

meeting COUNTY COUNCIL

date 22 July 2010

agenda item number

**7a viii.**

## **REPORT OF THE CABINET MEMBER FOR FINANCE AND PROPERTY**

### **A. FINANCE**

1. The Final Accounts for 2009/10 which were approved in draft form by County Council at its last meeting have now been submitted to the external auditors and will be reviewed over the following months. The demise of the Use of Resources Assessment as part of the former Comprehensive Area Assessment means that the Authority's performance in terms of financial management and financial reporting will no longer be assessed and will no longer form a part of the overall scoring system. This however does not mean that the Council will take any less rigorous approach towards closing the accounts as the auditor will still be required to provide a view on the quality of the accounts and any material mis-statements. The central Accounting team will be working very closely with the external auditors over the coming months to provide them with all additional information and explanations as requested.
2. Work on the Budget preparation for 2010/11 and the years beyond is now moving forward at a considerable pace. The magnitude of the challenges ahead remains quite volatile and the impact of in-year grant reductions (as reported at the previous Council meeting) together with much heralded future reductions of potentially up to 40% in government funding, will mean the challenges are substantial.
3. Briefings have been provided to all Minority parties and during this difficult period I intend to be as transparent as possible on the implications for Council and share information with Members of all parties. Work on the Service Review elements of the Improvement Programme are beginning to produce early results and options for budget savings and these will be evaluated and refined over the coming months.
4. Budget pressures will also be re-evaluated and challenged and any new pressures closely scrutinised.

5. In addition to more strategic matters I have also had one meeting with Officers in the Finance Portfolio since the last meeting of Council and have approved a number of minor variations to the Capital Programme, as well as reviewing Corporate Budget Monitoring information for the second period of the financial year, as was reported to Cabinet on 14 July 2010. The budget monitoring highlighted an issue which is emerging in Children and Young People's Portfolio and I have been involved in a range of discussions with the Cabinet Member and Officers to facilitate a solution in the coming year.

## **B. PROPERTY**

### **Report from the Building Design & Procurement Group:**

6. **Worksop Library: (Interserve)** circa £6M. This major project was completed on 5 July 2010 to programme and within budget.
7. **Ryton Park Primary (Worksop): (Interserve).** circa £7.5M. Construction of this new Primary School began on site in June 2010 for completion in summer 2011.
8. **Greasley Beauvale Primary School: (Kier Regional).** circa £6.2M. Construction of this new Primary School began on site in June 2010 for completion in summer 2011.

## **C. STRATEGIC SERVICES**

### **Design and Print**

9. The service has been rigorously tested through the Tribal trading services review process and as a result the department has moved into the improvement service review process.

### **Print Gateway**

10. From July a centralised access to print related services will be provided through the P2P system (IDeA marketplace). The P2P system highlights D&P as the supplier of all design, print and promotional collateral. Combined with category management it is expected to improve the control and remove any ad-hoc procurement. The result of the above D&P is now starting to see customers follow the authority's gateway process. There was a very slight increase on income compared to the previous year's figures. The manager is continuing to take a business minded approach to the financial climate we are in and the upcoming challenges.

## **Procurement and Payments**

11. The transformation of our approach to procurement is a key strand of the Council's Improvement Programme. Good progress is being made across the Procurement Transformation programme, with work on analysing spend information and developing strategies for the future purchase of key categories of goods and services nearing completion. Our electronic ordering process went live on 1 July and early signs are that take up is good, due to the effort that has been put into providing training and support to employees and suppliers. The next stage will be the roll-out of electronic invoicing, which is due to start in August. Over the next few months, paper order books will be phased out and the principle of "no purchase order - no payment" will be enforced. The electronic ordering and invoicing system will give the Council a much higher degree of visibility and control over its spending with external suppliers, which will be essential in dealing with the challenging financial climate we face.

## **County Supplies**

### **Financial**

12. Financial position ahead of budget, see Period 3 Budget Monitoring statement favourable by £46K, or Trading Account position (using Yr10 hypothecated sales) favourable by £15K. Actual Sales turnover 7.0% down on hypothecated sales at end of Period 3, which when looked at along with current month turnover may well be a demand shift. This is being closely monitored given the present financial environment within which all County Supplies customers operate. Forecasted outturn to budget.

### **Operational**

13. Delivery performance holding up well, though demand peaks in late June and early July have depressed current performance.
14. Routine delivery (annual cumulative 95% within 3 days) at 96.2% and Next Day (annual, cumulative, over 50% next day) at 58.1%.
15. E orders received in line with forecasted growth path.
16. The Trading Services Review outcome of 'no change' being the recommended option, following a VFM assessment of low cost and high performance.

### **Work is currently in progress to:**

17. confirm and implement County Supplies as the preferred method of supply for NCC departmental spend on Office Supplies;
18. enable the acceptance of XML orders from IDeA Marketplace into County Supplies sales system scheduled for August;

19. implement the County Supplies new content management system and ecommerce project scheduled to be live in October.

**CLLR REG ADAIR  
CABINET MEMBER FOR FINANCE AND PROPERTY**