











## Financial Health Indicators

		Current Performance
<p><b>Level of General Reserves (annual indicator)</b> Well managed organisations operate with an adequate level of general reserves taking into account the risks they face. We determine the actual level of reserves we require annually through a risk based approach. However, it is prudent to aim to hold a minimum level of general reserves.</p>		
<i>General reserves are maintained at a level of at least 2% of the council's current net revenue budget (Outturn – 8.6%, above target).</i>		
<p><b>Aged Debt (quarterly indicator)</b> Organisations need to ensure that money owed to them is collected in a timely manner. This indicator shows how well we are managing to collect money owed to us.</p>		
<i>Level of outstanding general debtors more than 6 months old does not exceed £14.7m (Outturn – £19.0m, above target).</i>		
<p><b>Working Capital (annual indicator)</b> It is essential that working capital is well managed. This indicator shows how well our debtors and creditors are being managed.</p>		
<i>Current debtors divided by current creditors should be in the acceptable range of 1 – 3 (Outturn 1.05, within target).</i>		
<p><b>Payments to suppliers (quarterly indicator)</b> By paying suppliers quickly we are supporting the Staffordshire economy. It also means businesses are more likely to want to do business with us and offer us competitive rates which will improve our financial health in the medium term.</p>		
<i>At least 90% of invoices have been paid within 30 days of us receiving them during the last quarter (Outturn – 97.4%, on target).</i>		
<p><b>Financial Monitoring (quarterly indicator)</b> Effective financial monitoring is essential in any organisation. Monitoring provides organisations with early information of potential issues enabling them to take corrective action to avoid future financial difficulties.</p>		
<i>Quarterly financial monitoring reports have been issued to Cabinet during the last 12 months</i>		
<i>The council's most recent revenue outturn forecast did not vary by more than +/-2% when compared to the overall revenue budget</i>		
<p><b>Financial Reporting (annual indicator)</b> Preparing timely and accurate accounts is vital to demonstrate to interested parties that we have sound financial controls. They also provide detailed information which shows our overall financial health.</p>		
<i>The council's most recent Statement of Accounts were produced on time although the audit is not yet completed.</i>		
 Indicator not met	 Indicator not met by small margin	 Indicator met