

REPORT OF THE CABINET MEMBER FOR FINANCE AND PROPERTY

FINANCE

Portfolio Holder meetings

1. In my regular Portfolio meetings with Officers I have discussed a range of topics:

Highways Traded Services Review

2. Colleagues in Highways have undertaken a traded services review, considering the appropriateness of competitive tendering within the service. The review has concluded that there are several services which can be delivered by external providers by 1st April 2012 with a new contract to be awarded for further services by a target date of October 2012. The Deputy Leader and I are pleased to support the new arrangements which will secure employment of local labour and support local business in the supply chain, as well as benefiting the authority from procurement and operational efficiency savings.

Period 9 update

3. The finance teams are supporting managers across the authority who are currently inputting their period 9 forecast outturns directly into the Council's new business management system. Through this new process, financial information will be more easily accessible for staff and senior managers, and this will in turn, support better, more informed decision making and enhanced accountability.

Budget Preparation Update

4. Outline revenue budgets have been prepared pending the outcome of the budget consultation exercise which is due to complete on 27th January. The capital programme is also being updated to ensure that capital investment in priority areas is delivered in an affordable way.

Government Consultation

5. Over the summer, Central Government published two consultations, Local Government Resource Review (focussing on the repatriation of Business Rates) and Localising Support for Council Tax (focussing on Council Tax Benefit reform). In December, the Government published their response to the consultations and the Local Government Finance Bill, which will provide the legislative framework for these changes, subsequently received its first reading in the House of Commons on 19 December 2011.

Local Government Resource Review (to be introduced April 2013)

6. Reforms to Council funding are intended to allow local authorities to gain from business growth in their area. Assurance has been given that no local authority will be worse off as a result of their rates base at the start of the scheme. The proposed scheme also recognises that the districts will have greatest control over business growth and the proposals are therefore weighted to reflect the risk/reward incentive accordingly. Districts will keep 80% of the growth in their areas whereas County Councils will receive top-up payments from central government enabling essential services to be protected. This proposal should help to minimise the risk the Council is exposed to as a result of the changes but further work is required to establish the potential financial implications.

Localising Support for Council Tax (to be introduced by April 2012)

7. The government is transferring the responsibility for Council Tax Benefit to Local Authorities which will come into affect in 2013. It has already been confirmed that the amount of funding to pay for it will reduce by 10%. As such, the County Council will have a key role in helping to establish a Local Scheme in collaboration with the City Council and the Districts to ensure uniformed support across the county. We also need to be engaged to ensure full understanding of the potential financial implications, as paying benefit will now have a direct impact on the amount of Council tax received by the County Council.

Financial Management Action Plan and Restructure

8. The Service Director – Finance and Procurement is progressing the restructure of the Council's Finance Service. Staff have been briefed on the new proposals and have been given the opportunity to feedback before the formal consultation period commences.

Central Government Funding Announcements post Autumn Statement

9. The Autumn Statement headline announcements included a 1% cap on public sector pay for two years and confirmation of investment to widen the A453 and for Hucknall Town Centre Improvement Scheme. Nationally, reductions in economic growth were forecast with further cuts to public sector jobs, but borrowing was expected to fall and reduce debt interest payments.
10. There is no expectation of further reductions in funding for 2012/13. A more complete assessment of the impact of the settlement and the government's future spending plans will be given in the forthcoming budget report to Cabinet and County Council.

PROPERTY

11. During the period 20 December 2011 to 9 January 2012 inclusive there were 2 Property Pre-Agenda Meetings at which 7 reports were considered and went on to be approved.
12. The Eastwood (Springbank) Primary School new-build project completed just prior to Christmas.

13. The following Capital projects are on site, the Data Centre structural upgrade for which the construction of Machine Room 2 is underway, the Carlton Digby Special School, for which the external and internal walling is in the process of being constructed and the West Bridgford Library refurbishment for which works on site have just commenced.
14. The pre-construction works for the Mansfield bus station are underway with the site construction due to commence early this Year.
15. The Chuter Ede Primary School extension at Fernwood is about to go on site.
16. A number of options for Worksop bus station upgrade are being prepared.
17. Work continues at the National Water Sports Centre on the fire remedial and asbestos removal works.
18. The School Refurbishment Programme Year 1 design process is now well underway. Years 2 and 3 are in the brief preparation stage. The works related to roofing and window replacement have been fast tracked into year 1.
19. The project for the replacement Children's respite centre at Edwinstowe is in detailed design. Negotiations with the other landowners over access requirements continue.
20. The Bassetlaw Specialist Facility project will commence works on site later this month. The feasibility studies for the other projects in the Day Centre programme are now complete with on-site works also about to commence at Barncroft in Chilwell and Red Oaks in Rainworth.
21. The options for the proposed West Bridgford Primary School continue to be evaluated as are options for extensions at Brookside (East Leake), Kingsway (Kirkby in Ashfield) and Jesse Gray (West Bridgford) Primary Schools.

ICT SERVICES

22. The County Council's ICT network has a link connecting into the Government Connect Secure Extranet (known as GCSX). This is a secure, private, wide area network which enables secure interactions between connected local authorities and other public sector organisations. We use the connection to send and receive secure e-mail and to access some other online services e.g. the "Tell Us Once" system which records and shares births and deaths information with other public agencies. In order to connect to GCSX our ICT infrastructure and policies have to comply with a set of national security standards and we are assessed for compliance annually. In December 2011 the Government Procurement Service confirmed that we continue to meet the standards and have authorised our connection for a further year.
23. It is planned that the above secure connection will be used from January 2012 to connect to the Blue Badge Improvement Service which will enable the online commissioning of new badges.

STRATEGIC SERVICES

COUNTY SUPPLIES

Financial

24. Financial position based on latest Period 8 Budget Monitoring position, favourable by £61K; though budget forecast based on Trading Account position including forecasted sales, at budget. Actual Sales turnover for the year to end of December down on forecasted sales by 3.2%.

Operational

25. Delivery performance holding up well, with Routine delivery (annual cumulative 95% within 3 days) at 89.6% and Next Day (annual, cumulative, over 50% next day) at 58.0% at end of Period 9.
26. Integration with the BMS system now well established with 1015 orders with value £120K received, and invoiced electronically in the first month.

PROCUREMENT

BMS Go Live

27. The overall value of spend on BMS, as at 12 January, is **£36m** with a total of **12129** shopping cart items where **6460** of them have been created through Green Route.

Procurement Activity

28. The Procurement Centre is undertaking extensive work across the Council and has contributed to the delivery of procurement savings worth £4.7m so far in this financial year.
29. During December The Supplies and Services team has awarded the following contract; Solar Cell Energy, Democracy Management System and Holme Pierrepont Till System. The Team has also renewed the contract with Vodafone for further 2 years. The contract has reduced the cost of phone tariffs we currently pay which will result in annual savings of £106,000. During the next month the team is in the will award contracts for Libraries Print Services and Carriageway Surface Dressing.
30. The team has facilitated a number of successful projects resulting in further savings to the authority. These include renegotiation of IBM Software Management with a cost avoidance saving of £400,000 and cash releasing saving of £86,000. An on-going project with an organisation called Transaction Analysts which reviews previous payments to our suppliers has led to £348,000 being returned to the authority by the end of December. This includes a refund from BT of £189,000. Transaction Analysts are paid through a gain share arrangement and will retain a proportion of this saving. This project will continue into next financial year. In addition the Procurement has

worked to resist a series of price increases on food which will avoid a cost of £150,000 per year.

31. The team will issue tenders for the Highways Term Maintenance Contract in January and also continue to support the key projects for the National Water Sports Centre and Sherwood Forest Visitors Centre.
32. The procurement team supporting care services is currently working on outsourcing Direct Services Supported Living to deliver an estimated saving £455,000 over 3 years. Also work is ongoing on domestic violence service contracts worth £700,000 and also the preliminary work to launch the Extra Care Housing procurement to enhance independent living. The team is starting on contracts relating to Homelessness Prevention Services, including Vulnerable Adults service and Mental Health Support Services. Pre-Qualification Questionnaires for these projects will be published in January.
33. The Care team has awarded a contract for Substance Misuse Assessment and Intervention Service in Clayfields House Secure Children's Home. Contracts to seven new providers have been awarded for the Flexible Short Breaks Scheme (FSBS) and Disabled Children's Access to Childcare (DCATCH) for Disabled Children project. This will give children and parents more choice of how to use their short breaks.

WAYS OF WORKING

34. Enabling works to improve fire protection in Trent Bridge House are nearing completion and refurbishment of the lifts in County Hall has started which will improve their reliability.
35. Good progress is being made on finalising the main refurbishment works and it is expected that a contract for the works will be signed by the end of this month. Works are expected to start in February and March for County Hall and Trent Bridge House respectively.

COUNCILLOR REG ADAIR
CABINET MEMBER FOR FINANCE AND PROPERTY