

Finance News

Norfolk

County Council

News and views for
those interested in
finance

Issue 30
September 2002



Jumping Jellyfish, its VATman!

If the very mention of VAT fills you with confusion and trembling, fear not, for Norfolk's very own Caped Crusader (alias Bob Batterham, Tax Manager) is here to help you zap those nightmares into oblivion.

Bob will be holding some very unscary VAT information sessions this autumn to address *any* confusion or worries you may have, however small and insignificant or large and confusing they may seem.

To make sure that your VAT riddles are amongst those untangled, please forward any questions or items you would like covered to Jo Quarterman, on ext. 2995 or e-mail to

jo.quarterman.csg@norfolk.gov.uk.

If you or any of your colleagues would like to attend a session, please let Jo know.

Pension Fund Update

Whenever stock markets plummet enough to make front-page news, it is quite natural for people to become concerned and wonder "Does the Norfolk Fund have enough cash to pay my pension?"

Yes. Well over a £1000 million. This more than covered all the liabilities we had accumulated when the fund was last valued. We were one of the few County funds to be solvent at that time

Whilst there is concern about the recent market falls, it must be remembered that providing for pensions is a long-term exercise. If you consider that a member could join at 20, retire at 60 and die at 100, you will see that the Pension Fund can afford to take a long-term view.

But we are not complacent. The fund was valued at 31 March 2001, and a further health check will be completed during the rest of this year, at which stage we will be reporting back to Investment Committee. **Most importantly of all, your Council pension is guaranteed by statute, based on your years of service and earnings during your final year.**

Bob Summers 01603 222400
Director of Finance



Spotlight on

Norfolk County Council's Planning and Transportation Laboratory

I WAS WORKING IN THE LAB, LATE ONE NIGHT...

Ever wondered who works in those mysterious buildings in the trees behind the social club at County Hall?

It's the home of our Planning and Transportation Laboratory, where over 150 different types of test are carried out for the Council and external clients. These include performance tests of asphalt and bitumen, measuring the permeability of soil and quality checks on winter road grit.

As well as testing, the Lab acts as a consultant on

highway construction innovation and good practice, such as the use of recycled materials in road surfaces

Around 20 Lab staff, together with manager Bob Noakes, produce an annual turnover some £1m of work. The Lab has an annual business plan with budgets for each activity.

Monitoring is by monthly trading account reports and there is a business plan review after six months. Prices are calculated on an hourly recharge, based on about 1580 fee-earning hours per year and an allowance for overheads.

Some charges are based on a technician's hourly rate (£22), others on fixed fee per test - these are calculated on the basis of historic cost information and current market forces.

For example, an asphalt mix analysis is currently £45 per sample. The Lab charges the same prices to the Council and to external customers.

"We have a high profile and a hard-



Some of the Planning and Transportation laboratory team

earned reputation for excellence in what is a relatively small engineering sector, so we don't have to do much marketing to find external work," said Bob Noakes.

"We do a lot of repeat testing for external customers, who value our reputation and the Norfolk County Council brand."

The Lab passed a rigorous two-day inspection visit by the UK Accreditation Service with flying colours last year.

It is also working with P&T's private sector partners May Gurney and Mott MacDonald, in order to create centres of excellence for testing, with each partner leading in a particular specialism.

Alison Smith
Communications Officer

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Consistent Financial Reporting

– a new requirement for schools.

The Consistent Financial Reporting (CFR) framework was introduced by the DfES (Department of Education Skills) at the start of the 2002/03 financial year. It is a standard set of budget headings for income and expenditure to be used by all schools in England. All Norfolk Schools were to submit their 2002/03 budget plans in the CFR format and are now working with a set of budget and subjective codes which have been mapped, by the LEA, to the new framework.

At the end of 2002/03 a return will be sent to the DfES. This will be used to populate a national benchmarking website, which will enable any school in England to compare its spending patterns with those of similar schools.

The annual consistent financial reporting return also aims to meet the needs of all users of school financial information so that schools do not have to supply information about their spending to a number of different audiences, e.g. it will be used by OFSTED to pre-populate their pre-inspection headteacher form.

"The introduction of this framework will provide, for the first time, a national picture of how schools spend their budgets. This can contribute to greater understanding of what works in education." (*School Finance Pack – Promoting benchmarking and accountability in schools*)

Kim Robertson 01603 224272
Finance Projects Manager, Education

Payment to Suppliers

In case our Government target of 100% payments on time was not sufficient incentive, the Late Payment of Commercial Debts [Interest] Act 1998 has now been amended to incorporate an EC Directive extending the rights available to suppliers.

What does this mean

Small businesses already have the statutory right to claim interest for late payment. The way that this is calculated has been simplified. In addition to claiming interest, suppliers can now also claim reasonable debt recovery costs as well !!!

This amended legislation reinforces how important it is to efficiently handle supplier invoices - not just for the BVPI but also to avoid incurring unnecessary compensation/ interest claims potentially running into thousands of pounds.

The next sampling period for exclusions from the 30 day payment target and postal delays is scheduled for the week commencing 16th September. Please support your Departmental Co-ordinators efforts to collect this essential information, and maintain your efforts to process invoices as a priority.

If you have any questions about the Late Payment Legislation or NCC's efforts to achieve 100% payments on time, please contact Peter Shackley, ext. 2916 or Jo Quarterman, ext. 2995 in Exchequer Client Support Team, Department of Finance.

Jo Quarterman 01603 222995
Exchequer Client Support Team
Department of Finance

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





FIMS is GO ...

At long last the FIMS (Financial Information Management System) project has received the final green light - the project has now moved into the implementation phase.



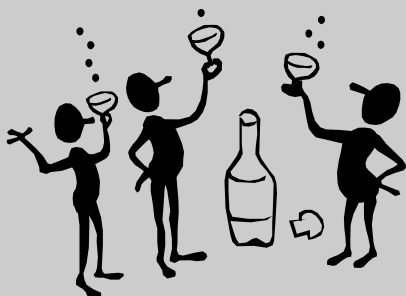
Capita have awarded the contract to Oracle Corporation UK Ltd. to supply the replacement financial system; this is known as "Oracle Financials".

Just to recap, the new Oracle General Ledger (GL) will become operational on 1 April 2003 and the remaining modules, accounts payable/receivable etc., will become operational between April 2003 and October 2003.

The FIMS core team, led by Suzanne Sowter, have now moved into their project office, which is situated on the ground floor at County Hall – the Norfolk Room - all visitors welcome.

The project is now well under way; further progress reports will be issued on a regular basis.

Suzanne Sowter 01603 224430
FIMS Project Manager




PRACTICE BEING GOOD ...

Cash/cheque handling (Follow the money...)



Payments by bank transfers have an audit trail but it can be difficult to trace the movement of cash and cheques.

Here are a few simple procedures for safer cash and cheque handling:

- **Cash and cheques must be banked daily** as per Financial Instructions. The Director of Finance may extend this up to a weekly banking in special circumstances. (Cash and cheques received in County Hall must be taken to cashiers on a daily basis).
- Keep cash and cheques in a locked cash tin in a locked cabinet when not in use. 
- Written procedures should name who has access to the cash tin. The number of people should be kept to a minimum.
- All receipts and payments by cash or cheque (including to and from the bank) should be entered into the cashbook immediately. Details recorded must include the receipt/giro credit number, cheque number, date, purpose of payment or receipt, who authorised payment and the initials of the person making the entry.
- The bank paying in book should be kept safe with the cash tin, as it is an important document.
- Cash and cheque payments require the recipient to sign the receipt book. If paying out the receiver signs and if cash is paid into the tin the recipient signs.
- Retain a copy of all receipts for the records.
- These procedures apply equally to unofficial funds.

Kate Dulieu
Auditor

01603 224349

'Busy' 'Busy' 'Busy'

This time of year has always been hectic for NPS as they put out building contracts for works in the summer months.



The delegation of all building repair responsibilities to schools coupled with direct funding has resulted in a considerable increase in the number of projects being managed by NPS.

While schools do have the right of changing their property consultants the majority have stayed with NPS. Such is the increase in workload that five extra surveyors were taken on in January in anticipation of a surge in demand. Laurence Cooper, Director of Building Surveying, advised us that he thought that between five and nine additional staff would be required.

In the event, NPS resources were booked up quite early in the year and they had to disappoint schools who sought their help later in the term. "We have since decided to fill the other four posts", says Laurence Cooper. The overall spend managed by NPS Building Surveying Group is likely to top £11.0m with up to 50 contractors involved in over 400 contracts this year.

We understand that NPS are currently looking at alternatives to the traditional method of procurement following the "Re-thinking Construction" Agenda being promoted by DTLR and DfES.

This alternative procurement method employs a schedule of rates with declared profit margins and shared gain. "It will be an alternative to the traditional method individual tender procurement", says Mike Britch, Director of Property, "and should speed up the process as well as reducing costs in the long term".

Mike Britch
Director of Property

01603 224425

Book early for free advice

Retirement brings a radical change of life for most of us, and pension experts are agreed that it is essential to plan wisely.

Although courses have been available for many years very few of our retirees have attended.



To address this problem, the Norfolk Pension Fund has teamed up with Martineau Management to offer a revamped course to all staff who expect to retire in the next 18 months.

The course will help people prepare for this major change of lifestyle by providing information on state benefits, the Local Government Pension Scheme and financial advice.

Ideas for filling leisure time and health and fitness are explored. Specialist speakers deliver most sessions with ample time set aside for your questions and concerns. The course lasts two days and is free to all employees of Norfolk County Council.

(Non NCC employees who are in the Local Government Pension Scheme may attend the first day for free, with a small charge being made for the second day which is optional).

To demonstrate commitment to the course, the previous Pension Manager volunteered to test the quality of the course. He found the financial advice so enlightening he retired and never came back!



A limited number of places remain at the forthcoming pre-retirement seminars which are being held on the following dates:

19th & 20th of September 2002.
31st October and 1 November 2002.

Phone Martineau Training, 01603 223805, to book places

John Allison
Pension Fund Administrator

01603 222842



New look newsletter!

We have a new title that returns our focus to finance issues. This will allow us to concentrate on the challenges and concerns of the finance community.

Information systems are now under a newly created chief officer post (Alan Tidmarsh). This was created to drive forward the e-government change process.

In this, our thirtieth edition, there are also changes to our Editorial Board. Both Mike Webb and Sandra Eastaugh are leaving the team to concentrate on their new roles. We wish them both well in the future.

Phil Ballard from internal audit is the new editor.

We are hoping to include some new features in future issues with articles such as 'People Profile'. Any volunteers for this (from other departments as well as Finance) or if you have anything of interest to offer, please get in touch.



Thank you



Construction Industry Scheme (CIS) and Norfolk County Services (NCS)

Many thanks to all of you processing NCS invoices for the big reduction in the rate of incorrectly coded invoices being passed to Accounts Payable.

The error rate increased dramatically with the change in status of NCS, who are now covered by the Construction Industry Scheme. This must be reflected on each coding grid for NCS invoices.

For further advice on what is or isn't covered by the Construction Industry Scheme (CIS), NCS invoices specifically or Accounts Payable generally, please contact Capita Accounts Services in Charles House on ext. 5826 from County Hall, or 01603 495826 from outside County Hall.

Jo Quarterman 01603 222995

Exchequer Client Support Team
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Finance News

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