Nottinghamshire County Council

Finance and Property Committee

Monday, 24 February 2014 at 10:30

County Hall, County Hall, West Bridgford, Nottingham NG2 7QP

AGENDA

1	Minutes of the last meeting held on 10 February 2014	5 - 6
2	Apologies for Absence	
3	Declarations of Interests by Members and Officers:- (see note below) (a) Disclosable Pecuniary Interests (b) Private Interests (pecuniary and non-pecuniary)	
4	Finance Monitoring Report Period 9 Budget Monitoring Report 2014-15	7 - 26
5	ICT Programmes and Performance Report Quarter 3, 2014-15	27 - 38
6	Property Staff Consolidation and Service Delivery Model Changes	39 - 44
7	Work Programme	45 - 48

NOTES:-

(1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.

(2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

(3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Members or Officers requiring clarification on whether to make a declaration of interest are invited to contact Paul Davies (Tel. 0115 977 3299) or a colleague in Democratic Services prior to the meeting.

(4) Members are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.

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(3) Reports in colour can be viewed on and downloaded from the County Council's website (www.nottinghamshire.gov.uk), and may be displayed at the meeting.

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Nottinghamshire
County Council

minutes

Meeting	FINANCE AND PROPERTY COMMITTEE
Date	10 February 2014 (commencing at 2.00 pm)

Membership
Persons absent are marked with an 'A'

COUNCILLORS

Councillor David Kirkham (Chair)
Councillor Darren Langton (Vice-Chair)

Reg Adair
Nicki Brooks
Richard Butler
Steve Calvert
Kay Cutts

Stephen Garner
Diana Meale
Liz Plant
Ken Rigby

A Ex-Officio: Alan Rhodes

ALSO IN ATTENDANCE

Councillor Gail Turner
Councillor Muriel Weisz

OFFICERS IN ATTENDANCE

Carl Bilbey, Conservative Group Research Officer
Paul Davies, Democratic Services Officer
Tim Gregory, Corporate Director, Environment and Resources
Pauline Moore, Senior Accountant
Angela Smeeton, Senior Consultation Officer
Nigel Stevenson, Group Manager, Corporate Accounting
Anna Vincent, Liberal Democrat/Independent Research Officer
Michelle Welsh, Labour Group Research Officer

MINUTES OF THE LAST MEETING

The minutes of the meeting held on 20 January 2014 were confirmed and signed by the Chair.

MEMBERSHIP

Councillor Steve Calvert had been appointed in place of Councillor Darrell Pulk, for this meeting only.

DECLARATION OF INTEREST

Councillor Garner declared a private interest in the following item, because of his involvement in a group campaigning to stop the Lindhurst development.

REVENUE BUDGET PROPOSALS 2014/15
CAPITAL PROGRAMME PROPOSALS 2014/15 to 2017/18
MEDIUM TERM FINANCIAL STRATEGY 2014/15 to 2017/18
COUNCIL TAX PROPOSALS 2014/15

The Chair stated that since publication of the report, the Government had confirmed that a council would be required to hold a referendum if it was proposing a Council Tax increase of 2% or more. It was therefore the intention that the budget proposals to Council on 27 February 2014 would include the 1.99% increase mentioned in the report.

RESOLVED: 2014/017

That a report be prepared for County Council on 27 February 2014 based on the budget proposals and Council Tax increase referred to in the report.

WORK PROGRAMME

RESOLVED: 2014/018

That the Committee's work programme be noted.

The meeting closed at 12.00 noon.

CHAIR

Nottinghamshire County Council

Report to Finance and Property Committee

24 February 2014

Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR – FINANCE & PROCUREMENT

FINANCIAL MONITORING REPORT: PERIOD 9 2013/2014

Purpose of the Report

1.1 To provide a summary of the revenue position of the County Council for the year to date with year-end forecasts.

1.2 To request approval of contingency requests.

1.3 To provide a summary of Capital Programme expenditure to date and year-end forecasts.

1.4 To request approval of proposed variations to the capital programme.

1.5 To inform Members of the Council's in year Balance Sheet transactions.

Information and Advice

2. Background

2.1 The Council's budget was approved at the Full Council meeting 28 February 2013. As with the previous financial year, progress updates will be reported to Committee each month.

3. Summary Financial Position

3.1 The Council is forecasting an underspend of £3.6m and therefore may not have to draw down the full £15.1m of general fund reserves as approved in the budget report. In light of the Council's ongoing financial challenges, the key message to effectively manage budgets and wherever possible deliver in-year savings is being reinforced. The impact of this will continue to be monitored and reported to Members, as will the forecast reserves requirement.

Table 1 – Summary Revenue Position

Forecast Variance as at Period 8 £'000	Committee	Annual Budget £'000	Actual to Period 9 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
(2,807)	Children & Young People	158,880	105,005	155,367	(3,513)
3,076	Adult Social Care & Health	215,256	179,526	218,269	3,013
162	Transport & Highways	64,073	48,150	63,997	(76)
(383)	Environment & Sustainability	29,287	19,326	28,822	(465)
(18)	Community Safety	4,074	1,636	4,133	59
(108)	Culture	15,581	11,200	15,635	54
(894)	Policy	32,445	23,068	31,109	(1,336)
(186)	Finance & Property	29,472	25,089	29,214	(258)
241	Personnel	3,152	908	3,443	291
(457)	Economic Development	1,724	420	1,196	(528)
(3,527)	Public Health	-	(6,086)	(3,569)	(3,569)
(4,901)	**Net Committee (under)/overspend**	**553,944**	**408,242**	**547,616**	**(6,328)**
(2,241)	Central items	(12,270)	(44,436)	(14,431)	(2,161)
(7,142)	**Forecast prior to use of reserves**	**541,674**	**363,806**	**533,185**	**(8,489)**
-	Transfer from Earmarked Reserves	(13,981)	(1,350)	(13,494)	487
949	Transfer to/(from) Departmental Reserves	-	-	819	819
3,527	Transfer to Public Health Reserve	-	-	3,569	3,569
-	Transfer to / (from) General Fund	(15,138)	-	(15,138)	-
(2,666)	**Net County Council**	**512,555**	**362,456**	**508,941**	**(3,614)**

Note:
Public Health expenditure is funded in full by a ring-fenced grant of £35.1m. Given the forecast underspend, it is proposed to transfer the balance to a reserve at year end, to ensure the full grant is spent on Public Health priorities.

4. Committee and Central Items

4.1 The main variations that have been identified are explained in the following section.

Children and Young People (forecast £3.5m underspend)

4.2 Children's Social Care Division
The Division is reporting a £1.5m net underspend, the major contributing variances being:

- £1.9m overspend on social work staffing due to the use of agency staff to cover vacancies (a reduction of £0.1m on the overspend reported at period 8)
- £0.5m overspend on home to school transport for looked after children

- £0.2m overspend in the Fostering Service as efforts are made to increase in-house capacity, (a reduction of £0.1m on the overspend reported at period 8)
- The above are offset by a £3.6m underspend on Child Placements due to lower numbers of children requiring these places than originally anticipated (an increase of £0.2m in the reported underspend at period 8 due to a reduction in demand for placements, as opposed to the forecast growth)
- The Children's Disability Service is forecasting an underspend of £0.4m across its services.
- The Adoption Service is forecasting a £0.1m underspend as some inter-agency adoptions anticipated at period 8 are now not going ahead.

4.3 Youth, Families, & Culture Division
The forecast reflects a net underspend of £1.8m (before proposed movement on reserves) consisting of :

- £0.8m underspend largely due to staff vacancies across the division
- £0.2m underspend on Early Years & Early Intervention Service in relation to contract & transitional savings.
- £0.8m underspend due to reduced activity on academy conversions.

4.4 Given the forecast underspend outlined above, consideration is being given to making a contribution to earmarked reserves to support specific schemes in the following financial year. Final recommendations on this will be made once the year end position across the Council is known.

Adult Social Care & Health (forecast £3.0m net overspend)

4.5 Younger Adults Division
The Division is currently forecasting a net overspend of £0.6m, which represents an increase of £0.6m since last month, primarily due to increased commitments for Learning Disability as follows:

- £2.5m overspend on Community Care budgets for Disability Services (an increase of £1.3m against that reported at period 8). This is due to increases in the Learning Disability commitments exceeding the reduction in the predicted needs and transitions. The amount included for further transitions and predicted needs in this financial year is £1.4m, which is £0.4m less than last month.
- The increase in commitments is partly offset by increased Continuing Health Care income of £0.9m as a result of a concerted effort to obtain the signed agreements.
- £0.8m underspend in Day Services (a decrease of £0.2m against that reported at period 8) due to the transfer of 44% of the modernisation costs into revenue.
- A continuing £0.2m underspend in the Short Breaks units.

4.6 Joint Commissioning Division

The Division is currently reporting a forecast net overspend of £1.3m which is a reduction of £0.2m since last month, due to an increased underspend on Learning Disability Commissioning. The major variances are:

- £2.8m overspend in Operational Policy and Performance including a shortfall in Client Contribution Income of £3.0m
- This is partially offset by £0.2m underspend across the other areas including £0.1m relating to Business Object licenses which are not required
- £0.5m underspend in Business Change and Support, due mainly to lower salaries and on-costs, with part time employees and vacancies within the three Business Support Centres
- £0.9m underspend on Joint Commissioning (an increase of £0.3m on that reported at period 8), due to an increased underspend on Learning Disability Commissioning to £0.4m (£0.1m at period8)
- £0.2m underspend in Older Adults and Carers
- A continuing £0.3m underspend on Mental Health and Advocacy
- A £1.0m underspend on Supporting People, which is offset by a corresponding reduction in the use of the reserve
- A continuing £0.1m underspend on Safeguarding.

4.7 Older Adults Division

The Division is currently reporting a forecast net overspend of £2.1m, which is a reduction of £0.4m, due to increased Continuing Health Care income and an increased underspend in the Care and Support Centres. The main variances are:

- £0.6m overspend on Long Term Care (£0.2m in period 8) due to an increase in service use
- Continuing overspends on Direct Payments and Short Term Care of £2.9m and £0.2m respectively.
- A continuing £0.2m shortfall on the recovery of Third Party payments
- These are partly offset by a £1.2m underspend in the Care and Support Centres, (£0.9m in period 8) and additional Continuing Health Care income of £0.1m. The remaining difference results from a net underspend of £0.5m across Day care and other CCSB budgets.

The Older Adults division is currently exploring a number of options to reduce the additional costs.

4.8 Promoting Independence Division

The Division is still reporting a forecast net underspend of £0.8m, which is the same as last month although there have been some changes within the service forecasts:

- £1.5m underspend on the Nottinghamshire Welfare Assistance Fund
- £0.2m underspend in START
- These are partly offset by overspends of £0.3m in the Reablement teams and £0.6m in the Intermediate Care Service.

There is also a £0.5 million underspend on the Reviewing Teams which is offset by a corresponding reduction in the use of the reserve.

4.9 Transfer to / from reserves
This forecast includes the anticipated use of £6.6m of earmarked reserves.

Environment & Sustainability (forecast £0.5m underspend)

4.10 The main underspend is due to additional income relating to energy rebates of £0.3m as a result of the increased rebate received rising from 0.06p to 0.1p per Kilowatt hour of energy used. This is higher than budgeted due to the last 6 months of the 12/13 rebate being received in the 13/14 financial year. There are also savings on reduced levels of Eastcroft Depot Fees (£0.2m).

Policy (forecast £1.3m underspend)

4.11 The main variances are:

- £0.4m due to staff vacancies in Business Support and Customer Services Centres
- £0.3m due to staff vacancies in Corporate Strategy and Communications
- £0.2m underspend regarding members allowances and hospitality
- An underspend in the Improvement Programme which includes Ways of Working programme delays (£0.1m) and reduced agency costs (£0.3m).

Economic Development (forecast £0.5m underspend)

4.12 A report regarding the Youth Employment Strategy was considered by the Economic Development Committee on 17th October 2013. This recommended the re-programming £0.5m to 2015/16. An earmarked reserve is to be created to be drawn down in later years and the creation of this reserve was approved at the Finance and Property Committee on 11th November 2013. This reserve will be created as a part of year end procedures.

Public Health (forecast £3.6m underspend)

4.13 Proposed development funding
A forecast underspend of £1.9m relates to the proposed developments in the following policy areas being put on hold for 2013/14:-

Sexual Health	£0.5m
Health Check Programme	£0.5m
Smoking and Tobacco	£0.8m
Community Safety	£0.1m

The need for these developments was agreed by the Public Health Sub-committee in order to deliver health improvements and tackle inequalities. However, they were subsequently put on hold until a full review of the budget was completed.

4.14 Sexual Health
The Sexual Health policy area is reporting a forecast overspend of £0.3m. This is mainly due to an estimated increase in activity in relation to the contracts held in relation to contraception and Genito-Urinary Medicine (GUM).

4.15 Public Health Directorate
The Public Health Directorate policy area is reporting a forecast underspend of £0.9m. The majority relates to a predicted underspend on the Public Health transition contingency with minor salary savings arising from unfilled vacancies.

4.16 Other Areas
There are other smaller underspends with Public Health that total £0.9m, the largest ones relate to Health at Work, Obesity and Health Check Programme.

Central Items (forecast £2.2m net underspend)

4.17 Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and movements on reserves.

4.18 Interest payments are currently forecast to be £2.2m less than the original budget. This is primarily due to slippage of the 2012/13 capital programme, resulting in a reduction in the Council’s borrowing requirement.

4.19 At the time of setting the 2013/14 budget, several funding allocations had not been announced and therefore assumptions about certain grants were made, based on the best information available at the time. Since then, confirmations have been received, resulting in a net increase of £0.4m in 2013/14.

4.20 Central items also include the Pension Enhancement budget which relates to the cost of additional years’ service awards. These were approved in previous years as this practice is no longer permitted following changes to the pension rules. This budget requires realignment as attrition rates have not kept pace with pension increases. An overspend of £0.4m is predicted in the current year and has been factored into future years budgets.

4.21 The 2012/13 contingency budget was originally set at £5m, of which, £3m was earmarked for redundancy. As in previous years, and in accordance with accounting practice, a provision was set aside in 2012/13 to meet the costs of expected redundancies that will fall in 2013/14. This was based on outstanding Section 188 notices at the time and totalled £1.3m. Redundancy payments made in the current financial year to date total £2.0m.

4.22 On 5 November a new Section 188 notice was published listing 758 posts potentially at risk of redundancy, of which 268 are already vacant. The publication of this Notice marked the start of a 45-day consultation period with employees and the trade unions which ended on Thursday 19 December 2013. It also forms part of the wider public consultation on the Budget Challenge which concluded on 17 January 2014.

4.23 In relation to the general contingency, one scheme has been identified for funding since the last monitoring report and now requires approval:

- Storage of Musical Instruments – anticipated to be £30,000, confirmation awaited as to whether this can be absorbed

4.24 Should this scheme be approved, the balance of contingency would then be £2.9m. It is likely that further contingency requests will be made throughout the year, and, given that a redundancy provision will also need to be made in the current year, it is assumed that any surplus will be transferred to the Council's Corporate Redundancy Reserve. The figures in Table 1 reflect the assumption that the allocation for general contingency will be required in full.

4.25 The Council is also anticipating additional one-off revenue from the establishment of the new Business Rates mechanism. It is too early to predict with certainty what this might amount to, but could be in excess of £1.0m. There are a number of options as to how Members may want to utilise any additional resources, these considerations will be outlined in the forthcoming budget report.

Progress with savings and risks to the forecast

4.26 Since 2010/11 the Council has delivered savings of over £100m with a further £10m expected in the current year. The base budget review identified some movement in the savings and realignments were made to 2013/14 budgets where appropriate. Officers monitor the deliverability of individual schemes and targets as part of the budget monitoring process and reflect achievability in the forecast outturn.

4.27 The draft proposals for the consultation on how the Council will begin to address its medium term financial challenges were discussed at the Policy Committee on the 13th November 2013. The responses to the consultation and the Council's subsequent final proposals for its 2014/15 budget were reported to this Committee on 10 February 2014.

5. Capital Programme

Approved Capital Programme

5.1 Table 2 summarises changes in the gross Capital Programme for 2013/14 since approval of the original programme in the Budget Report (Council 28/02/13):

Table 2 – Revised Capital Programme for 2013/14

	2013/14	
	£000	£000
Approved per Council (Budget Report 2013/14)		132,956
Variations funded from County Council Allocations:		
Net slippage/variations from 2012/13 and financing adjustments.	11,081	
Variations approved to F&P Committee (11/11/13)	(11,283)	
Variations approved at F&P Committee (16/12/13)	(2,055)	
		(2,257)
Variations funded from other sources:		
Net slippage/variations from 2012/13	1,551	
Variations approved to F&P Committee (11/11/13)	4311	
Variations approved at F&P Committee (16/12/13)	668	
		6,530
Revised Gross Programme		**137,229**

Capital Monitoring

5.2 Table 3 shows actual capital expenditure to date against the forecast outturn at Period 9.

Table 3 – Capital Expenditure and Forecasts as at Period 9

Committee	**Revised Capital Programme £'000**	**Actual Expenditure to Period 9 £'000**	**Forecast Outturn £'000**	**Expected Variance £'000**
Children & Young People	61,187	33,849	60,689	(498)
Adult Social Care & Health	4,029	265	373	(3,656)
Transport & Highways	40,415	31,492	43,254	2,839
Environment & Sustainability	4,682	2,870	4,609	(73)
Community Safety	289	342	289	0
Culture	6,131	1,348	4,000	(2,131)
Policy	5,782	3,050	5,804	22
Finance & Property	12,721	5,546	12,219	(502)
Personnel	145	0	145	0
Contingency	1,848	0	0	(1,848)
TOTAL	**137,229**	**78,762**	**131,383**	**(5,846)**

5.3 A capital programme review is currently underway to ensure that the County Council's capital programme is aligned as closely as possible to the Administration's priorities. The outcome of the capital programme review will be reported in due course. Out-turn variations identified by Departments at Period 9 are highlighted below:

5.4 In the Children and Young People's Committee, a forecast underspend totalling £0.498 million has been identified mainly as a result of the Brookside Primary project (£0.275m) being removed from the capital programme and minor slippage on the Bingham Young People's Centre (£0.075m) and Balderton Young People's Centre (£0.090m) projects.

It is proposed that the Children and Young People's Committee Capital Programme is varied to reflect the identified changes.

5.5 In the Adult Social Care and Health Committee, a forecast underspend totalling £3.656 million has been identified against the Living at Home programme as a result of scheme slippage. The capital programme will be varied to reflect this re-phasing as part of the February Budget Report to Full Council.

5.6 In the Transport and Highways Committee, there is a total forecast overspend of £2.621 million mainly as a result of over-programming in the Local Transport Plan and Road Maintenance and Renewal programme (£2.194 million). Work is on-going to drive these forecast overspends down and to manage within approved budgets.

5.7 Also in the Transport and Highways Committee, as part of the on-going vehicle replacement programme, there are a number of vehicles that are approaching the end of their leases. There is a continuing need for these vehicles to deliver essential services and it is proposed that associated purchase costs totalling £0.975 million are funded from Transport and Highways reserves.

It is proposed that the Transport and Highways Capital Programme is varied to include the identified expenditure.

5.8 In the Environment and Sustainability Committee, a forecast underspend totalling £0.073 million has been identified. This is mainly as a result of a forecast £0.328 million underspend against the Waste Management Scheme. This is partly offset by a forecast overspend of £0.205 million against the Local Improvement Scheme programme. Work is currently on-going to manage this overspend down.

5.9 In the Culture Committee, a forecast underspend totalling £2.131 million has been identified. This is mainly due to £1.831 million slippage against the Sherwood Forest Visitor Centre as the project has experienced significant delays.

It is proposed that the Culture Committee Capital Programme is varied to reflect the identified slippage.

5.10 In the Finance and Property Committee, an overall underspend of £0.502 million has been identified. The majority of this relates to slippage totalling £0.220 million against the IT Infrastructure Replacement Programme as staff resources have been diverted to address urgent Public Service Network related activity.

It is proposed that the Finance and Property Committee Capital Programme is varied to reflect the identified slippage.

5.11 Also, in the Finance and Property Committee, slippage totalling £0.280 million has been reported against the Business Management System budget as a result of programme costs coming in below the budgeted figure.

It is proposed that the Finance and Property Committee Capital Programme is varied to reflect the identified underspend.

5.12 **The 2013/14 capital contingency currently stands at £1.848 million. It is proposed that this contingency is slipped to 2014/15 to fund future schemes.**

Financing the Approved Capital Programme

5.13 Table 4 summarises the financing of the overall approved Capital Programme for 2013/14.

Table 4 – Financing of the Approved Capital Programme for 2013/14

Committee	**Capital Allocations £'000**	**Grants & Contributions £'000**	**Revenue £'000**	**Reserves £'000**	**Gross Programme £'000**
Children & Young People	37,158	22,489	0	1,540	61,187
Adult Social Care & Health	2,001	1,891	45	92	4,029
Transport & Highways	6,770	21,685	0	11,960	40,415
Environment & Sustainability	3,682	500	500	0	4,682
Community Safety	289	0	0	0	289
Culture	589	2,253	0	3,289	6,131
Policy	5,782	0	0	0	5,782
Finance & Property	12,068	50	0	603	12,721
Personnel	0	0	0	145	145
Contingency	1,848	0	0	0	1,848
TOTAL	**70,187**	**48,868**	**545**	**17,629**	**137,229**

5.14 It is anticipated that borrowing in 2013/14 will decrease by £2.7 million from the forecast in the Budget Report 2013/14 (Council 28/02/13). This increase is primarily as a consequence of:

- £11.1 million of net slippage from 2012/13 to 2013/14 and financing adjustments funded by capital allocations.

- Variations to the 2013/14 capital programme funded from capital allocations totalling £13.3 million as approved at December Finance & Property Committee.

- Net slippage/reduction in 2013/14 of £0.5 million of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

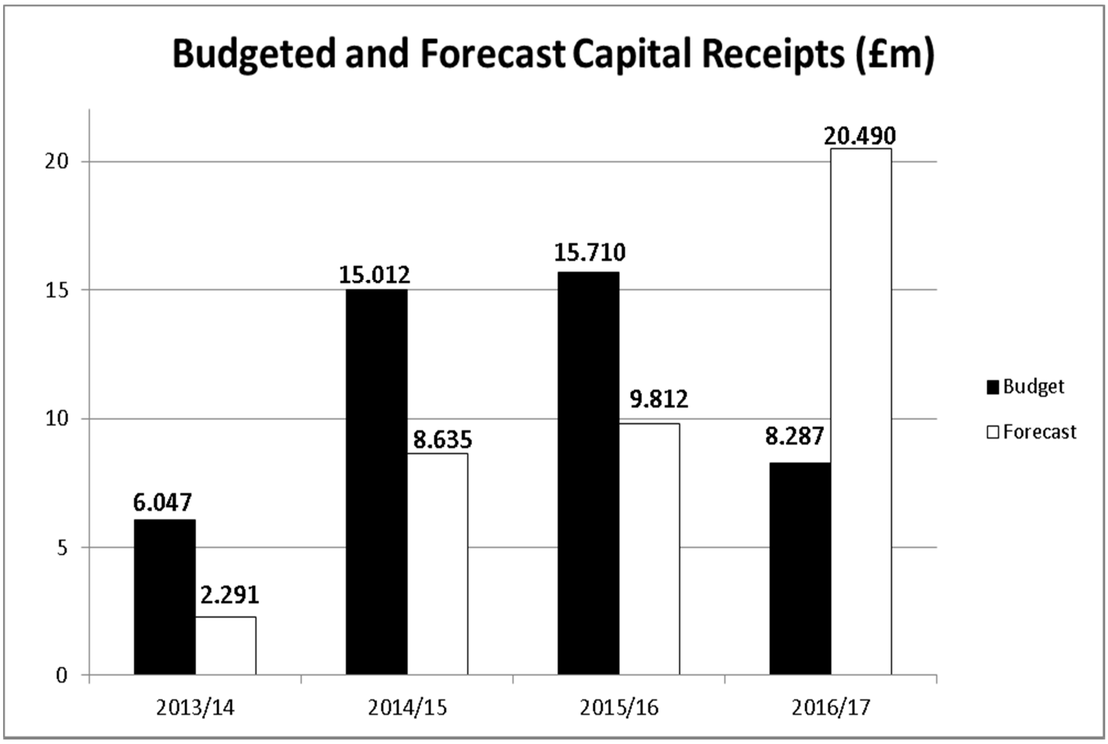
Prudential Indicator Monitoring

5.15 Performance against the Council's Prudential Indicators will be regularly monitored to ensure that external debt remains within both the Operational Boundary and the Authorised Limit.

Capital Receipts Monitoring

5.16 Anticipated capital receipts are regularly reviewed. Forecasts are currently based on estimated sales values of identified properties and prudently assume a slippage factor based upon a review of risk associated with each property. They also include an estimated £50,000 of vehicle receipts.

5.17 The chart below shows the budgeted and forecast capital receipts for the four years to 2016/17.



5.18 The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2013/14 (Council 28/02/2013). These capital receipts budgets prudently incorporated slippage, giving a degree of "protection" from the risk of non-delivery. The bars also incorporate anticipated slippage.

5.19 The forecast for 2013/14 is currently estimated to be £3.756m less than the budgeted capital receipts as a result of slippage.

5.20 The number and size of large anticipated receipts increase the risk that income from property sales will be even lower than the revised forecasts over the next three years. Although the revised forecasts incorporate an element of slippage, a delay in receiving just two or three large receipts could result in sales being lower than these forecasts. For example, a scenario in which £4m of capital receipts are realised in 2012/13 and £9m of capital receipts are realised in 2013/14 would not be considered unlikely. This would represent a reduction of £36m from the budgeted level of capital receipts for 2012-14.

5.21 Current Council policy (Budget Report 2013/14) is to set capital receipts against the principal of previous years' borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to be set aside each year.

5.22 As highlighted in the Budget Report 2013/14, the Council's medium-term forecasts were predicated on an ambitious level of capital receipts. Given current concerns about further revenue reductions, it is important to regularly monitor capital receipt forecasts and their effect on the overall revenue impact of the Capital Programme.

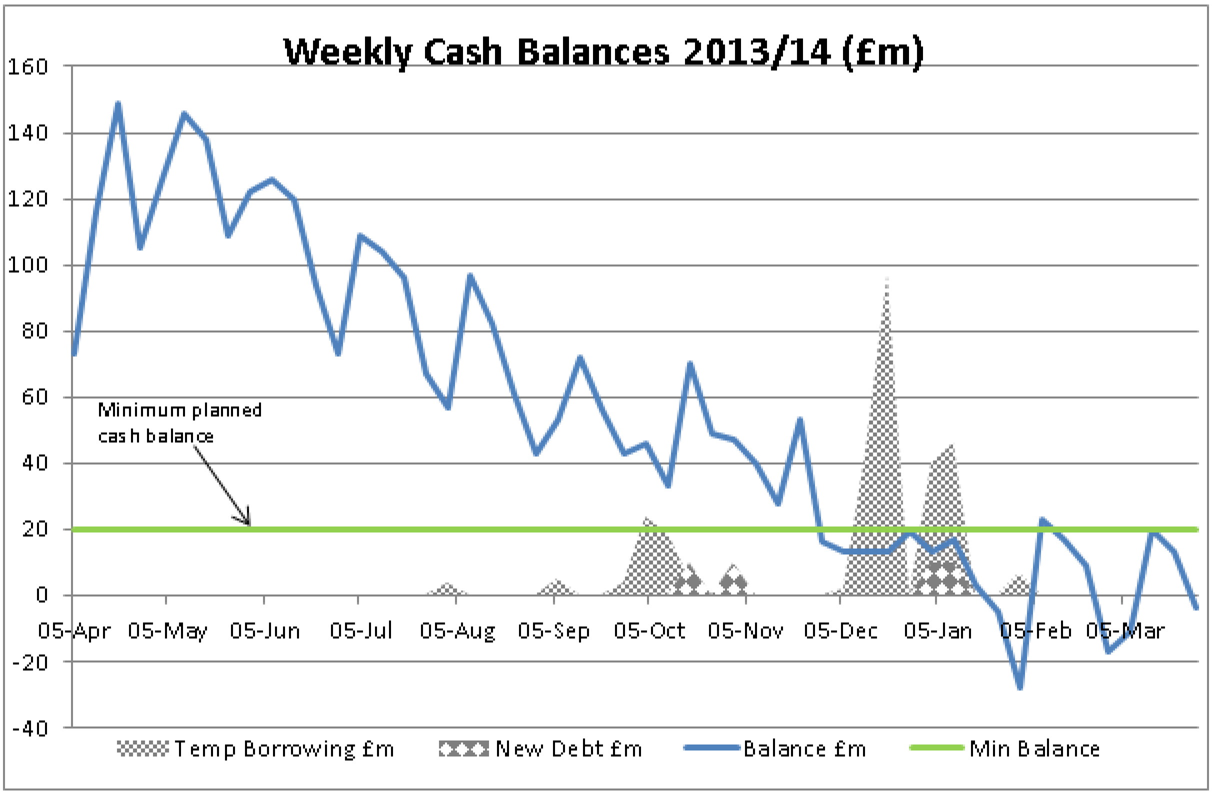
6. Balance Sheet

Impact on General Fund Balances

6.1 Members approved the 2012/13 closing General Fund Balance of £42.1m (Council 11 July 2013). The 2013/14 budget approves utilisation of £15.1m of balances which will result in a closing balance of £27m at 31/03/2014, which is just over 5% of the Budget Requirement.

Treasury Management

6.2 Cash flow is kept under constant monitoring by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group. The following graph shows the actual cash balances to date and the forecasts for the remainder of the year. Cash inflows are typically higher at the start of the year due to the front loading receipt of Central Government grants, and the payment profile of precepts. However, cash outflows, in particular capital expenditure, tend to occur later in the year.

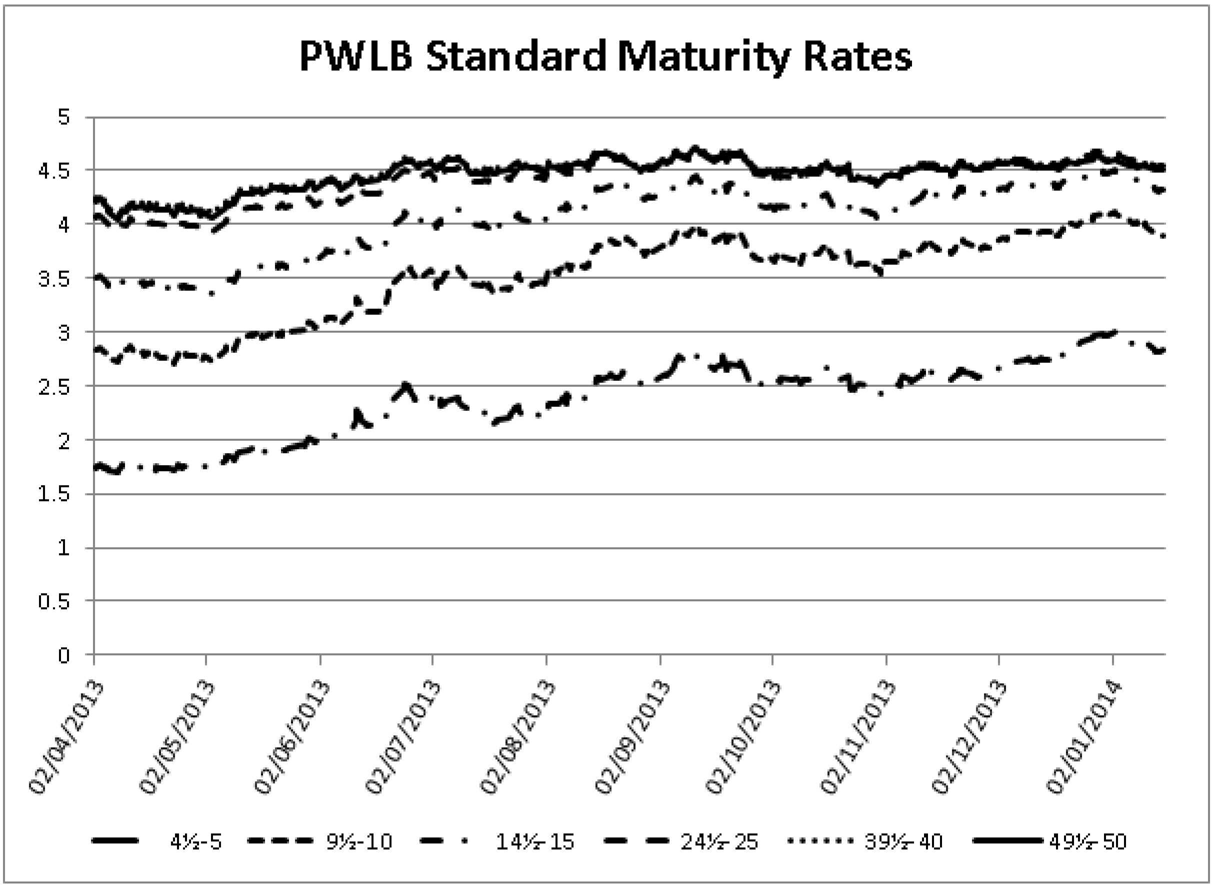


6.3 The treasury strategy for 2013/14 identified a need for additional borrowing of £10m to replenish cash reserves and £30m to fund the capital programme. The chart above indicates that sufficient cash balances have been maintained for much of the year but that external borrowing has been required towards the end of the year. New long term debt of £30m has so far been approved by the Treasury Management Group of which £20m was taken in October and the remaining £10m in January. Temporary borrowing has also been utilised to cover overnight shortfalls when necessary.

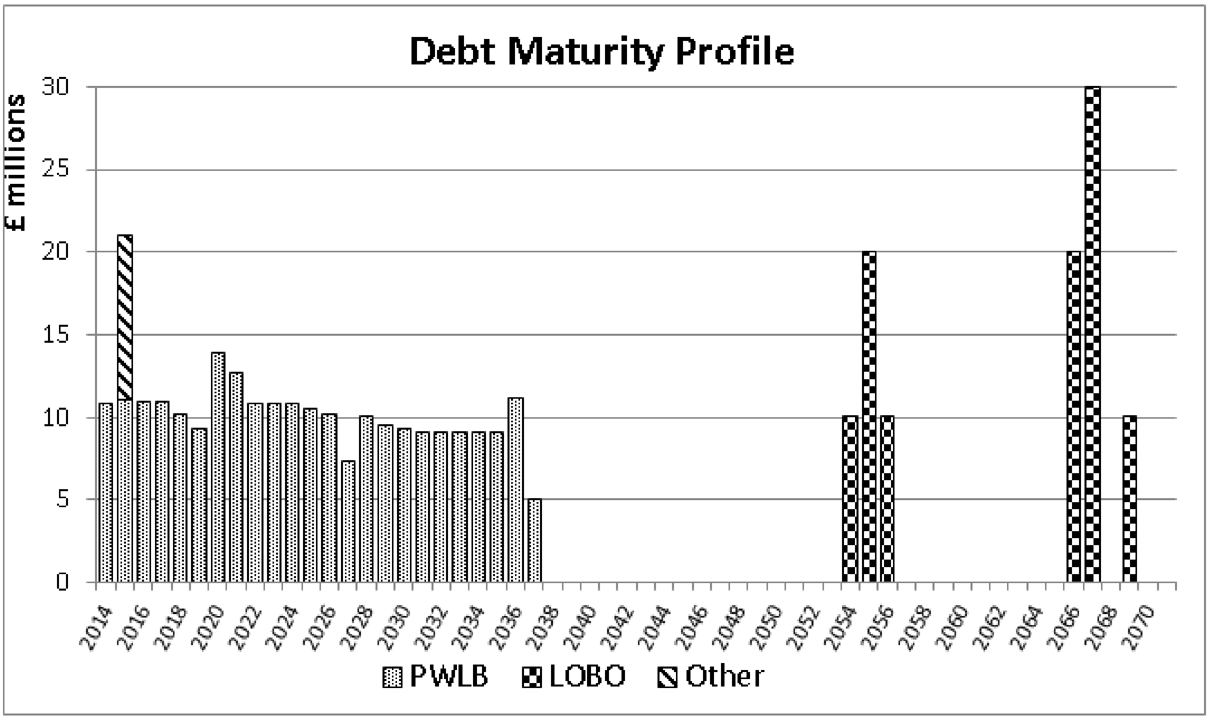
6.4 Borrowing decisions take account of a number of factors including:

- Current interest rates and recent trends
- The impact of new debt on revenue budgets
- The maturity profile of existing debt

6.5 The chart below shows the movement in standard PWLB interest rates during 2013/14 to date. Improving economic data combined with comments from the US Federal Reserve about the possible removal of quantitative easing has caused gilt yields to move sharply higher and this is reflected in PWLB rates. Rates drifted back towards the end of September following concerns over the US budget stalemate and have remained relatively stable since.

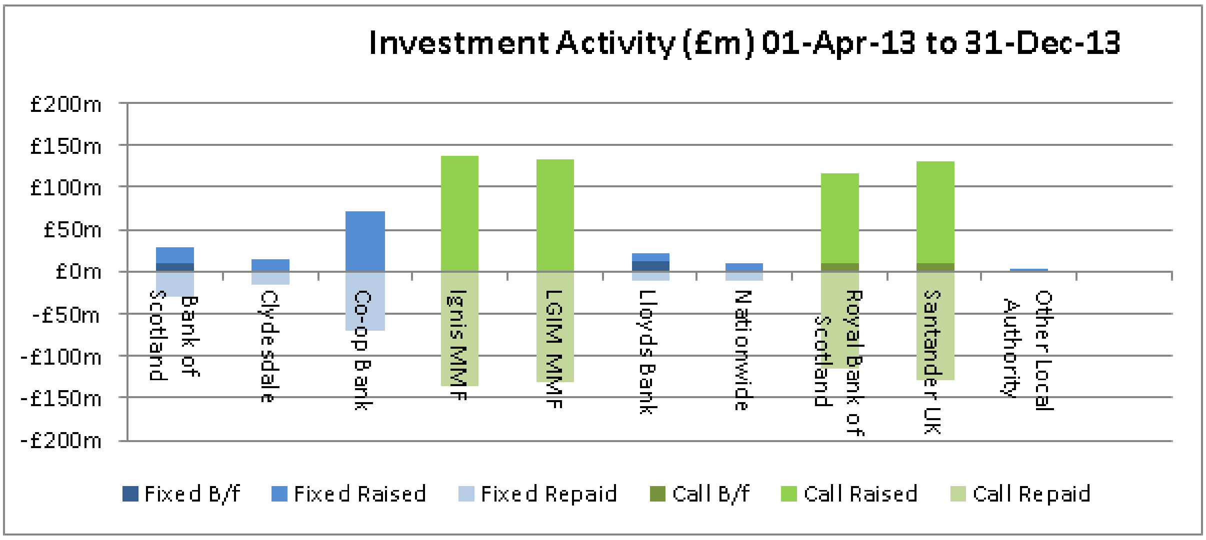


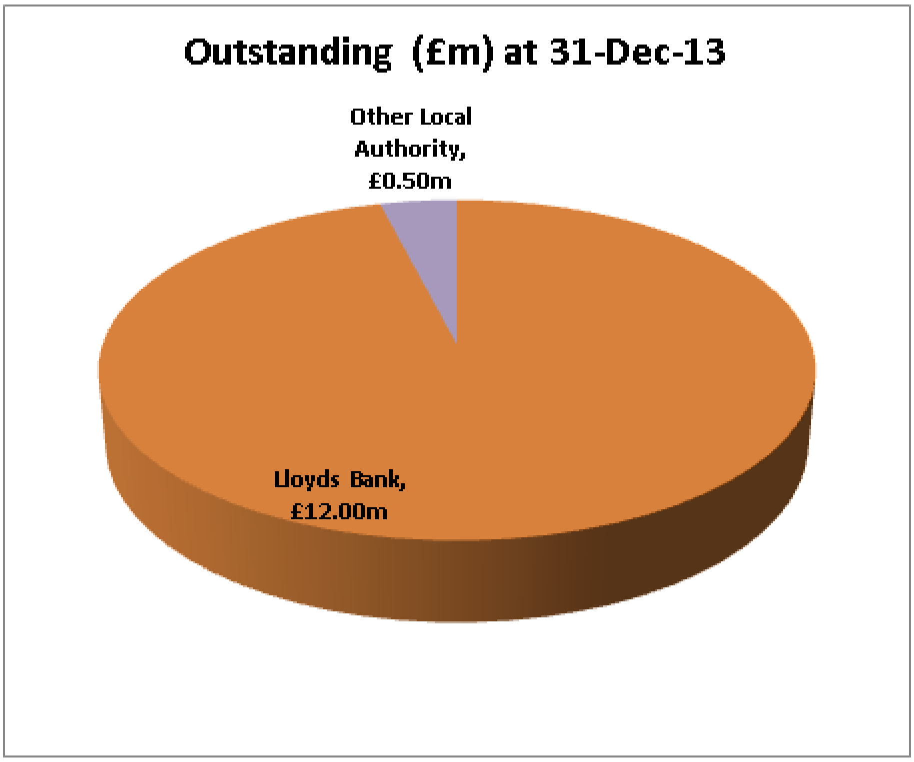
6.6 The maturity profile of the Council's debt portfolio is shown in the table below. The PWLB loans are reasonably well distributed and have a maximum duration of 24 years. Longer-term borrowing (maturities up to 56 years) was obtained from the market some years ago in the form of 'Lender's Options, Borrower's Options' loans (LOBOs). The 'other' loans denote the recent borrowing from the money markets where the main objective was to minimise interest costs. Refinancing of these loans will be factored into the Treasury Management Strategy. New debt is likely to be profiled from 20 to 50 years.



Investments

6.7 The Council's TM policy includes criteria for assessing counterparties for investment. Treasury Management Group approves a lending list based on these criteria and also market availability of institutions. The investment activity for 2013/14 to the end of December 2013 is shown in the charts below. Outstanding investment balances totalled £41.55m at the start of the year and £12.5m at the end of the period. In light of the forecast cash flow profile for 2013/14, a number of fixed term deals have been placed to take advantage of higher rates available for periods up to 364 days. The majority of these matured before the end of 2013.





Debt Recovery Performance

6.8 The total debt this period has increased significantly, however this is all current debt and is due to the fact that there has been a large number of invoices raised in the month. This month's value of invoices raised is £9million more than the previous period. There have been 18 invoices raised which are in excess of £0.1m, including 3 in excess of £1m which is more than usual. These are for other public bodies (local authorities and NHS Clinical Commissioning Groups (CCG's)). There is usually a spike at this time of year which, looking at previous years, settles down mid-February as most of these public bodies pay around 15 - 30 days late.

Table 5 - Invoices raised Period 9 2013/14

	Period 9	Year to date
Number	12,055	125,382
Value	19,866,102	104,026,514

Table 6- Debt Position

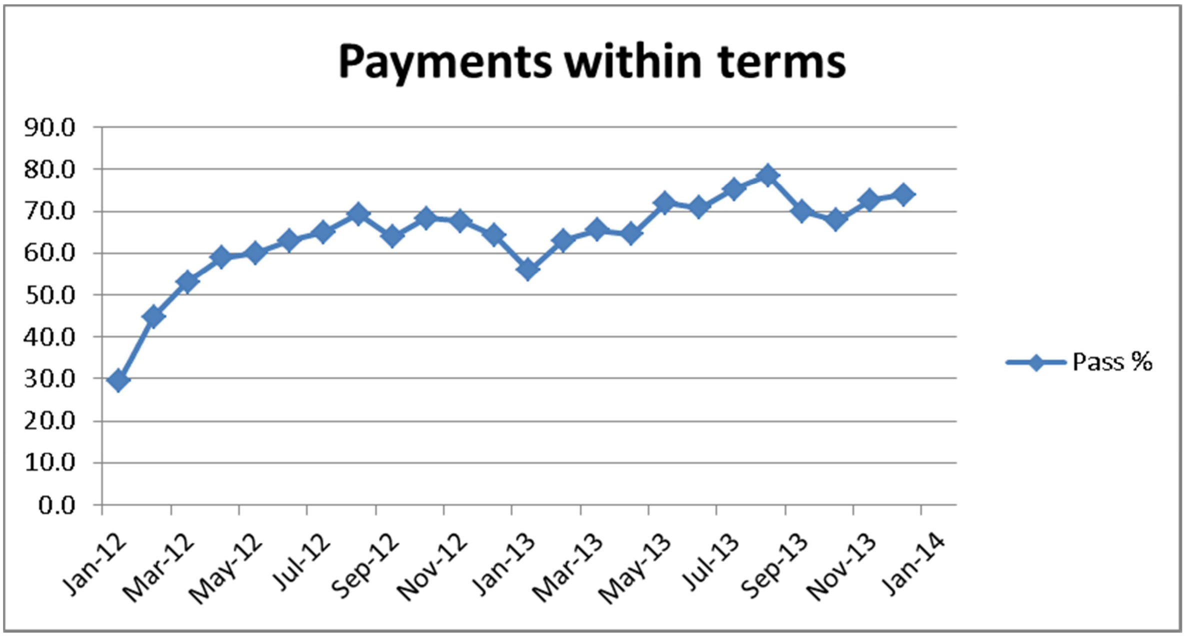
	Residential & Domiciliary Care	All other	Total
Total	7,131,585	16,916,546	24,048,132
Over 6 months	4,669,815	778,311	5,448,126
% over 6 months	65.5%	4.6%	22.7%

6.9 Work to reduce debt levels continues and some specific comments are set out below:

- The Authority has received £3,556 from High Court Cases this period and £1,417 from Third Party Debt Collection Agencies. Consideration is being given to referring some statutory debt cases for High Court action.
- There is a risk of a large Residential and Domiciliary Care invoice for £17,500 falling into the over 6 months for a CCG. However, discussions with the originator are taking place as it is clear this was invoiced without proper agreement or identification of which CCG is responsible. If they are unable to confirm who is responsible they have been advised it should be credited until they have identified the responsible party / reached agreement.

Accounts Payable (AP) Performance

6.10 The payment within terms figure for December is 73.9% of 12,176 invoices paid. This shows an increase from the figures for November of 72.6% of 11,661 invoices paid.



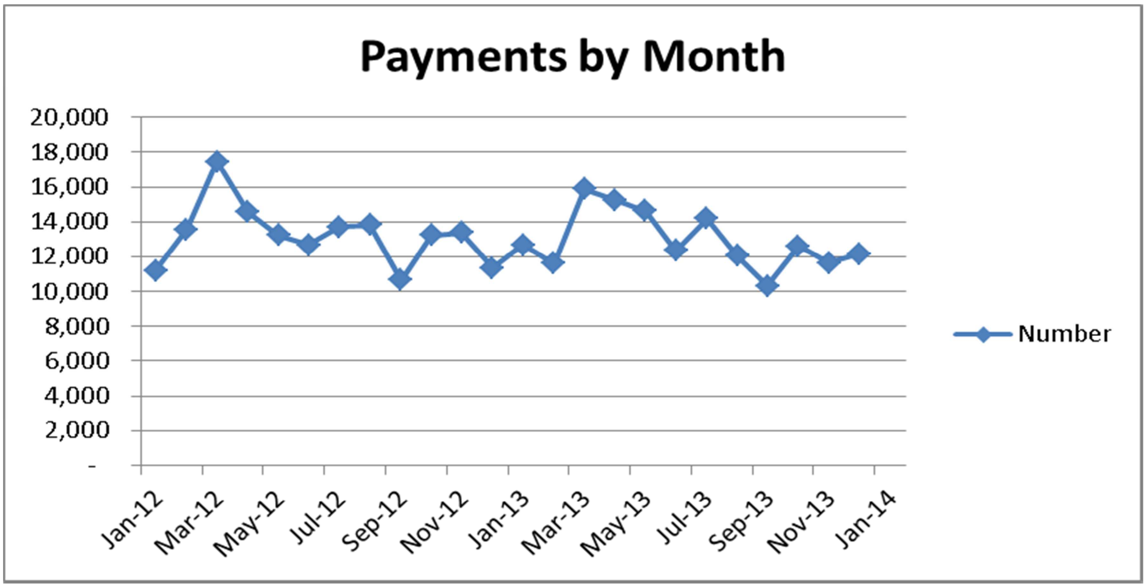
6.11 The increased performance is welcome, and the following actions are underway to attempt to improve performance further:-

- Departments should continue to resource Champions (BCM's) to support business areas to clear work items.
- Corporate Procurement should complete the tendering and letting of the Managed Service Provider contract for agency staff. Agency staff providers are currently one of the areas where problems occur in paying invoices within terms.
- No contracts should be let with payment terms less than 30 days without agreement by Corporate Procurement and an agreed process being arranged

with AP to meet the amended terms. Corporate Procurement to add 30 day payment and No PO / No Pay Policy to NCC standard terms and conditions.

- AP / Corporate Procurement should finalise arrangement for issuing short term dummy order numbers. This will enable current invoices to be paid whilst longer term order / payment arrangements are implemented. AP should communicate numbers to business areas and suppliers.
- Corporate procurement to add the requirement for emailed invoices to standard NCC terms and conditions.
- AP should work with business areas / suppliers who regularly submit late invoices to attempt to resolve this issue.
- A Lean+ review should be undertaken for the NCC Procure to Pay process.

6.12 The number of invoices paid was just under 12,000 in the month.



7. Future developments & strategic issues

7.1 The Council continuously reviews the systems that support the budgeting and forecasting process. Plans are in place to design and implement a new budgeting and forecasting process in the Business Management System (BMS) with the aim to roll out, with appropriate training, in the new financial year. Progress on this will be reported on a regular basis.

7.2 A consolidated report will be presented to Corporate Leadership Team in the coming months outlining further initiatives that the Finance function are intending to implement including monthly accrual accounting, quarterly hard close, and the introduction of an Accountability Framework within the Council.

Statutory and Policy Implications

7.4 This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS

Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATIONS

8.1 To note the current position regarding monitoring of revenue expenditure.

8.2 To approve the contingency requests as outlined in section 4

8.3 To note the current position regarding monitoring of capital expenditure.

8.4 To approve the capital variations as outlined in section 5.

8.5 To note the Balance Sheet update and future developments.

Paul Simpson Service Director – Finance & Procurement

For any enquiries about this report please contact:
Pauline Moore - Senior Accountant, Financial Strategy and Accounting
Glen Bicknell - Senior Finance Business Partner, Capital and External Funding
Simon Cunnington - Senior Accountant, Pensions and Treasury Management

Constitutional Comments (KK 07/02/2014)
The proposals in this report are within the remit of Finance and Property Committee.

Financial Comments (PM 23/01/2014)
The financial implications are stated in the report and will be taken into account during the refresh of the Council's Medium Term Financial Strategy.

Background Papers - Nil
Electoral Division(s) and Member(s) Affected - All

Nottinghamshire County Council

Report to Finance and Property Committee

24 February 2014

Agenda Item: 5

REPORT OF THE SERVICE DIRECTOR, ICT

ICT PROGRAMMES AND PERFORMANCE QUARTER 3 2013-14

Purpose of the Report

1. To provide the Finance and Property Committee with a 3rd quarter progress update on key projects and performance measures for ICT Services and to outline the major planned activities over the next 6 month period.

Information and Advice

Programmes Update

2. The main themes from the ICT review, led by Atos Consulting and Technology Services, are now shaping a lot of the activities within ICT Services, which are covered in the progress and planning sections of the report (paragraphs 3 and 4). The main themes from the review are:

   i. ICT reliability: so that day to day ICT services remain fit for purpose, are appropriately supported and meet the needs of users.

   ii. Focus on transformation: a switch of focus of the ICT direction from modernisation to transformation activities (particularly on workforce mobilisation and a move to web based self-serve solutions) to support the business in driving out financial savings and new service delivery models.

   iii. Renewed governance: recognising the growth in demand for ICT resources necessitates clear and agreed cross-County Council prioritisation and an underlying process for considering the competing “Run” (day to day upgrades) and “Change” (transformation) proposals.

   iv. Technology investment: funding will be required, for example, to support the channel shift to using web based self-serve options that match public expectations; to support the mobilisation of staff so that services are delivered more efficiently and effectively, and to support shared working with partners.

   v. Revised operating model: a revamp of the in-house and external ICT team composition will be required to facilitate and support the changing emphasis in direction.

3. Significant progress has been made in most of the priority areas over the last quarter. A summary of progress is as follows:

   i. In response to the ICT review, a new operating model and staffing structure has been developed following a formal consultation exercise with staff and stakeholders. The proposed structure strengthens the business facing element of ICT Services (technology partnering, business analysis and project management skills) in order to support the business transformation programme for driving out financial savings. The proposed structure also splits the “Run” (day to day support and maintenance functions) and “Business Change” functions, enabling the “Run” team to focus on reliability. The proposed new staffing structure was presented to Finance and Property Committee on 20th January 2014.

   ii. The ICT equipment replacement programme and deployment of Windows 7 and Office 2010 continues to make steady progress. At the end of December 2013 5,766 devices (78%) had been upgraded/replaced. This programme continues broadly to schedule and is planned to complete during the next quarter.

   iii. The County Council has a separate and secure broadband connection that enables the sharing of sensitive information with other public sector bodies. This connection is primarily used for secure e-mail and for accessing a couple of national IT systems. There is an annual assessment to ensure that our security arrangements comply with the standards and this includes independent IT network penetration tests. The Cabinet Office have set some new and significantly more rigorous standards that public bodies must now comply with in order to link into this Public Service Network (PSN). This has had a significant impact nationally across local authorities. A significant focus has therefore been given to achieving PSN compliance during this quarter, with considerable staff time being diverted to this activity. The key activities have covered password arrangements, desktop computer configuration, upgrades to server operating systems and versions, upgrades to software applications and changes to network configurations. The County Council achieved PSN compliance in December 2013 and will be next reviewed in June 2014.

   iv. The systems mobilisation pilot projects run through to the end of January 2014. Groups of social workers are using tablets alongside TotalMobile software to complete case notes and to capture information from their clients and this is then uploaded automatically into their core ICT system. These pilots will be used to evaluate the findings and develop a business case, technology strategy and governance model for taking this initiative forward. For departments, these pilot projects are identifying the process changes and cultural changes that will be necessary to make the most effective use of the technology. The current pilot activity is being developed and supported in tandem with Vodafone.

   v. The transfer of all user e-mail and complex group e-mail accounts from Lotus Domino to the Microsoft Exchange platform is complete. The transfer of system-embedded emails is nearing completion and it is planned to decommission the Lotus Domino platform by the end of March 2014.

   vi. During the period there has been an upgrade to the social care records IT system (Frameworki) to achieve PSN compliance, an upgrade to several modules of the Capita

ONE education records system, a revamp of the school on-line ordering system so that it is more intuitive and incorporates new features, and support has been given to Registrars to facilitate their on-line wedding service offer (see www.celebrateinnottinghamshire.co.uk). A new service is also being piloted with schools to support their use of the Microsoft 365 cloud solution (Office, Exchange e-mail, SharePoint and Link tools).

vii. A system health-check of our Business Management System (BMS) was undertaken independently by SAP and provided a clean bill of health in preparation for the annual BMS patching exercise.

viii. The procurement process for the replacement home based care services electronic monitoring system has identified a preferred supplier. The next steps are to develop and deliver the implementation plan that supports the appointment of the new independent sector suppliers of home based services.

ix. Extended the provision of NCC WiFi availability further across the public sector with the technology now in place to offer this service at another two Health Trust's sites (QMC and Nottinghamshire Healthcare NHS Trust) with planning now in progress for the switching on of this service over the coming weeks.

x. As part of the Ways of Working project ICT Services have supported staff moves, including the Business Support Centre from Oak House to Trent Bridge House.

4. Over the next 6 month period the major planned activities will include the following:

i. The new staffing structure and operating model will be implemented.

ii. An outline technology strategy and direction of travel will be developed and proposed that aligns to the strategic and business priorities of the County Council.

iii. Complete the roll-out of the ICT equipment replacement programme and printer replacement programme, and provide support for the office moves associated with the Ways of Working programme. Floor 3 of County Hall will be available for occupation in March 2014.

iv. Complete the migration to the Exchange e-mail solution and decommission the Lotus Domino infrastructure. Some of this activity was delayed due to the PSN compliance priority.

v. Completion of the mobilisation pilots, evaluation of the findings and development of a business case, technology strategy and governance model for taking this initiative forward.

vi. Support the procurement of a replacement portal for the Multi Agency Safeguarding Hub (MASH). The tender award is planned for March 2014 with implementation planned for June 2014.

vii. Transition to a hosted BlackBerry mobile platform and hosted secure e-mail service through Vodafone. The current BlackBerry platform is in-house and does not support multiple device types which the hosted version will.

viii. Review developments and changes associated with maintaining Public Service Network (PSN) compliance.

ix. Migrate the data for groups of Highways, Finance and Transport staff to the redesigned Microsoft Active Directory (provides the authentication and authorisations for all connecting computers and users). This will resolve access and performance issues for this cohort of users.

x. Following feedback from the ICT review there will be a re-assessment of the performance measures that ICT Services use.

xi. Implement a new module (SVC: Single View of the Customer module) for the customer relationship management system, used by the Customer Service Centre (CSC), to consolidate and de-duplicate our customer information. There is also an upgrade planned for the call handling system used at the CSC, MASH, the Business Support Centre and the ICT Service desk which is advised by the supplier to improve reliability.

xii. Evaluate and plan the introduction of electronic rostering and scheduling to improve the efficiency of front line resource planning.

xiii. Provide support to the Adults Systems Review project which is focussed on business processes and systems used in commissioning and paying for services (e.g. Frameworki, Abacus, BMS).

xiv. Implement the technology solution that enables the Children's Centres provider to use the already available NCC network infrastructure to connect to their own network, which is hosted by the Nottinghamshire Health Informatics Service. This will enable the service to be delivered at reduced cost to both public sector bodies.

xv. Introduce the Cryptshare product which is an add-on to our Microsoft e-mail solution. It supports secure e-mail transfer with non-PSN partners.

xvi. Implement on-line Registrars appointment booking on the Stopford system for use at the CSC and by members of the public.

Performance Update

5. To provide a balanced assessment of performance, ICT Services measures four groups of indicators that cover business activities, customers, staff and finance. Performance for the first 9 months of 2013-14 is attached as an Appendix.

Business Activity Indicator

6. The business activity indicators measure some of the key day to day operational performance areas, with the two most significant being systems availability and incident resolution. The focus is to ensure that business critical systems are operational during

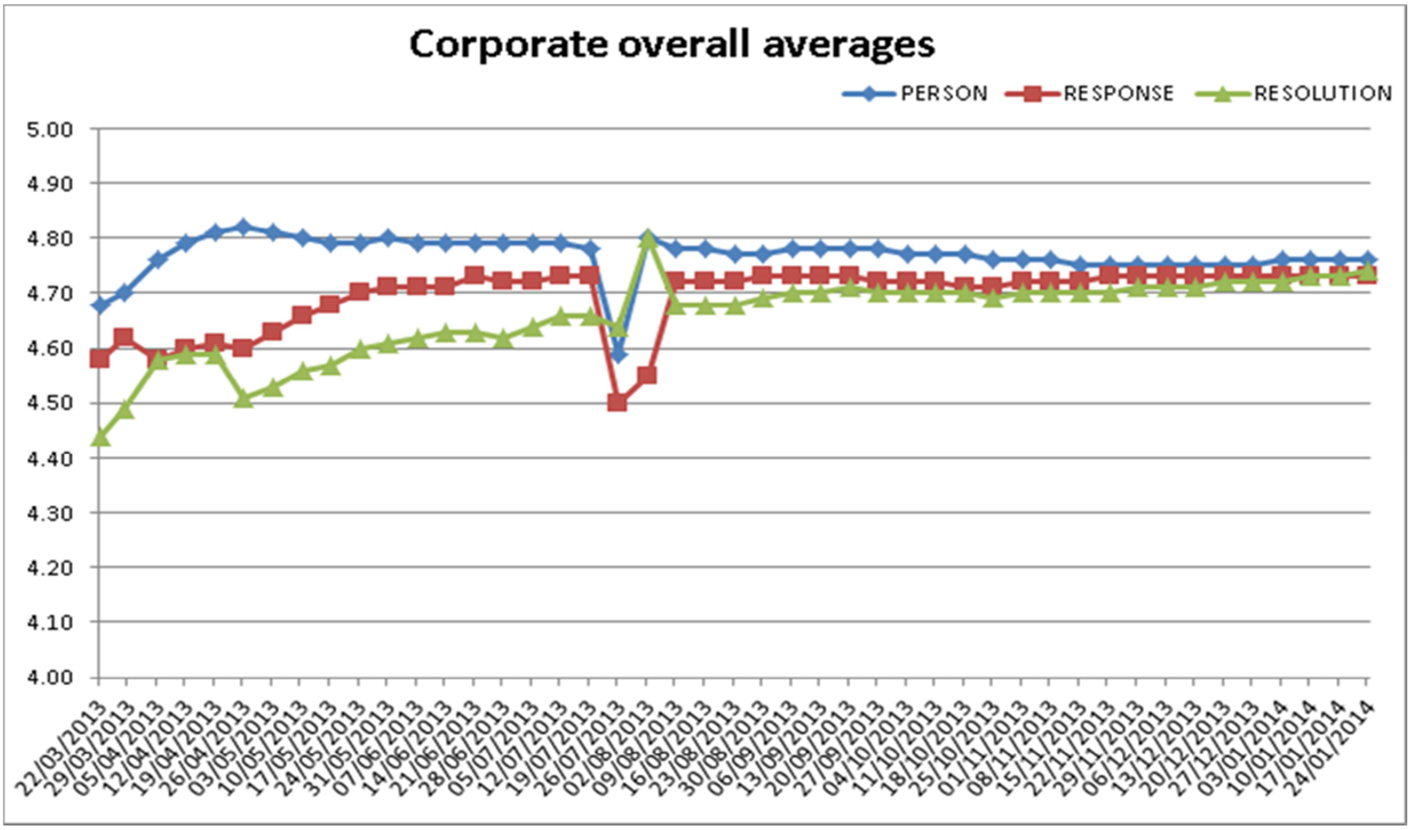
business hours and that any incidents are resolved speedily and within service level agreement (SLA). Systems availability in general remains at very high levels for business critical systems with 99.63% achieved in the quarter. This target has been raised for the third year running, to 99.5%. Incident resolution has been steadily improving and has climbed to 89.9% this quarter. This reflects the changes made to the service desk and to a number of processes. This greater capability to handle calls has led to increased volumes but the team has adjusted well to deal with these. The current focus is on the "third line" element of the desk which passes and manages calls between the various external suppliers. It is anticipated that strengthening this vendor management part of the service will help raise the overall ongoing performance and this is planned as part of the recently approved staffing structure. There are 6 suppliers with whom ICT Services have now strengthened the vendor management arrangements: SCC (servers), Vodafone (telephony), Konica Minolta (printers), Rostrvm (call handling system), Capita (network) and CoreLogic (social care records system).

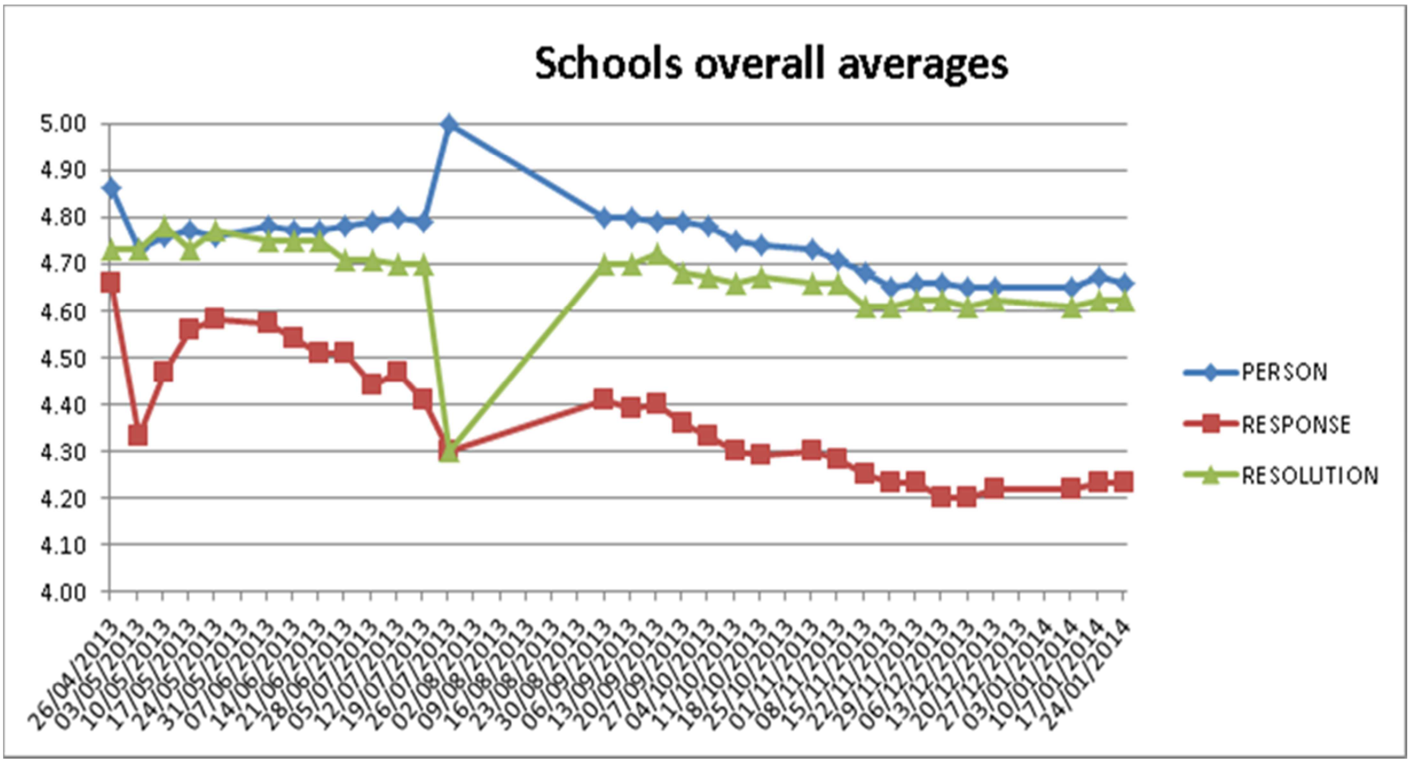
7. The County Council is increasingly reliant on its ICT provision and so disruptions to services need to be avoided wherever possible. During the quarter there were three major service disruptions. A hardware failure within the network infrastructure managed by our external partner (Capita) led to the internet not being accessible for 2 hours. The second incident resulted in the slow delivery of incoming e-mails into the County Council. This was as a result of a global denial of service attack, where high volumes of e-mails had suspicious attachments. Although our security solutions effectively managed this attack, it did result in significant numbers of e-mails being quarantined and checked by filtering systems. The third outage caused intermittent network issues for some schools and resulted from a configuration error within the Capita managed network.

8. The business activity indicators also show two project performance indicators that are used by CIPFA (Chartered Institute of Public Finance and Accountancy). The project delivery index is used to measure conformance to good project management standards e.g. adoption of PRINCE 2 methodology, business case produced, delivery to timelines, business benefits achieved etc. Performance against this indicator remains good. The second indicator is related to project milestones, and measures the overall percentage of milestones delivered by the planned timelines. Progress has been good here too with 94% of milestones delivered and this is reflected in the update outlined in paragraph 3.

Customer Indicator

9. The access channel into ICT Services is the Service Desk which receives and handles the incidents, service requests and enquiries. The efficiency and effectiveness of this function is crucial for the user perception of the whole range of services provided. During this year ICT Services have been collecting information regarding customer's satisfaction (score 1-poor, 5-excellent) of the ICT incident management process for both corporate and school users (weekly sample sizes are approximately 30 corporate users and 20 school users), with encouraging results as seen from the tables below. There has been a loss of school experience on the Service Desk due to staff turnover which has had some impact on response times and is reflected in the user feedback, but this has now been addressed.





Key:
User: Satisfaction with the person.
Response: Satisfaction with the response time.
Resolution: Satisfaction with the resolution.

Staff Indicator

10. The average number of sick days within ICT Services remains around the annual County Council target of seven days per staff member. Training activity for ICT Services staff is crucial to ensuring that the relevant and required skills are available. The training statistics collected are based on staff correctly completing and coding timesheets and, given the new technologies being deployed, we are currently still showing less training and development activity delivered than planned. A review is therefore being undertaken to ensure we capture this properly and that staff continue to maintain and update their essential skills training.

Financial Indicator

11. Capital spending is currently in line with budget plans for the year, apart from some slippage with the Infrastructure Replacement programme as technical resources were diverted to the PSN activities. Revenue spending is in line with budgets but in order to accelerate the deployment of Windows 7 and Office 2010 a proportion of the 2014-15 ICT equipment budget will be brought forward into 2013-14 (currently estimated at £300k). ICT Services also provides very favourable cost comparisons with other public sector bodies with each of the financial indicators within the top quartile of the 2013 annual CIPFA benchmarking.

Reason for Recommendation

12. To raise awareness of progress on the key ICT programmes and performance indicators for 2013-14.

Statutory and Policy Implications

13. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

To note the progress against the key programme and performance measures for ICT Services and the priorities for the next 6 month period.

Ivor Nicholson
Service Director - ICT

For any enquiries about this report please contact: Ivor Nicholson on 0115 9774006

Constitutional Comments:

This report is for noting only so no constitutional comments are required.

Financial Comments: (SEM 30/01/14)

The financial implications are set out in the report.

Background Papers

None

Electoral Division(s) and Member(s) Affected

All

ICT Services Overall Performance: Quarter 3 2013-14

Key symbols table:

Status	Indicators	Trend	Base this on change from same period last year
🔴	Below target by more than 10%	⇧	Improving trend
⚠	Below target by up to 10%	⇩	Deteriorating trend
✅	On or above target	▬	No change
⚪	No reported data or no target		

Business Activity Indicator		Performance 2013/14					Comments
	Q1 Actual	Q2 Actual	Q3 Actual	Target	Status	Trend	
Average availability to users of NCC's business critical services during business hours	99.85%	99.86%	99.63%	99.5%	✅	⇩	There are now 41 services identified as Business Critical to the County Council e.g. e-mail, internet, Framework, BMS, Capita ONE etc. Contributory factors to this high level of availability are the investment in the ICT infrastructure (such as the network, servers and cabling, the refurbished data centre and use of Node 4), a proactive approach to infrastructure alerts and monitoring (taking pre-emptive action where necessary) and the rapid response of our technical staff should issues occur. The target has been increased in 2013-14 from 99% to 99.5%.
% Incidents resolved within agreed service levels	83.8%	87.3%	89.9%	92%	⚠	⇧	This indicator assesses the performance of the ICT function in restoring service and responding to incidents within our Service Level Agreement (SLA). We have reduced the target this year from 95% to 92% to reflect a more realistic position from where we are. As we go through a transition stage with the service desk we are now performing much better at call taking which has increased the volume of recorded incidents. Focus is now on tier 3 of the service desk function and how we handle

							incidents with our external suppliers. In this quarter there were 7,823 incidents reported (7,633 last quarter).
% of ICT changes successfully completed	99.64%	98.52%	98.87%	98%	✓	⬆	The ICT change management process aims to ensure that upgrades and new services are implemented without any negative impact on service provision and ensure that all changes to business critical services have been comprehensively planned, tested and authorised before being carried out. In this quarter there were 452 changes (415 last quarter). The target has been increased in 2013-14 from 97% to 98%.
Compliance to CIPFA project delivery index	7.0	7.8	7.95	8	⚠	⬆	This indicator assesses the effectiveness of ICT project management and delivery by assessing approved projects completed in the quarter against a set of 9 defined criteria established by CIPFA and based around PRINCE 2.
% of project milestones delivered	75%	82%	94%	80%	✓	⬆	Each approved ICT project incorporates a series of milestones (both for ICT Services and for the business) that are the basis for assessing progress. These can be updated by Project Boards to reflect revisions to scope, priorities etc. Progress has been made against all priorities outlined in paragraph 3.

Customer Indicator	**Performance 2013/14**				**Comments**
	Actual	**Target**	**Status**	**Trend**	
User satisfaction feedback		●	✓	▬	The access channel into ICT Services is the Service Desk which receives and handles the incidents, service requests and enquiries. The efficiency and effectiveness of this function is crucial for the user perception of the whole range of IT services provided, as they all contribute to the resolution of the calls. The Service Desk collates user feedback regarding customer satisfaction (score 1-poor, 5-excellent) of the ICT incident management process for both corporate and school users (weekly sample sizes are approximately 30 corporate users and 20 school users). This performance information is shown in the charts within the report (see paragraph 9) and remains encouraging.

Staff Indicator	**Performance 2013/14**				**Comments**
	Actual	**Target**	**Status**	**Trend**	
Average number of sick days per staff member	5.15	5.25	✓	▬	This average level of staff sickness is currently around the profile of the annual county council target of 7 days per member of staff.
Average number of professional training days per member of staff	1.59	2.25	🔴	▬	The annual target is 3 days per member of staff. We now undertake significant levels of computer based training activities, rather than traditional classroom courses, covering more activity in less time. The actual figures are based on completed timesheets and are lower than expected. The basis for capturing development and training activity is therefore being reviewed.

Financial Indicator	**Performance 2013/14**				**Comments**
	Actual	**Target**	**Status**	**Trend**	
Expenditure against revenue	81%	77%	✓	▬	Planned budget reductions of £650k have been delivered for 2013-14 which includes the freezing of 12FTE posts (£3 million of annual savings over the last 4 years). Spending is in line with budgets, plus some of the ICT equipment budget has been brought forward from 2014-15 to fund an accelerated roll-out of Windows 7.

Expenditure against capital	70%	75%	⚠	▬	Capital spending is aligned to the current ICT Strategy and is broadly in line with plans for the ICT equipment replacement programme, OneSpace project and Microsoft licensing. There is estimated slippage of £300k in the Infrastructure replacement programme as technical staff were diverted between September and December to PSN (Public Services Network) activities to achieve compliance with the new standards.
Cost of ICT support per user	£208	£220	✓	▬	The current cost of £208 per user puts the county council in the top quartile of CIPFA 2013 benchmarking. The target of £220 is based on remaining within the top quartile.
Cost of ICT support per workstation	£174	£200	✓	▬	The current cost of £174 per workstation puts the county council in the top quartile of CIPFA 2013 benchmarking. The target of £200 is based on remaining within the top quartile.
Acquisition cost of desktop PC	£293	£400	✓	▬	This includes the cost of procurement and installation as well as the cost of the device and software. The county council currently performs at the top quartile of CIPFA 2013 benchmarking.
Acquisition cost of laptop	£556	£600	✓	▬	This includes the cost of procurement and installation as well as the cost of the device and software. The county council currently performs at the top quartile of CIPFA 2013 benchmarking.

Report to Finance & Property Committee

24 February 2014

Agenda Item: 6

REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY & ENVIRONMENT

PROPERTY STAFF CONSOLIDATION AND SERVICE DELIVERY MODEL CHANGES

Purpose of the Report

1. To provide Members with information on progress towards achieving planned revenue budget savings connected with the consolidation of property staff within the corporate property group. The report outlines planned service delivery model changes and the trial being undertaken with Children Families and Cultural Services.

Information and Advice

2. As part of the submissions for budget savings, the property group identified the opportunity to achieve revenue saving of £250,000 per annum by 2016/17, by consolidating staff from other departments within the property group.

3. It is apparent that outside of the property group there are officers who provide an 'informed client' role for departments. These officers are either qualified property professionals or who have gained experience and knowledge of working on property issues. Their role is generally to provide an interface between the property group and the client department, assisting with general day to day property issues and/or working with the property group in formulating medium term property solutions for their service user.

4. During recent years the property group has been through a period of transition. The latest restructure during the summer of 2013 has provided a multi-professional unit that is able and has demonstrated its ability to provide a full range of property services. As a result the rationale for retaining 'informed client' roles in departments is a resource that cannot be easily justified at a time of severe financial restraint.

5. A trial has commenced with the Children Families and Cultural Services Department to :-
   a) Identify officers who are providing an 'informed Client' property role.
   b) Develop a service level agreement with the Client department.
   c) Assess the officers' current role and consult with them how best their experience may be applied within the property group.
   d) Establish an action plan for transfer of staff by April 2014.
   e) Identify risks associated with the proposed transfer.

f) Review process and apply learning points for the roll out to other departments.

6. With the transfer of the staff will be a transfer of staffing budgets, roles and responsibilities to the property group. In many cases this will mean the traditional roles of departments communicating directly with their end users and external bodies over property issues will be devolved to the property group. While a clearly defined service level agreement will assist in identifying the parameters of what will be transferred there is a recognition that the property group will need to change its service delivery arrangements in order to meet these new requirements.

7. Following consultation with property managers, staff and relevant service directors, a revised operating model has been developed which is outlined in appendix 1.0. It is important to highlight the proposals do not involve a restructure, instead it builds upon the structure that is now established.

8. The key elements of the new model are:-

   ‘Single’ Point of Contact: Client departments will be working with one/two officers within the property group to establish and resolve property needs, develop client briefs. These contacts will also be the primary interface with end users and external bodies. The primary purpose of this role is to ensure that there is a single channel of information in-coming to the Group to avoid confusion, duplication of effort and consistency of message. Identified officers will have clear responsibility and accountability for responding to client issues.

9. The Support Unit - Incoming instructions and information are entered on a central administrative system that will formally clarify any instructions with the client department. At this point any confirmed work will be allocated and work instruction will flow to one of the officers within the service delivery sections. Client departments have access to the administrative system and from this will be able to track the progress of work.

10. The primary purpose of this element is to consolidate the information flow and seek clarity of instruction. Later on in the process, this unit will produce the performance information that will be used to review progress with the Client.

11. It is worth highlighting that while the single point of contact officers will be the primary conduit through which issues are raised and resolved, the support unit will form a secondary layer in circumstances when the officers are unavailable or matters need to be escalated.

12. Group Manager Review - no less than fortnightly the two property group managers will undertake a review with the contact officers and the lead for the support unit, to assess new instructions; on-going work; resolve any issues and consider overall performance. Quarterly, a performance review will be undertaken formally with the client department. The main purpose of this change is to embed a more business orientated approach on the functioning of the Group, with scrutiny and review at a high level with existing team managers taking greater responsibility to manage the continuous improvement of their sections.

13. These changes will involve a significant degree of cultural change from both property and client groups. Measures on the risk register have been identified to mitigate risks associated with this point such as issuing a clear communication brief to staff on the process to be established outlining the reasons for adherence.

14. Once the transfer of staff has been completed there will be a requirement to have a period of time for the delivery model to become established. It is at this point that processes will be reviewed and efficiencies identified to secure the targeted budgetary savings. It is important to note that the submitted budget savings were recorded as high risk in terms of deliverability. However, with the consolidation of property resources there is greater opportunity to deliver savings compared to the current situation.

Other Options Considered

15. The status quo could be retained and measures adopted by Client departments to secure revenue savings through staffing reductions. Due to the relatively small staff numbers involved in each area, the opportunities to achieve efficiencies will be more limited. In addition such an option would mean that departments are being distracted from concentrating on core activities.

16. Alternatively the need for budget savings could be ignored. Given the financial challenges the Authority is facing, this is not considered to be a viable option.

Reason/s for Recommendation/s

17. To provide Members with information on progress towards achieving planned revenue budget savings connected with the consolidation of property staff within the corporate property group. In addition, due to the importance of the changes it is highlighted that a further six month progress report is submitted.

Statutory and Policy Implications

18. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

It is recommended: -

1) To note the proposed consolidation of property staff and the development of a new service delivery model; and

2) That a further report is presented to members providing an update on progress after six months of operation.

Jas Hundal
Service Director- Transport, Property & Environment

For any enquiries about this report please contact: Andrew Stevens 0115 977 2085

Constitutional Comments (SSR 07-02-2014)

19. The report is for noting purposes only.

Financial Comments (TR 12-02-2014)

20. As this report is for noting only, financial comments are not required.

Background Papers and Published Documents

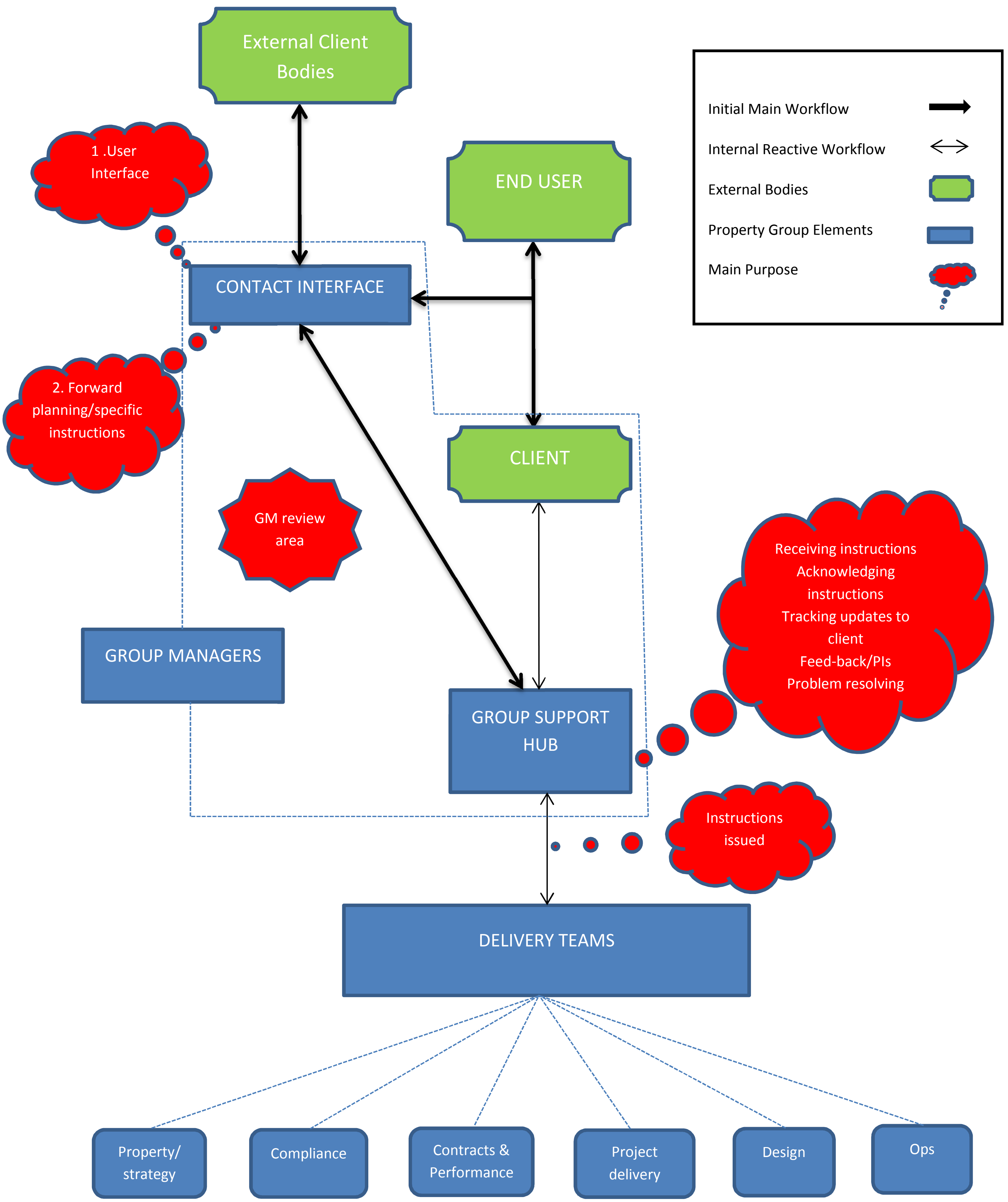
21. None.

Electoral Division(s) and Member(s) Affected

22. Ward(s): n/a
    Member(s): n/a

File ref.: /SB/SB/09996
SP: 2602
Properties affected: 09996 - Staffing

Appendix 1.0


External Client Bodies
1 .User Interface
END USER
CONTACT INTERFACE
2. Forward planning/specific instructions
CLIENT
GM review area
Receiving instructions
Acknowledging instructions
Tracking updates to client
Feed-back/PIs
Problem resolving
GROUP MANAGERS
GROUP SUPPORT HUB
Instructions issued
DELIVERY TEAMS
Property/ strategy
Compliance
Contracts & Performance
Project delivery
Design
Ops
Initial Main Workflow
Internal Reactive Workflow
External Bodies
Property Group Elements
Main Purpose

Report to Finance and Property Committee

24 February 2014

Agenda Item: 7

REPORT OF CORPORATE DIRECTOR, POLICY, PLANNING AND CORPORATE SERVICES

WORK PROGRAMME

Purpose of the Report

1. To consider the Committee's work programme for 2013/14.

Information and Advice

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and committee meeting. Any member of the committee is able to suggest items for possible inclusion.

3. The attached work programme has been drafted in consultation with the Chair and Vice-Chair, and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.

4. As part of the transparency introduced by the revised committee arrangements from 2012, committees are expected to review day to day operational decisions made by officers using their delegated powers. It is anticipated that the committee will wish to commission periodic reports on such decisions. The committee is therefore requested to identify activities on which it would like to receive reports for inclusion in the work programme.

Other Options Considered

5. None.

Reason/s for Recommendation/s

6. To assist the committee in preparing its work programme.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such

implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

1) That the committee's work programme be noted, and consideration be given to any changes which the committee wishes to make.

Jayne Francis-Ward
Corporate Director, Policy, Planning and Corporate Services

For any enquiries about this report please contact: Paul Davies, x 73299

Constitutional Comments (HD)

1. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

Financial Comments (PS)

2. There are no direct financial implications arising from the contents of this report. Any future reports to Committee on operational activities and officer working groups, will contain relevant financial information and comments.

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

FINANCE & PROPERTY COMMITTEE - WORK PROGRAMME

Report Title	**Brief summary of agenda item**	**For Decision or Information ?**	**Lead Officer**	**Report Author**
24 February 2014				
Monthly Budget & Capital Monitoring Report 2013/14	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Paul Simpson	Pauline Moore
Property Staff Consolidation and Service Model Changes	Staffing in Corporate Property Group, and trial of new service delivery model with CFCS Department	Info	Jas Hundal	Andrew Stevens
ICT Programmes and Performance	Update on projects and performance for Q3	Info	Ivor Nicholson	
24 March 2014				
Monthly Budget & Capital Monitoring Report 2013/14	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Paul Simpson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
Value for Money Review	Report back on Value for Money and other reviews, including performance indicators for property.	Decision	Jas Hundal	Andrew Stevens
Asset Maintenance	Progress Report	Info	Jas Hundal	Andrew Stevens
28 April 2014				
Monthly Budget & Capital Monitoring Report 2013/14	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Paul Simpson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various
Property Performance	Quarterly Report	Info	Jas Hundal	Andrew Stevens
19 May 2014				
Monthly Budget & Capital Monitoring Report 2013/14	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Paul Simpson	Pauline Moore

Report Title	**Brief summary of agenda item**	**For Decision or Information ?**	**Lead Officer**	**Report Author**
Property Transactions	Various	Decision	Jas Hundal	Various
ICT Programmes and Performance	Update on projects and performance for Q4	Info	Ivor Nicholson	
16 June 2014				
Monthly Budget & Capital Monitoring Report 2013/14	Budget Capital Monitoring, Capital Receipts, Capital Variations	Decision	Paul Simpson	Pauline Moore
Property Transactions	Various	Decision	Jas Hundal	Various