

By: Cabinet Member for Finance
To: County Council - 13 May 2010
Subject: **DISCLOSURE OF PAYMENT TRANSACTIONS**
Classification: Unrestricted

Summary: To set out an approach to reporting transactions.

FOR DECISION

INTRODUCTION

1. It is clear that the public quite rightly expect greater transparency from public organisations and I want this Council to be at the forefront of this and we already have a wealth of data in the public domain from the Medium Term Plan and monitoring reports to Cabinet. A higher level of reporting by public bodies on issues such as staff salaries, use of purchase cards and payments is an aspect of this. My report addresses the issue of disclosure of payments in a way which is open and transparent but is also workable.

PAYMENTS TRANSACTIONS

2. The Council has an external spend on goods and services of approaching £1bn per annum and creditor payments are primarily made using the Oracle Accounts Payable system. Annually we process around 480,000 transactions through Accounts Payable, by manual invoices and through electronic interfaces. There is some use of purchase cards, primarily for domiciliary care invoices.
3. Accounts Payable is a payments system and it is not configured to easily facilitate reporting on individual transactions.
4. Accounts Payable is used for much more than payments to trade creditors and includes a range of payments to individuals. These would include payments to:
 - Foster parents
 - KASS clients
 - Supporting People
 - Pension lump sums

We need to do further work to confirm which payments to individuals we should exclude on grounds of privacy.

5. We would also propose to exclude internal transactions, primarily with Commercial Services and Schools.

VALUES

6. Given the large number of transactions in total we need to set a sensible value limit and only report transactions over the limit monthly. Out of a total of 480,000 transactions annually through Accounts Payable, the number in certain defined ranges are:

	Number of Transactions
Over £500	199,300
Over £8,000	27,000
Over £50,000	8,200

7. These limits come from:
 - Over £500 – this is the limit used by the Greater London Assembly but they only report only a few hundred transactions per month.
 - Over £8,000 – this is the limit under the Council’s procurement rules which require more than 3 quotes to be obtained.
 - Over £50,000 – all contracts worth over £50,000 should be advertised on the South East Business Portal.

RESOURCING

8. Resourcing essentially falls into two categories:
 - Preparation of data – the more exclusions we make the more work will be required to prepare the data for reporting.
 - Queries – at this stage we have no way of knowing how many queries will be received but this will all be additional work in a back-office area where we continue to seek to make efficiency savings.

PUBLIC CONSULTATION

9. During the year we use appropriate fora to consult with the public and the business community on budget issues. It would seem sensible to seek the public’s views on this issue.

RECOMMENDATIONS

10. The County Council is recommended to:

- (1) Approve the principle of a wider public disclosure of payment transactions, as described in this report; and
- (2) Delegate authority to the Cabinet Member for Finance to determine the parameters for the disclosure scheme, in consultation with the Informal Member Group on Budgetary Issues.

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