



meeting

**COUNTY COUNCIL**

date

17 September 2009

agenda item number

7h

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

### **FINANCE**

1. Since taking up my responsibilities following the Election I have had a very busy time starting to familiarise myself with the main financial issues facing the Council. Paramount amongst these is the need to set a balanced budget for 2010/11 and a robust Medium Term Financial Strategy for the following years.
2. As Members of the County Council will recall one of the key manifesto commitments which secured our election was the promise not to increase the Council Tax. I am firmly committed to this objective and the budget planning which has been started with Cabinet and Officers has this promise as a central theme.
3. The budget for next year will not be easy as we will need to respond to increasing service demands particularly in relation to the caring services we provide. We are also likely to be faced with reductions in Central Government funding both in terms of the Revenue Support Grant and specific service related grants across all departments. We will therefore need to identify ways of reducing expenditure in some areas in order to finance growth in others and I have already initiated a piece of work which will examine potential service reprioritisation of up to 10% across all Portfolio's. This should provide sufficient flexibility to both increase services where demand is growing and fill the Council Tax promise of no increase.
4. Capital expenditure is also a concern to me and the new Conservative Administration has already reviewed the Capital Programme in some detail. I am able to advise that a number of schemes have been put on hold whilst further consideration is given to them and properly constructed business cases are produced. During the Autumn we will be reviewing all of the schemes on a case by case basis and only those which have a sound business case will proceed.
5. I am also conscious of the significant level of reserves that are held for a variety of purposes and a review of all reserves has been undertaken and I will be looking carefully at the details of this review

to determine whether some of these reserves can be released to support front line services.

6. Revenue Budget monitoring and Capital Programme monitoring are key activities and I will be keeping a very close eye on the budget for 2009/10 as it unfolds during the financial year. Early indications are that there are some challenging pressures but I have been given assurances by the Corporate Leadership Team that action plans are in hand to bring the budget back into balance. I know I can speak for all of my Cabinet colleagues when I say that this Conservative Administration is determined to operate in a business like and efficient manner and we will be monitoring costs very closely during the rest of this year.
7. I am keen to review and improve the business cycle and the systems that support it. There are improvements that can be made to enhance the way we purchase and pay for services and the way we manage our commitments.

## **PROPERTY**

8. The property portfolio of the authority is enormous with some 1,000 sites and 8,000 buildings being identified. It is critical that we gain best value from this extensive and valuable asset. The challenges are significant and we need a coherent property strategy, linked to the ICT and workforce strategy, to identify our needs and design our delivery more effectively. We also have too many properties and many of them have been very poorly maintained over many years. These are a significant liability and would take major investment to update them and bring them up to standard. I want to ensure that we identify more accurately what we need and we improve and maintain these assets. We also need to dispose of assets that add no value to our service provision at the right time and at the right price. This area will receive considerable attention over the next 12 months.
9. During the period 11 May 2009 to 13 July 2009 there were 5 Property Pre-Agenda Meetings at which 37 reports were considered and these were taken on to the Property Portfolio Meetings for decisions.
10. East Midlands Property Alliance (EMPA) The Property Division is helping EMPA with the setting up of the Intermediate and Minor Works Construction Frameworks and contractors have now been appointed for both of these frameworks. Work will soon be starting on the Major Construction Framework for projects with a value of between £7.5M and £20M, and a study on strategic asset management.
11. Radcliffe-on-Trent Junior School: (Interserve) circa £1M. This project, which comprises extensions and alterations, was completed to time and budget in August 2009.

12. Markham Moor Highways Depot: (Interserve) circa £1.1M. Works are progressing well on site.
13. Worksop Library: (Interserve) circa £6M. Works are progressing well on site.
14. Greasley Beauvale Primary School: (Marriotts) circa £5M. The detailed design has been completed and agreed, and the project is being prepared for planning approval. The part demolition of the Junior School was carried out during the summer holidays.
15. Eastwood Primary School: (Interserve) circa £4.4M. The detailed design has been completed and agreed and the SCAPE system of building will be used for the construction.
16. Rushcliffe ASCH Day Centre: (Marriotts) circa £1.2M. This project has been completed to time and cost.
17. Valley Youth Centre, Worksop: (Tomlinsons) circa £800k. Works are progressing well on site.
18. Toot Hill Secondary School: Bingham: As part of its research and development into new methods of standardised construction, the Property Division has procured a new £2M Design & Technology building at Toot Hill School. The system that has been used is "Britspace" of Hull, which is a high quality, modular, steel framed building, with large clear spans, that has a 60 year structural design life and the appearance of traditional construction. The majority of the construction is done off-site in factory controlled conditions and the project has been delivered to time, cost and the agreed quality. The modules arrived on site the first day of the summer holidays and will be handed over for the installation of equipment on 25 September. Upon completion the Property Division will carry out a full evaluation of this project.
19. Primary Capital Programme: circa £16.7M. This programme comprises 10 projects, including the new Ryton Primary School at Worksop. All the designers and contractors have been appointed and the works are programmed for completion in April 2011.
20. Building Schools for the Future: Additional funding of £11M, which was sought to assist with the high proportion of CLASP- built schools, has provisionally been agreed – subject to Ministerial approval

## **INFORMATION/COMMUNICATIONS TECHNOLOGY (ICT)**

21. My portfolio includes Information/Communications Technology (ICT) and over the past thirteen weeks I have reviewed the key business drivers and challenges facing this service.
22. ICT is critical to the delivery and enablement of service and process improvements across the authority. An ICT strategy review is being undertaken at present and it is likely to highlight the need to strengthen the core ICT infrastructure. This will enhance the authority's ability to exploit new ways of working. Of concern are a number of the core business systems that are ageing and not integrated, these issues will need to be addressed over the next few years. We also only have limited capability to equip our buildings and our staff to embrace more flexible working. The outcome of the strategy review is likely to identify the benefits of further investment in this arena and I will be reviewing these cases carefully as they emerge over the coming months.
23. The ICT Service is actively involved in the delivery of efficiency savings and in providing critical business applications to the various service departments of the County Council. In recent months ICT has been successful in supporting moves towards self directed support in Adult Social Care by enabling new financial processes in the core "Framework-1" case management system, and also in supporting the delivery of on-line teaching tools to school teachers and pupils through the new Learning Platform for Schools. A successful pilot of self-service devices in some of our public libraries has also indicated significant potential efficiency savings which are now being planned as part of a wider roll-out programme to the top 15 libraries in the County.
24. Internally, a programme of investment in "virtual server" technology has begun to reduce the costs of new and replacement ICT servers and I will shortly be reviewing the business case for a fully integrated data network ("One County One Network") once tenders from external suppliers have been evaluated and assessed. Again, this is expected to deliver major benefits to the County Council in terms of ICT running costs and enable a more effective range of communication tools for service users.
25. The recent establishment of a new officer group to scrutinize the business cases for ICT investment proposals has already started to identify cashable efficiency savings and is also challenging value-for-money assessments relating to ICT projects. I welcome this increased scrutiny which I am confident will lead to better prioritization of ICT resources and more efficient uses of ICT in the future.

## **PROCUREMENT AND EFFICIENCY**

26. All chief officers are responsible for effective procurement and for delivering efficiency savings within their areas of activity, but the corporate lead on this work sits within the Strategic Services division of the Corporate Services department.
27. I have spent some time familiarising myself with the Council's current procurement arrangements. In particular, I have attended a presentation and briefings on the way forward for energy procurement and reported on that matter to Cabinet recently. Improving procurement processes and coordinated focus and approach on the purchase of goods and services will be absolutely critical in gaining value for money and is a key priority for this new administration. Work is underway to develop a new procurement strategy and plan to pull together, more effectively procurement activities across the whole Council.
28. Payment for goods and services is a key element of the procurement process and there are a number of pieces of work going on to ensure that we pay our invoices on time and in the most efficient way possible. This includes a real push to pay more suppliers through the BACS system, rather than by cheque, which has considerable benefits for both the County Council and the suppliers.
29. During July, officers from the procurement and economic regeneration teams represented Nottinghamshire County Council at seven Supplier events held throughout the county. The events were organised by the County Council and Business Link to offer support and advice to local suppliers wishing to trade with the authority.
30. On efficiencies, the most significant corporate project that is currently under way is the Print Solution project. This will result in the Council having a single supplier for the full range of printer devices and associated supplies, as well as a strategy for rationalising both the number of devices that we have and the number of sheets of paper that we produce. Other councils have achieved significant savings by following this approach and initial indications are that we could do the same.
31. Other projects that are being worked on include consolidating post room and courier services, achieving efficiencies in water usage and achieving savings on the cost of conference and meeting facilities.

## **SUMMARY**

I am very focussed on driving improvements quickly and efficiently through these critical enabling services in my portfolio, as they will have a significant impact across the whole of the authority. The financial situation we are facing

is serious and challenging and will not get any easier over the next 3-5 years. There will be difficult decisions to be made as demand is increasing considerably for services, especially in Adult Care and Children's Services, and money will have to be found from other parts of the budget to pay for this. The Corporate Director for Corporate Services and his team are working closely with me to develop the strategies and plans to shape the changes over the next 2-3 years and I will report back on these as they develop.

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