

report



meeting COUNTY COUNCIL

date 15 April 2010

agenda item number **7a viii.**

REPORT OF THE CABINET MEMBER FOR FINANCE AND PROPERTY

FINANCE

- Colleagues will recall at the end of a marathon session of the last County Council on the 25th and 26th February the budget report for 2010/11 was approved. Since that time precept demands have been sent to the District and Borough Councils and the Council tax leaflets have been distributed along with Council Tax bills to all homes in the County. Whilst that brings to a close the approval process of the budget for 2010/11, I intend to keep a very close eye on delivery of the budget proposals throughout the course of the financial year. The normal budget monitoring report to Cabinet Members and Cabinet will be supplemented by reports outlining progress on implementing the various proposals contained in the budget and Corporate Directors have been charged with providing Benefits Realisation Reports to Cabinet Members on a regular basis.
- No sooner than one budget round is concluded another begins and I have had some early discussions with Officers about the arrangements to be in place for delivering on the 2011/12 budget and updates MTFs. Whilst this may seem a long time away there is an awful lot of work to be done to identify both budget pressures and solutions to those pressures for the coming year and into the medium term. The scale of the task should not be underestimated and Members will recall that the MTFs identified savings target of over £80 million in 2011/12 to 2013/14.
- Our Medium Term Financial Strategy recognised that the pressures facing Local Government are likely to increase over the medium term as an incoming Government seeks to deal with the national debt position and whilst early indications suggest a very tight series of Government settlements, the precise targets which will be set will not

be known until a new Government undertakes a Comprehensive Spending Review.

- The various strands of work set up within the Councils Improvement Programme will be a cornerstone of identifying savings and these activities will need to be closely dovetailed with budget preparation.
- At this time of year many of the staff in the Finance Division will be turning their attention to closing the 2009/10 accounts in preparation for the external audit. This is another busy time of year for these teams and they are faced with a tight deadline of bringing the final accounts for County Council approval towards the end of June.
- Since my last report I have had a number of meetings with Officers on a variety of topics including various minor variations to the Capital Programme, the next round of woodheat boiler replacements and the transfer of resources from the NHS to the County Council in respect of commissioning for learning disabilities.
- As we move into the new financial year there will be a whole new series of challenges ahead and I will keep Cabinet Members and other members of Council up to date with progress during the financial year.

PROPERTY

During the period 25 January 2010 to 15 March 2010 inclusive there were 4 Property Pre-Agenda Meetings at which 19 reports were considered and these were taken on to the Property Portfolio Meetings for decisions.

- **Property Handbook:** The property handbook is now complete: consultation has been undertaken with relevant departments and any pertinent feedback incorporated into the document. The final version of the handbook was attached to the front page of P2 (the County Council's asset management plan system) on Monday 15th March. The handbook will support Nominated Property Officers and responsible persons in understanding their roles and responsibilities. It will ensure that up to date technical advice and information is available to all those involved in property management (particularly the Nominated Property Officers in Service Departments) and ensure the compliance with legal requirements.
- **Greasley Beauvale Primary School:** (Kier-Marriotts) circa £6.2M. Planning permission approval has been obtained and work is programmed to start on site on 19 April 2010.
- **Primary Capital Programme:** circa £16.7M. This programme comprises 10 projects, including the new Ryton Park Primary School at Worksop. The programme is progressing well and three projects (Samuel Barlow (Clipstone); Walkeringham and Robin Hood (Mansfield) have started on site.

- **Eastwood Primary School:** circa £4.4M. The redesign has been completed and should go for planning approval on 13 April 2010. The anticipated completion date is April 2011.
- **Sale of Nottinghamshire International Clothing Centre:** The sale of this property to the Nottinghamshire Police Authority was completed on 8 March 2010 at a figure of £930,000.
- **Sale of Daleside and Ashcroft:** Both of these former Elderly Persons' homes have been sold and generated capital receipts of £765,000.
- **Property Rationalisation (Improvement Programme)** The Property Rationalisation stream of the Improvement Programme is leading reviews of the holding strategies for a range of properties held by the Council. The intention of the reviews is to identify any opportunity to divest of underutilised or surplus property to create savings and or capital income from non operational property.
- **Ways of Working (Improvement Programme):** Property is currently leading this programme and essential information is being gathered to support a review of the West Bridgford Office Campus and the opportunities for under-used space at the Area Offices.

ICT SERVICES

- Following an initial feasibility study to examine options for replacing the current Data Centre site, a further option is now being examined and costed by Property Services.
- The IT Projects Review Group approved the business case for a new "Benefits Realisation System" to support the work of the Council's Improvement Programme. Approval was also given for the procurement of a new "Nottinghamshire Partnership Performance Management System", subject to confirmation of RIEP funding.
- A delegated decision has been made for a new staffing structure for the ICT Service. This will enable ICT to generate its planned budget savings in 2010/11 and 2011/12. Requests for voluntary redundancy are being considered in advance of appointing staff to the new structure under the Council's "enabling" process.
- Initial proposals have been produced for consultation with service departments concerning budget transfers to create a centralised funding model for the ICT Service in 2010/11.

STRATEGIC SERVICES

Following the approval of the Improvement Programme by County Council on 25 February 2010, it has been agreed that the Service Director (Strategic

Services) will be redeployed to lead the Procurement Transformation and Service Review and Redesign Programmes. The post holder's remaining areas of responsibility (County Supplies, Design and Print, Performance Management and Customer Management) will be reassigned to other service directors and will in future be reported on under the relevant division's section of this report.

County Supplies

- The period 11 monitoring shows a surplus of £52k. Actual sales are slightly under target, following a downturn in the first two weeks in January, but are expected to hit the budgeted figure by the end of the year.
- Work being undertaken by ICT will enable the new content management system and ecommerce projects to progress to completion.

Design and Print

- The period 11 monitoring shows a deficit of £ 228k. This is mainly due to a dramatic downturn in activity over the last two months at what is traditionally a busy time of the trading year.
- The head of D&P has undertaken an investigation and an action plan has been put into place to address this situation. The expected year-end position is a deficit of £ 200k. It is intended that the shortfall will be met from underspendings elsewhere in the Strategic Services division.

Procurement

- Procurement savings for the year stand at £1.1M.
- Work on the introduction of category management continues and the team are working closely with internal stakeholders to identify opportunities to save money.
- The procure-to-payment (P2P) project was launched on the 2nd March 2010. This is designed to improve efficiency within the purchasing process through the removal of paperwork.

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