken
 - measures implemented by Government in response to Covid-19 resulted in a significant increase in average daily investment balances compared to the corresponding period last year. These measures include the receipt of £42.2m of grant funding in April, to fund the payment of grants to businesses in receipt of Small Business and Rural Rates Reliefs, eligible businesses in the Retail, Hospitality and Leisure sectors and other businesses under the Local Authority Discretionary Grant Fund scheme
 - to minimise counterparty risk, where the temporary investment of this additional (Covid-19 related) funding could not be accommodated within agreed counterparty limits, all excess amounts were placed with H.M. Treasury's Debt Management Office (DMO). This required temporary suspension of the Authority's £12m counterparty limit on deposits placed with the DMO during the period 1 to 7 April.

Treasury and Prudential Indicators

- 11.2 The Local Government Act 2003 requires the Council to determine and keep under review, limits on how much money it can afford to borrow by way of loans and other forms of credit. The processes the Council must follow in setting these limits (the 'Authorised Limit for External Debt') is set out in the Prudential Code for Capital Finance in Local Authorities to which the Council is required to 'have regard to' under provisions contained in the 2003 Act. In addition to the Authorised Limit, CIPFA's Prudential and Treasury Management Codes and accompanying sector guidance, include a number of other key treasury management indicators designed to support and record local decision making in connection with capital and treasury activities.
- 11.3 The Council's Authorised Borrowing Limit (the statutory limit on borrowing under the Local Government Act 2003), Operational Boundary (the limit beyond which external debt is not expected to exceed) and other indicators and limits required by CIPFA's Prudential and Treasury Management Codes, were set out in the Council's Treasury Management Strategy Statement and Investment Strategy for 2020-21. This was approved by the Full Council on 4 March 2020. Updated limits were set out in the Treasury Management Mid-Year Review 2020-21. The revised limits were approved by Full Council on 9 December 2020

11.4 During the period April to December 2020, the Council has operated within the limits established by the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement 2020-21 and Treasury Management Mid-Year Review 2020-21.

12.0. Insurance

12.1 A summary of claims lodged and closed between 1 April 2020 and 31 December 2020 is set out in the table below:

Table 12 - Insurance claims from 1 April 2020 to 31 December 2020

	No. Claims b/f	No. Closed to date	No. Lodged to date	No. Claims Outstanding
Public Liability	6	7	5	4
Employers Liability	0	0	0	0
Other	0	0	0	0
Property Damage and Motor	1	0	0	1
Municipal Mutual (1974 to 1993)	1	0	0	1
	8	7	5	6

12.2 The number of claims outstanding at the end of December 2020 was 6. This compares to a total of 9 outstanding claims at the end of July 2020. 7 claims have been closed or settled.

12.3 The cost of settling outstanding claims is currently estimated at £34,269. Of this amount, the estimated cost to be borne by the Authority (the insurance excess) is £18,405.

12.4 At 1 April 2020, the Authority brought forward a provision for insurance liabilities of £92,367. Excluding the potential cost of existing claims, this leaves a balance of £63,962 currently unallocated. This remaining balance is considered sufficient to meet liabilities arising from additional claims that may be received in relation to incidents incurred but not yet reported.

13.0 Working Capital Management

Sundry Debtors and Write-offs

13.1 The outstanding sundry debt (including Trade Refuse) at 31 December 2020, was £1,233,618.42 which is detailed in the following table:

Table 13 - Outstanding Debtors at 31 December 2020

	Total debt outstanding £	Not past due £	30 Days past due £	60 Days past due £	>90 Days past due £
At 31 December 2019	861,145	209,872	364,791	55,259	231,223
% debt	100%	24%	42%	7%	27%
At 31 March 2020	1,059,270	541,969	47,636	246,414	223,251
% debt	100%	51%	5%	23%	21%
At 30 June 2020	895,988	347,735	289,033	8,007	251,213
% debt	100%	39%	32%	1%	28%
At 30 September 2020	1,614,490	1,300,834	58,466	13,966	241,223
% debt	100%	80%	4%	1%	15%
At 31 December 2020	1,233,618	840,048	55,680	39,563	298,327
% debt	100%	68%	5%	3%	24%

- 13.2 £298,327 (24% of the outstanding debt) is over 90 days old. Of this, £70k is subject to a payment plan or is secured through charging orders. The remaining £228k is subject to ongoing recovery action. A provision of £97k is available to off-set the impact of non-recoverable debt balances.
- 13.3 110 sundry debtor/trade waste invoices were written off between April and December 2020.

Table 14 - Write off of debtors

	2018-19		2019-20		2020-21	
	Apr – Dec 2020		Apr – Dec 2020		Apr – Dec 2020	
	No invoices	Total £	No invoices	Total £	No invoices	Total £
Sundry Debtors	20	867.42	65	8,518.13	61	9,891.55
Trade Waste	38	3,089.34	94	8,645.81	49	3,226.99
TOTAL	58	3,956.76	159	17,163.94	110	13,118.54

Payment of Creditor Invoices

- 13.4 The Authority has a target to pay 98% of invoices from suppliers located within the Allerdale postal area within 14 days of receipt, and 98% of non-Allerdale supplier invoices within 30 days of receipt.
- 13.5 During quarter 3 of 2020-21, 95.2% of Allerdale supplier invoices were paid within 14 days with 412 out of 432 invoices being paid on time. This compares with 96.2% achieved in the corresponding period last year.
- 13.6 During quarter 3 of 2020-21, 97.6% of national supplier invoices were paid within 30 days. This compares favourably with quarter 3 2019-20 when 97.2% was achieved.

13.7 A summary of the reasons for delays in payment is set out below:

Table 15 - Reasons for delay in payment of supplier invoices (Q3 2020-21)

Reasons for delay	Number of invoices
Invoices received without a valid purchase order	16
Price discrepancy between invoice and purchase order requiring authorisation prior to payment	8
Purchase order was not goods received prior to receipt of invoice	4
Manual authorisation required (purchase order not required)	6
Invoices sent directly to department or individual instead of the Invoice Section	9
Other non-recurring issues	2
Total number subject to delayed payment	45

13.8 Performance will continue to be monitored. Where issues are identified, they will be addressed and reported in future monitoring reports.

Council Tax and NNDR – collection statistics

13.9 During the nine months to 31 December, collection rates for Council tax and NNDR were less than expected due to the effects of the Coronavirus outbreak.

Table 16 - Council Tax and NNDR collection rates as at 31 December 2020

	Council Tax Collection %	NNDR Collection %	CTAX and NNDR as % of Full Year Collectable income
Q3 2020-21	84.71%	81.60%	84.12% - £62.9m (out of £74.8m)
Q3 2019-20	85.49%	83.25%	84.75% - £74.2m (out of £87.6m)
Q3 2018-19	85.42%	83.10%	84.63% - £71.6m (out of £84.6m)

14.0 Delivery arrangements

14.1 Not applicable to this decision/report.

15.0 Implications and Impact

Contribution to Council Strategy Priorities, Outputs and Outcomes

15.1 Sound financial management is essential to successful delivery of the Council's financial plans, achievement of value for money, financial sustainability and the stewardship and safeguarding of public money.

Finance/Resource implications

15.2 Financial issues and implications are included within the main body of this report.

Legal and governance implications

15.3 There are no legal or governance issues arising from this decision/report.

Risk analysis

15.4 Not applicable to this decision/report.

Increasing satisfaction and service

15.5 Not applicable to this decision/report.

Equality impacts

15.6 Not applicable to this decision/report.

Health and Safety impacts

15.7 Not applicable to this decision/report.

Health, wellbeing and community safety impacts

15.8 Not applicable to this decision/report.

Environmental/sustainability impacts

15.9 Not applicable to this decision/report.

Other significant implications

15.10 There are no other significant implications arising from report.

Appendices attached to this report

Appendix	Title of appendix
A	Projected revenue outturn by portfolio
B-1	Capital expenditure to date and forecast outturn
B-2	Summary of capital variances
C	Summary of Treasury Management Activity

Background documents available

Name of background document	Where it is available
None	N/A

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