



meeting

COUNTY COUNCIL

date

17 MAY 2007

agenda item number

REPORT OF THE CABINET MEMBER FOR FINANCE AND PROPERTY

A. FINANCE

1. No sooner has one budget round been completed than work on the next one commences. Cabinet and Strategic Directors had an Away Day recently to look at the longer term financial position of the authority and to highlight the aspirations and developments that would be desirable in the period up to 2013. We also revisited the various policy options strands of work which have been initiated to achieve savings in the short to medium term and noted a number of major issues that are up and coming. These included amongst other things :-
 - Increasing demand for Adult Social Care
 - Pay phase II,
 - Implications of the White Paper regarding joint working
 - The tram PFI
 - Building Schools for the future
 - Living Landmarks
 - The future of Holme Pierrepont
 - Building Better Communities
2. Members then also reviewed the majority of services provided by the Council in terms of cost and performance in order to highlight any areas where high cost was not reflected by high performance. Further investigations will take place during the forthcoming months.
3. In April the Government published a significant revision to the Local Government Pension Regulations and these final regulations are the

outcome of many months of consultation in which the Council's Pensions Committee has been actively involved. The main features of the "new look" Local Government Pension Scheme are as follows:-

- The retention of a guaranteed final salary pension scheme
 - A 1/60th accrual rate for all new and existing members including those with rule of 85 protection
 - Flexible retirement provision
 - Improved death in service provision
 - The ability to commute part of pension into a lump sum
 - Raising the earliest date for the release of pension to 55 in 2010 for current members except on ill health grounds
 - Increasing the age at which pension can be released on redundancy to 55
 - Revised ill health arrangements with two levels of payment depending upon the degree of incapacity
 - Tiered employee contribution rate with 5% payable on the first £12,000 of pensionable pay and 7.5% paid on the excess over £12,000.
4. The new arrangements will come into force in April 2008 and between now and then the Pensions Office will be undertaking a wide range of communication exercises including road shows, briefings etc. as well as the publication of Nest Egg, in order that scheme members and employers are fully conversant with the new regulations.

B. PROPERTY

1. During the period 19 March to 30 April 2007 there were four Property Pre Agenda Meetings at which 19 separate reports were considered and these were taken on to the Property Portfolio Meetings for decisions.
2. Estate Management
 - During the financial year 2006/7, capital receipts of £26 million were achieved through the sale of surplus property assets.
 - A rolling programme of property asset revaluation has been completed and the value of the property assets for book value purposes is now £950 million.
 - The Gresham Fields project is proceeding on time and on budget with the new access road to the site of the Becket School development on Wilford Lane approaching completion.

- Planning consultants have been appointed to work on the surplus sites generated from the Bassetlaw Schools PFI scheme to secure planning consents in order to maximise the capital receipts.

3. Strategy and Development

- Recently securing Rainworth library in the LIFT scheme
- Negotiating with Constructing Excellence to secure access to a nationwide bench marking scheme

4. Building Direct

- The only item of special interest this month is the financial out-turn for the year of £103,000 surplus
- The elimination of aged debt.

5 Design and Procurement

- **The Construction Framework:** Northamptonshire County Council has now signed the access agreement to the framework and has put a £4.3 million Primary School through it and we are actively promoting the framework to other local authorities within the East Midlands.
- **The Construction Framework: List of Supply Chain Contractors:** We have now published a list of the contractors that are on the Construction Framework Supply Chain and a formal launch of this important development was held at County Hall on 26 April 2007.
- **Ashfield Area Offices:** This project is progressing well on site and is to cost and programme. The contractor is Interserve and the practical completion date is 24 September 2007 with plans now being made for an official opening in November 2007. The structural frame, roof and floors are completed and the external brickwork is well advanced.
- **Candelby Lane Primary School, Cotgrave:** Tomlinson, one of our framework contractors, is progressing well on site with this impressive new School. It is to time and cost for a completion this November.

- **The Turbine, Shireoaks Business Park, Worksop:** We have just received some energy data for the last twelve months for this new building and this shows that the wind turbine and photo-voltaic cells generated 10% of the electricity used despite the PV cells being turned off for three months for adjustments. Also, the rainwater recovery meter measured 70 cubic metres and the mains water meter 333 cubic metres, therefore about 17% of the water used was recycled water.
- **Sherwood – The Living Legend project** - “The Tree” design continues to be developed by the competition project board and the Property Design & Procurement Group have a senior architect representative on the project team.
- **Retford Bus Station:** Marriotts, one of our framework contractors, is progressing well on site with this new Bus Station which should be ready for an official opening at the end of July 2007.
- **Mansfield Bus Station:** The project is now at public consultation and detailed design stage. The planning process should hopefully be completed by the end of this year for a project completion in 2010.
- **Church Drive Primary School, Arnold:** Marriotts has been allocated this project. A planning application has been made for this circular plan school that is based on the successful Barnby Road School, Newark and work is programmed to start on site in August this year.
- **Bowbridge Road School, Newark:** The outline design has been completed and Marriotts should start on site in June this year.
- **Bishop Alexander Primary School, Newark:** The outline design has been completed and the target cost is being negotiated with Tomlinsons. We hope to be on site at the end of May 2007.
- **The Samworth Church Academy, Mansfield:** The Design and Procurement Group has representation on the project team and has been appointed to commission the site surveys and develop an architectural concept design for this major project on the existing Sherwood Hall School site. A key milestone is the production of the outline business case which is expected to be

submitted to the DfES at the end of June 2007. Details of the project were set out in a report to the Cabinet in April 2007.

- **Rufford Country Park – Mill:** This project comprises a major refurbishment of the “listed” Mill building at Rufford Country Park. Tomlinsons have been allocated the contract and there have been challenges in getting the project within cost and programme. However, a start on site in May has now been agreed for completion in October 2007.
- **Clarborough Primary School:** Interserve has been allocated this project which comprises the construction of a new Primary School. There have been difficulties with the highway access to the site, but these have now been resolved and a start on site is programmed for September 2007.
- **Ranby Primary School:** Marriotts has been allocated this £2 million project which comprises the complete demolition of this fire damaged school and its replacement. The demolition works will start as soon as possible, with the start of the new build programmed for August 2007.
- **The Gateway Process:** In March there was an “Awayday” for representatives of project sponsors, project managers, designers and contractors on the Gateway Process. This is a new process for the management of the Council’s capital projects, which should deliver greater certainty on project costs, time and quality.

COUNCILLOR CHRIS BARON
CABINET MEMBER FOR FINANCE AND PROPERTY