

## **Section 6 – Financial Health Indicators**

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The Following table attempts to give some context to the financial performance reported to Members during 2007/08:

- Cash Balances – these have remained strong during 2007/08 (ref'n1) partly because of increased sundry debt (ref'n 3 & 4) and Council Tax / NNDR collections (ref'n 5 & 6) and payments received in year from Green Vale Homes (GVH)
- Bank Interest generated – this has been well documented in financial monitoring reports. Ref'n 8 shows who Rossendale has outperformed the average benchmark
- Capacity is being built within Finance as a result of the Councils recent investment in IT. Ref'n 7 shows how the manual handling of cheques has reduced to that of electronic bank payments. This is also further evidenced by the volume analysis in ref''s 12 to 16
- A further set of indicators are being developed to measure the impact of the Councils procurement activity and initiatives

		As at 31 March 2007	End Q4 2007/08	Long Term Trend
1	Cash and indebtedness (£000)	£2,345 k	£4,846 k	Change reflects payments received from GVH and slip in the capital programme which will impact on cash resources during 08/09.
2	BV8 % of trade creditor paid in 30 days	76.4%	96.44%	Target of 95% exceeded and continues to improve
3	Average Debtor Days	85 days	39 days	Long term trend continues to improve. New management systems (ARMS) will continue to make further improvements.

		As at 31 March 2007	End Q4 2007/08	Long Term Trend
4	Proportion of debtors over 6 months old	32%	58%	Balance at March £193k Balance at Dec £142k
5	Level of Council Tax Arrears (prior years)	£2,228k	£2,374k	This still represents a constant 7.5% of the annual debit.
6	Level of NNDR arrears (prior years)	£94	£160k	This has risen from 0.9% to 1.4% of the annual debit.
7	% of payments made by electronic means (including benefits and revenues refunds)	31%	73.5% of all payments 86.6% of benefits payments	Benefits came on line as from Oct 07, Dec 07 was 71%, Mar 87%.  Next challenge is to get electronic C. Tax refunds for those paying by D/D
8	Interest earned on cash deposit relative to benchmark	Benchmark 4.84% Earned 4.82%	Benchmark 6.13% Earned 6.9%	Earnings now closer to bank rates following world banks pre-Christmas liquidity injection.  Benchmark SECTOR model portfolio to 31/03/08
9	Corporate Spend	£5,376,335.88	£3,484,334.21	Excludes Capital Payments
10	Corporate Spend placed with local Cos (ELeP postcodes)	£1,681,297.32	£948,336.38	Will continue to fall if we steer towards national framework agreements

		As at 31 March 2007	End Q4 2007/08	Long Term Trend
		(31.3%)	(27.22%)	
11	% of above placed through ELeP Contracts	2.0%	1.94%	Potential to reduce at the end of current contracts and we move to national framework agreements
12	No Of Invoices	5798	4084	There should be a reduction in volume if invoice consolidation is introduced
13	Average Invoice Value	£927.27	£853.17	Potential to increase in value if invoice consolidation introduced
14	Average Spend per Supplier	£ 4,346.27	£3,775.01	Creditor registration now being controlled to reduce supplier database and control non-contract spend.
15	Value of electronic payments	£4,254,374.02	£3,118,566.94	% of corporate spend paid electronically will continue to increase. Registration of new suppliers requires them to accept payment by BACS
16	% Value of electronic payments	79.1%	89.50%	End of quarter 4 totalled 97.66%