

meeting COUNTY COUNCIL

date 30th June 2011

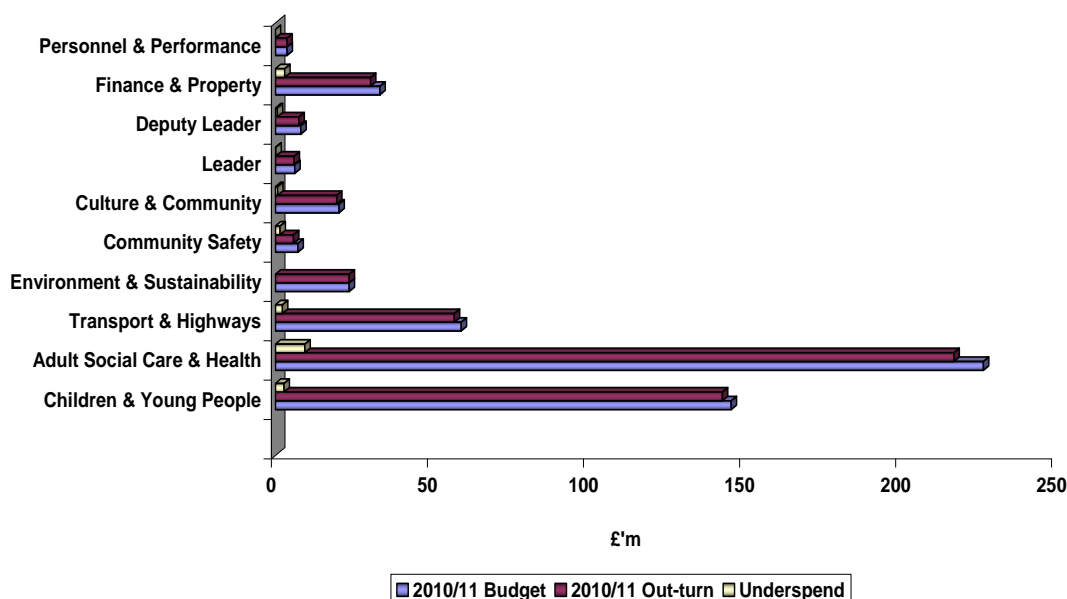
agenda item number **7a ix.**

REPORT FOR THE CABINET MEMBER FOR FINANCE AND PROPERTY

FINANCE

- Both the final management accounts and the year-end Statement of Accounts are included on today's agenda. The final management accounts set out the detailed comparison of the County Council's revenue and capital budgets against the actual expenditure incurred.
- As was reported to Cabinet on 8 June, the final out-turn position for the 2010/11 financial year, was an underspend of £20.4m (3.8% of net portfolio budgets), after allowing for the transfer to County Fund balances of £3.659m. The underspend arose as a result of the proactive action taken to curtail in year-spending and the acceleration of 2011/12 savings. This underspend will enable the County Council to fully fund the restructuring costs of £20.2m. The chart below shows a graphical representation of the out-turn by Portfolio.

Nottinghamshire County Council
Final Out-turn 2010/11



3. The year-end Statement of Accounts is a statutory document which should give a 'true and fair' view of the financial position and transactions of the authority as at the 31 March each year. The approval of the annual accounts is an important aspect of the County Council's overall governance arrangements. Their purpose is to give electors, those subject to locally levied taxes and charges, members of the authority, employees and other interested parties clear information about the authority's finances. It should answer such questions as:
 - What did the authority's services cost in the year of account?
 - Where did the money come from?
 - What were the authority's assets and liabilities at the year-end?
4. The approval of the accounts will differ from that of previous years. Changes to the Accounts & Audit Regulations have meant that the accounts themselves only require formal Member endorsement upon completion of the external audit (by the end of September); prior to the change, Members were required to approve the accounts at both pre- and post audit stages. However, it is still considered good practice for Members to approve the pre-audit statement, hence their inclusion on today's agenda.
5. In accordance with the new International Financial Reporting Standards (IFRS) the previous year accounts have had to be re-stated in accordance with the new financial rules and this information has already been presented to the external auditors for independent verification.
6. In my regular Portfolio meetings with Officers I have discussed a range of topics: including the early indicative revenue budget monitoring figures for the first two months of the current financial year, the proposals for the County Council's vehicle replacement programme, a proposed review of single person discount arrangements across the County (in conjunction with the City and District Councils) and the renewal of the County Council's external insurance.
7. Preparations for the 2012/13 budget and the on-going Medium Term Financial Strategy are being put in place. The Finance team, working with service Directorates, are currently reviewing the list of existing budget pressures and savings proposals, in addition to examining the assumptions that underpin the main cost drivers such as forecast demand for adult and children's social care and the volume of waste. This exercise is intended to gain greater confidence over the level of budget pressures that will need to be managed over the MTFs and consequently the level of savings that will need to be identified to deliver a balanced budget.

PROPERTY

8. During the period 4 April 2011 to 23 May 2011 inclusive there were 4 Property Pre-Agenda Meetings at which 11 reports were considered and these were taken on to the Property Portfolio Meetings for decisions.
 - The official opening of Westfield Folk House has taken place.
 - The following Capital projects are on site: Ryton Park (Worksop), Eastwood (Springbank) and Greasley Beauvale Primary Schools; Mansfield Library refurbishment, Eastwood (Sunnycroft) Young Person's Centre, County Hall Data Centre structural upgrade and the Fire remedial project at Holme Pierrepont (Water Sports Centre).
 - The West Bridgford Library project will now be submitted to the July Planning Committee meeting.
 - The Carlton Digby Special School rebuild project has been granted planning approval. The contractor has been appointed and works are programmed to start on site in early July.
 - The relocation of Misterton Library is at the Target Cost stage.
 - The schedule of works for the Schools Capital refurbishment programme is in the process of being worked up.
 - The section 106 Primary School at Fernwood (Newark) is in detailed design.
 - The project for the replacement Children's respite centre at Edwinstowe is in detailed design.
 - The Bassetlaw Specialist Facility project feasibility study is underway.
 - The section 106 Primary School at Sharphill (Edwalton) is at the feasibility stage.

ICT SERVICES

9. This financial year has seen a very high take-up of sold services from schools again. Schools have purchased packages in a similar pattern to previous years. ICT Services has therefore met its upfront income targets for 2011-12 for service desk and onsite support services to schools. Throughout the year schools can also purchase ICT solutions, installation services and ICT training.
10. ICT Services has achieved an A* rating, the highest award, for our ECDL (European Computer Driving Licence) training and testing provision, following an annual audit by the British Computer Society.

Many corporate and school staff undertake this accredited training as the various modules focus on all of the basic ICT skills undertaken in the workplace.

11. There has been another failure of the air conditioning units in the data centre, which led to some temporary loss of services. This remains an ongoing risk until the new air conditioning solution becomes functional towards the end of July 2011. In the meantime we have temporary portable air conditioning units onsite which will provide some temporary assistance in the event of a major failure.
12. As part of the ongoing security programme of work we have recently upgraded the anti virus solution that protects our ICT estate from potential viruses and attacks.

STRATEGIC SERVICES

COUNTY SUPPLIES

Financial

13. Financial position, see latest Period 2 Budget Monitoring statement favourable by 49K or Trading Account position based on forecasted sales favourable by £45K. Actual Sales turnover 1.3% down on forecasted sales at end of Period 2.

Operational

14. Work is currently in progress to: test the SAP to County Supplies (Chorus / Talent) systems integration prior to SAP User Acceptance testing with interdependent timescales, implement the County Supplies new content management system and ecommerce project.

DESIGN AND PRINT

15. Early signs on the re-structure are very positive, with services that are now scaled to fit the demand and this will reduce the risk of future revenue short falls that were caused last year by the constraints on printing and reduced demand.

PROCUREMENT

16. The Procurement Centre is currently working on a telecommunications contract, which includes mobiles and fixed lines and has a saving of £94k. The Centre is also reviewing all Learning Centre providers and contractors, where there is an annual spend of approximately £2m and supporting service departments in delivering savings across a range of projects, including Emergency Planning & Trading Services, Advocacy arrangements (spend approximately £700k pa) and contract renewals for external residential care homes (spend approximately £150m pa).

17. Other planned tenders for June include Audit Recovery, Radio System for Country Parks, Partnership Homes, Ad Hoc Travel (worth £2.3m per annum), Outreach Extra Care and School Meal Transportation.
18. In the last two months, we have awarded a Bed Monitoring System contract for Care Homes, a new Telephone System contract for Nottingham Archives, a Bus Shelter and Bus Stop Pole Cleaning contract, a Special Educational Needs contract (in conjunction with the City Council), an Employee Counselling Service contract and a Training contract for Social Care Workers
19. Currently the following tender notices are live and have been advertised:
 - Court Bundling Software
 - Audio Visual Solutions and Services (OJEU)
 - Framework Agreement For The Provision Of Ad Hoc And Routine Transport Services (E-auction will take place on the 14th July)
 - Woodfuels (E-auction will take place on the 17th June)
 - Children's Social Care Policy and Practice Guidance (PPG) provision
 - Children and Young People Missing from Home and Care Service
 - Provision of Intensive Supervision and Surveillance Programme
 - Review and refreshment of the Policy, Practice and Guidance (PPGs) documents for Social Care
 - Substance Misuse - Analytical Support
 - Notts Youth Justice - Intensive Supervision and Surveillance service
 - Missing Children service

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