

After the budget.....

With the Revenue Budget now agreed by the County Council, what comes next? The Budget is only one part of a continuing cycle of financial activity - if you doubt that please ask anyone who is involved with the Council's financial affairs!

Issues currently circulating around the Department of Finance include bringing together the funding available for the capital programme and lists of potential projects— a really complex exercise these days.

The Government makes available borrowing approvals, which are either non specific through the 'Capital Pot', or are dedicated for specific purposes. We also get capital grants from the

Government, capital receipts from selling assets we no longer need, insurance monies, and funds from some other sources. The Cabinet has agreed to the majority of projects and schemes for this year's capital programme and will look at the remainder at its next meeting.



'Cliff edge' counties...

Another issue is the Area Cost Adjustment (ACA), which the Government is considering changing as part of its commitment to fairness in the distribution of government funding.

The ACA gives more money to London and the South East to compensate for the higher wage costs they incur. Any change generates a lot of feelings.

Naturally the South East wants the ACA principle left alone but with more money. 'Cliff edge' counties who border ACA authorities want to be included.

Then there are the rest, which includes Norfolk.

We are currently re-examining the latest review of the options. My previous advice has been that our interests were best served by leaving matters where they were. Await news on what we now think!

Bob Summers
Director of Finance

01603 222400

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Spotlight on

The Department of Finance

As you may know, the IS part of what was the Department of Finance & Information has now been transferred to Cultural Services.

This seemed an opportune time look at the work done by the department, which is on the 4th floor. And who better to take you on a tour than the Director of Finance, Bob Summers?

Working clockwise around the floor we begin with our Risk & Insurance section. This is headed by John Baldwin (01603 222827). Here lies responsibility for risk management activities, which now have a very high importance. This sits alongside a very active insurance section.

Although we self-insure for a lot of the day to day claims that are made against the Council, this still means that we need to act in the same way as an insurance company. So for example, if a car's tyres are damaged by a pothole, a claim form will be on its way from the Risk & Insurance section.

Next we have the Strategic Funding section, which is headed by Anna Casson (01603 222816). This section advises the Council on matters such as taxation and VAT, PFI, partnership working and Revenue Support Grant (RSG) negotiations. The section is involved nationally in work for the County Council Network.

After this we come to the Corporate Purchasing Unit, headed by Michael Wood (01603 223395). Michael and his team provide overall guidance on purchasing matters, including making the best use of ESPO. Also under Michael's remit comes responsibility for the calculation and payment of member allowances.

Corporate Accountancy is headed by John Neilson (01603 224427). This section brings together all

the financial monitoring throughout the Council, as well as preparing the annual budget, capital programme and closing the accounts. The projects to replace the Council's financial system, FIMS, and change how we manage departmental and corporate accounting are steered and managed by John Neilson.



Bob Summers

Then we come to the Pension Fund and Treasury Management section, headed by Nicola Mark (01603 222271). This section manages the Council's Pension Fund, taking responsibility on behalf of the 115 employers—such as district councils, colleges and housing associations—and over 19,000 employees who contribute to it. The section also advises me on borrowing and lending and they undertake a considerable number of very large transactions on a day to day basis. Staff here are also responsible for the day to day management of the Council's bank accounts.

Finally there is Norfolk Audit Services, with Mike Webb (01603 222785) in charge. Mike assists the work of the Council's scrutiny function, which has an ever increasing role. Audit work covers all of the Council's activities across financial and other risk areas.

We are only too happy to talk to you more about what we do. I do talks from time to time over lunch, which are publicised through emails. If you would like to come and see us in the department for a walk around we would be very pleased to see you. It would help us if you could arrange this through your departmental administrative staff so that we could have a party visit(!).

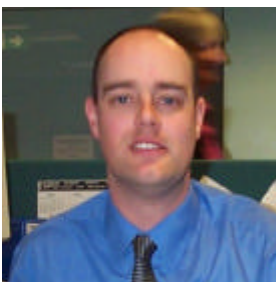
We look forward to seeing you.

FIMS

With FIMS—the Financial Information Management Systems project which will replace the Council's existing financial system - about to begin its implementation phase, we thought you might like to meet the core team working on it.



Carol Dawson (left) and **Sarah Rank** will be working on billing, income collection and debt management, with Sarah concentrating on Social Services.



Alan Chappell will cover payments and purchasing, working closely with the Corporate Purchasing Unit.



Tony Howard is working on the general ledger and budgeting.

Lester Allinson (not pictured) will work closely with colleagues in P&T, looking particularly at how FIMS can be used to replace the former Highways Contractors system.



Suzanne Sowter (above) is project manager and works to **John Neilson**, the Finance Department's Head of Financial Management.

The core team is part of the much bigger team involved in the project.

This comprises representatives from all departments, who are kept abreast of progress each week, and whose input will be needed at critical stages, plus Capita and Oracle staff.

Departmental contacts are:

Chief Exec's	Julie Berry
Cultural Services	John Perrott
Education	Bruce Connors
Fire	Chris Sims
P&T	Mel Edwards
Social Services	John Marjoram
Trading Standards	Michelle Brasier



Doris Piper will provide administrative support to the project.

If you would like this newsletter in large print, audio, braille, alternative format or in a different language, please contact Doris Piper on 01603 223488 or on minicom 223833.



Limited company status

'Major opportunity' for NCS

Last month we heard about NPS becoming a limited company. NCS is also making the transition, as Finance and Administration Manager Andrew Merricks recounts below.

NCS see the change to limited company status as a major opportunity to develop new work with external partners.

Whilst the work we carry out for the County Council will remain our core business, we are seeing ever increasing opportunities to trade with other bodies such as district councils, health authorities, housing associations and a growing number of organisations in the private sector.

The transition to limited company status has involved a significant amount of work for ourselves as well as for Legal Services and the Department of Finance. This has included:

- The creation of a new company - Norfolk County Services Transport - to continue to supply transport services to the Council on a not for profit basis.
- New memorandum and articles of association for the companies being drafted and approved.
- Meetings with external advisers to introduce us to the strange new world of corporation tax and all the accounting demands that are entailed.
- Separate registration with HM Customs and Excise for VAT and with the Inland Revenue for income tax and corporation tax.
- The setting up of separate agreements with the Co-operative Bank, as well as making arrangements to ensure minimum disruption during the transition.
- Drawing up agreements with the Pensions section to ensure that our employees' pension entitlements will continue unaffected.

I would like to take this opportunity to thank all those involved in the process, both within NCS and the DF, and in Legal Services. All in all a real team effort to prepare us for the new opportunities ahead.

Anyone for a cuppa...?

Refreshments such as tea and coffee are something we often take for granted at certain meetings and conferences at County Hall. However, there is a significant cost in processing the invoices for these (some 5,500 last year).

Currently, each person who orders refreshments will receive an invoice. This results in multiple invoices for low values being processed. In some cases, the processing costs are more than the invoice value.

NCS and departments are now working together to reduce the numbers of invoices processed. Ideally, departments will be sent one invoice (with supporting order information) for all orders placed each month.

An order form will shortly be available on the Intranet so that orders can be placed electronically. This will provide space for all relevant information to be keyed in to ensure that departments are able to allocate charges to the correct budgets.

Full details on how to place orders and process invoices will be provided as soon as there are any new arrangements.

Anton Bull
Corporate Purchasing Unit
01603 224429

What does it mean??

This month's article explains the difference between budgetary control and budget monitoring.

Control

Control of a budget is exercised by RBOs by ensuring that there is sufficient money available to meet the cost of the action they are about to take **before** actually making the commitment.

Making a commitment includes appointing a member of staff, placing a purchase order for the supply of goods or services and arranging the collection of income.

Effective control requires a system that records the initial budget allocation, deducts commitments made to date and calculates the resultant balance of budget still available.

Monitoring

Monitoring is the process of taking actual expenditure and income to date, adding current and future commitments and then comparing these figures against the budget to forecast any likely over or underspends, plus identifying any other issues such as an unexpected variation in income.

Monitoring is undertaken on a monthly basis and the forecast of the outturn position (ie the position as at the end of the financial year, 31 March) fed into departmental management team meetings so that any necessary management corrective action can be taken to bring the budget in on target.

John Marjoram 01603 223178
Tony Howard 01603 222821

Challenges as P&T reorganises

Major changes to the way Planning and Transportation delivers highway services come into effect from April, presenting some big challenges for finance and systems staff.

There will be three highways area offices instead of the current two, new local teams based in depots and dozens of staff doing new jobs. The change will bring a renewed focus on asset management and on business support functions. It also reinforces P&T's existing public/private partnership with May Gurney and Mott MacDonald.



Highways Contractors as such will no longer exist, with most of their activities now being carried out within the three new operational areas.

Among the tasks which financial services staff are managing to keep on target are:

- ◆ New coding structures
- ◆ Preparation for payroll changes
- ◆ Revised network IT links for financial systems

Restructuring the complex non-financial management information systems which underpin these services is also in hand – essential if staff are to do their new jobs effectively. For example:

- ◆ Quality systems
- ◆ Health & safety systems
- ◆ Software licensing
- ◆ Procedures and business process maps
- ◆ Performance indicators
- ◆ Management reports

P&T is working closely with Capita to ensure a smooth transition period – which of course coincides with the accounting year end!

Alison Smith
Communications Officer 01603 224222

CSG changes

Since NCC entered into its partnership with Capita for the delivery of ICT and Exchequer services in August 1999, Norfolk's client function (Client Support Group) has been located in the Department of Finance and Information.

Now the ICT focussed bit of CSG has become part of Cultural Services. The Exchequer team has remained in the Department of Finance.

Support to departments and liaison with Capita on your behalf goes on as normal. Exchequer user groups and focus groups continue as before.

We plan to expand on our role in a future edition but if you have issues or queries relating to your AR, AP, payroll or pensions service with Capita contact Peter Shackley on 01603 222916 as normal.

Exchequer survey ahead.....

This year's exchequer user perception survey is imminent.

The content is currently under review by our user groups and paperwork will be sent out in May. Any questions or comments prior to publication should go to Peter Shackley on 01603 222916.

Fire, fire!



Norfolk Fire Service now has a brand new vehicle to add to its firefighting arsenal. This is a 'bowser' - a customised road tanker which can carry 13,000 litres of water and 1,000 litres of foam, and expel them at 4,000 litres per minute. The new machine cost £170,000 and is being leased over 12 years.

Who are these people?



Most of your FIS editorial team—from left to right Karen Betts, Tony Howard, Doris Piper, Sandra Eastaugh, Alison Smith and editor Mike Webb. What a merry bunch!

Finance & IS

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