



meeting **COUNTY COUNCIL**

date **17 JUNE 2004**

agenda item number

REPORT OF THE CABINET MEMBER FOR FINANCE AND PROPERTY

SECTION A - FINANCE

1. In my previous report, I indicated that it was important that we started work early on next year's budget, even though information on the Government's Comprehensive Spending Review and the Revenue Support Grant Settlement would not be available until July and November respectively. Cabinet Members have commissioned Chief Officers to carry out various streams of work, looking closely at our existing budgets, and also at past patterns of spending and the levels of our balances and reserves. This will provide information on which budget decisions can be taken later in the year. I will be consulting with a small group of Labour Group Members about the options for shaping the County Council's budget for 2005/6.
2. A report is being taken to Cabinet next week which shows that the level of County Fund Balances at the end of 2003/4 was very close to the level that was predicted last February in the budget report. The overall Statement of Accounts needs to be finalised in the coming weeks, so that it can be presented to the July meeting of the County Council, which will be two months earlier than our previous practice and is necessary because of the requirement being placed on Local Authorities to report their final accounts earlier.
3. The Government's balance of funding review is still in progress, and there is some expectation that a report may be published in July which will indicate the Government's thinking for the future shape of Local Government Finance.
4. Preliminary discussions have taken place with the Actuary about the actuarial valuation of the Pension Fund at 31 March 2004. Most Pension Funds are likely to see some increase in the level of employers contributions because of the combined effects of increased life expectancy, the higher costs of buying pensions when interest rates are lower, and the poor investment returns that have resulted from stock market conditions in the last 3 years. Nevertheless,

the pension fund continues to grow in size, both in terms of the number of members and also the continued excess of contributions received over benefits paid out. In addition, it was pleasing to see that the Nottinghamshire County Council was complimented on having best practice on disclosure and activity on socially responsible investment in a recent benchmarking study of pensions funds carried out for the Environment Agency Pension Fund.

SECTION B – PROPERTY

1. In the period from 22 April 2004 to 25 May 2004 two Property Progress Meetings took place at which 22 separate reports were discussed. These went on to the next Finance and Property Portfolio Meetings at which 18 separate reports were presented for discussion with a total value of £0.5M.
2. A lease has been taken on Prospect House, Padge Road, Beeston, for a new County Office. The fitting out is progressing well for occupation in early September 2004. We are still negotiating for the purchase of a site in Sutton-in-Ashfield for the proposed new Ashfield Area Office.
3. The 2004/5 planned building maintenance programme of works is progressing satisfactorily.
4. The programming of projects for the £1Million DDA Works allocation for 2004/05 has been completed and the works have started. A successful audit of progress to date was recently carried out by the Audit Commission Best Value Inspectors.
5. The project for the refurbishment of the Culture and Community Services Department accommodation on the fourth floor of County Hall and at Thoroton Road, West Bridgford is progressing satisfactorily for a completion date in August 2004. The Thoroton Road office is now fully refurbished and the Corporate Procurement Unit have moved in.
6. The project for the repair of the River Maun culvert at Meadow House has received grant aid from the Environment Agency and planning approval has been obtained but work has not started owing to difficulties in providing alternative parking.
7. The corporate property strategy has been adopted as from April 2004 and will include measurable targets and PI's for property to help improve the Council's service outputs.
8. The elected members annual property tour took place on 27 May 2004 with 26 members attending. There were visits to a number of properties including the new Oak House office at Ruddington, the site of the new Southwell library and the new woodburning boiler at Garibaldi School, Mansfield.

9. On Wednesday 2 June the Old Magnus Buildings at Newark were formally handed over to the Newark and Sherwood District Council using the County Council's new well-being powers.
10. The division is developing the Best Value review into the implementation of the property strategy, which is due to be completed by September 2004. This will examine existing policies and practices for property management and is expected to endorse the work being done to complete the property strategy. It is hoped this work could lead to the Council being awarded Beacon Status in asset management.
11. The Extra Care development in Southwell is ahead of plan and is now expected to open in August. Work continues to secure funding and sites for the mixed care developments in Rushcliffe, Mansfield and Ashfield. Tenders for the Project Manager have been received so the work on detailed design can commence.
12. The total capital receipts generated in 2003/04 was £17M and exceeded the previous year's figure by 20%. There is now the expectation that this will again be exceeded in the new financial year.
13. A major area of work has centred on the promotion of County Council owned land through the Local Plan Review process. The Gedling Local Plan Inquiry has recently been completed with the County Council as landowner promoting Top Wighay Farm. As a result of successfully promoting county owned sites in the Review of the Ashfield Local Plan, three sites have now been marketed on terms previously agreed which will see approximately 33 acres of residential land being developed.
14. The annual revaluation of the County Council's property assets has now been completed.

CLLR JOHN CARTER
CABINET MEMBER FOR FINANCE & PROPERTY