

**Hampshire County Council**

**Payments Group**

**Service Level Agreement  
2012/13**

**With**

**Hampshire Fire and Rescue  
Authority**



**Hampshire**  
County Council

August 2011

## **Introduction**

This agreement specifies the service that the Payments Group of Hampshire County Council will provide for Hampshire Fire and Rescue Authority. This service level agreement does not contain any element relating to the provision of IT systems or their charging as these are subject to a separate service level agreement with the IT Services section of Hampshire County Council.

The levels of service indicated are those which are estimated and agreed will best meet the needs of Hampshire Fire and Rescue Authority.

Significant variation in the level of service will be subject to further negotiation.

## **Contents**

1.	Routine invoices	3
2.	Processing	3
3.	Notifications	4
4.	Regular payments	4
5.	Despatch of Payments	5
6.	Storage	5
7.	Other payments	5
8.	Payments support	5
9.	Performance standards	6
10.	Car Leasing	6
11.	Performance monitoring for car leasing	7
12.	Employee loans	7
13.	Processing travel claims	8
14.	Performance monitoring – travel claim processing	8
15.	Primary contacts and complaints	8
16.	Basis of charge	9

## **Abbreviations**

<b>HCC</b>	<b>Hampshire County Council</b>
<b>HFRA</b>	<b>Hampshire Fire and Rescue Authority</b>

**Payments Group - payment of creditor invoices, travel claims, car leasing administration and employee loan schemes.**

**The County Treasurer's Payments Group will provide creditor payments services, to the extent set out below:**

## **1 Routine Invoices**

- 1.1 The Group will undertake the following to ensure that control is exercised in the processing of routine invoices:
- Maintain a computer based list of current regular vendors.
  - Write periodically to "new" regular vendors offering payment by the Bankers Automated Credit System as the preferred method of payment.
  - Pay to the Inland Revenue any amounts deducted from invoices processed by the Customer in respect of tax under the Construction Industry Scheme (CIS) and these payments will be made by the due date.
  - Complete statutory returns in respect of the CIS by the due dates.
- 1.2 Make payments as requested by the Customer but seek to encourage the precedence of:
- BACS then crossed cheques and then open cheques.
  - Note: Open cheques will only be drawn at the specific instruction of the Customer. Any costs incurred through misuse of open cheques will be charged to the Customer.

## **2 Processing**

- 2.1 The group will:
- Receive properly authorised payment instructions and ensure smooth and timely processing into the Accounts Payable module of SAP.
  - Process any properly authorised invoices for urgent and routine payment sent to the Group within the specified maximum period. The Group will check that the invoices have been authorised, but the authenticity of the signatures is the responsibility of the Customer.
  - Apart from Saturdays, Sundays, Bank and Public Holidays, make daily SAP payments to vendors runs.

- Produce "same day" payments by crossed or uncrossed cheque on request subject to receiving a properly authorised payment request by the specified deadline.
- Exceptionally, arrange for cheques to be made available for collection by either the payee or the Customer. If the Customer wishes to collect a cheque, the nominated officer must not be someone involved in the initiation or authorisation of the payment.
- Re-process invoices rejected from SAP without delay, subject to the payment being due and the invoice to which the payment relates being in the Group's possession. If the invoice is not held by the Group the Customer will provide it on request to enable processing.
- Arrange for credit notes processed by the customer to be offset against other amounts due to the payee authorised by the customer.
- Refer credits that cannot be offset against future payments back to the customer to consider appropriate recovery action.
- In cases of urgency and on request from the Customer, amend the payment release date of previously authorised invoices.

### **3 Notifications**

- 3.1 The Group will update bank account details on receipt of written communication from the supplier.
- 3.2 The Group will retain paid invoices processed by the Group.

### **4 Regular payments**

- 4.1 The Group will undertake the following to ensure that control is exercised in the processing of regular payments:
  - Maintain the Energy Management and Recurring Payment SAP modules and master files in accordance with information received from the Customer and utility suppliers.
  - Process manual invoices within the specified payment period upon receipt of a properly authorised invoice.
  - Reconcile suspense accounts on a regular basis relating to direct debit and other contract arrangements.
  - Provide the Customer with management /consumption information in an agreed format and provide advice on payment procedures upon request.

## **5 Despatch of payments**

- 5.1 The Group will despatch remittance advice notes to payees for each payment made. Cheques in respect of "urgent" or "same day" payments processed by the Group will be posted first class post. Cheques in respect of routine payments processed via SAP will be posted second class post. BACS advices will be emailed to suppliers where a suitable email address is held. For payments being made in the main SAP Payments run, individual transactions will be aggregated to a maximum of 22 transactions per cheque or BACS payment.

## **6 Storage**

- 6.1 The Group will reference, file and store paid accounts processed centrally for a period of three years plus the current financial year

## **7 Other payments**

- 7.1 The Group will process payments into overseas bank accounts or otherwise make payments in foreign currency on request. Such payments will not be subject to usual timescales, but an indication of the likely payment date will be provided on request.

## **8 Payment support**

- 8.1 The Group will provide a support service covering the following functions:
- Stopping and replacement of cheques as requested. Replacement cheques will not be issued until confirmation of the "stop" has been received from the bank.
  - Responding to enquiries from suppliers regarding payments made and outstanding amounts.
  - Investigation of cheques returned by payees.
  - Investigation of payments rejected by the BACS system.
  - Recalling BACS items as necessary.
  - Writing back out of date cheques.
  - Generate payment adjustments for invoices over/under paid, if appropriate.
  - Advise the customer of any action necessary in respect of: duplicate payments, payments made to incorrect suppliers and any cheque cancellations.

## 9 **Performance standards**

9.1 The performance standards for this service will be as follows:

### **Creditor invoices:**

- Urgent payments processed centrally will be made within 48 working hours of receipt of a properly authorised invoice.
- Routine payments to be processed centrally will be made within 30 days of invoice date or within three working days of receipt of a properly authorised invoice, whichever is the later.
- The group will process "same day" payments on request. Invoices for "same day" payment should be received by 10.00am on the required day. Requests for large numbers of such payments may require longer notice.
- Notices to stop cheques will be issued within one working day of request.
- Requests for changes and new vendors to be set up will be actioned accurately within two working days of the request being received. Requests for duplicate vendors will be investigated and legitimate duplicates will be blocked and marked for deletion. Requests for large numbers of such payments may require longer notice.

### **Regular and Property Payments:**

- Manual invoices will be processed within two weeks of receipt of a properly authorised invoice.
- Updates to the master file will be processed within one week of receipt of a properly authorised update form.

### **All Services:**

- All telephone enquiries will be dealt with immediately or arrangements will be made during the course of the call for a later response.
- All written communications will be answered within 5 working days or acknowledged and an indication given as to when a response will be received.

## 10 **Car leasing**

10.1 The Group will arrange for cars to be leased by eligible employees in accordance with the provisions of Hampshire County Council's Car Leasing Scheme as amended for the customer. The Customer agrees that their employees will be subject to the provisions of the scheme.

Orders from the Customer will be processed until 30 September 2011 after which date the service will only be provided to those cars currently on fleet.

10.2 Rental invoices received from contract hire companies will be processed by the Group. Other invoices relating to any of the charges given below and due from drivers will be recovered by invoice or salary deduction:

- Excess mileage.
- Increases in road licence fund.
- Excess wear and tear charges.
- Fines.
- Items falling outside the scope of the maintenance contract.
- Unpaid insurance excess.
- Any other valid charges

10.3 In the event of a dispute of any such charge the Group will endeavour to reach a mutually acceptable settlement between the parties concerned. Where this is not possible, the case will be referred to an appropriate manager in HFRS.

10.4 The Group will also provide the following services:

- Advice to employees on the provisions of the scheme.
- Notify the customer that a car has been leased and balance the associated customer accounts periodically to ensure that the account is operating satisfactorily.

## **11 Performance monitoring for car leasing**

11.1 Guideline quotations will be processed within five working days, subject to usual availability of prices from contract hire companies.

11.2 Applicants to join the scheme will receive information about their order within three working days of receipt of a properly authorised application.

11.3 Telephone enquiries will be dealt with immediately or arrangements will be made during the course of the call for a later response.

11.4 Written communications shall be answered within five working days or acknowledged and a date agreed as to when a response will be provided.

## 12 **Assisted car purchase team**

- 12.1 The Group will arrange for monies to be advanced to eligible employees in accordance with the provisions of the Assisted Car Purchase Scheme as detailed;  
<http://hantsnet2000.hants.gov.uk/TC/ctcarlease/loanscarpurchase.html>
- 12.2 The Group will set up deductions from payroll in accordance with signed agreements and check that the deductions are being deducted and posted correctly.
- 12.3 The Group will negotiate with employees to recover outstanding amounts in respect of employees leaving their employment in accordance with scheme provisions.
- 12.4 The Group will arrange for claims to be made against the payment protection insurance in respect of any bad debts.
- 12.5 The Customer agrees that their employees will be subject to the provisions of the scheme and will support the Group in enforcing such provisions.

## 13 **Processing travel claims**

- 13.1 The Group will undertake the following to ensure that control is exercised in the processing of travel claims from the customer's staff:
- 13.2 Process previously authorised claims for travel expenses and allowances from the customer's staff into the SAP Travel Management module.
- 13.3 Check that the claims have been authorised, but the authenticity of the signatures is the responsibility of the Customer.
- 13.4 Apply the mileage rates as stipulated by the customer and updated from time to time.
- 13.5 Arrange for the accurate national insurance contributions to be made from payments.
- 13.6 Produce accurate end of year P11ds and other statutory returns in respect of expenses payments and leased cars and forward to HMRC. Provide claimants with their copies of the P11ds.

14 **Performance monitoring for car leasing**

- 14.1 Accurately authorised claim forms received by 28<sup>th</sup> of any given month will be processed to be included in the following month's salary payment. No guarantee can be made about claims received after this date although they will be processed as soon as possible.

15 **Primary contacts and complaints**

Chris Godfrey, Payments Group Manager, Winchester 01962 847748 or [chris.godfrey@hants.gov.uk](mailto:chris.godfrey@hants.gov.uk).

Other contacts:

Payments to suppliers; Tracy Bacon, Team Manager, Winchester 01962 847748 or [tracy.bacon@hants.gov.uk](mailto:tracy.bacon@hants.gov.uk)

Car leasing, employee loans and travel expenses; Ian Phillips, Team Manager, Winchester 01962 847751 or [ian.phillips@hants.gov.uk](mailto:ian.phillips@hants.gov.uk)

16 **Basis of charge**

- 16.1 A fixed rate based on an assessment of transaction volumes agreed from past trends. The charge rate will be reviewed annually to assess the impact of efficiency and some improvements implementations or planned by either party