

meeting COUNTY COUNCIL

date 22nd September 2011agenda item number **7a ix.**

REPORT FOR THE CABINET MEMBER FOR FINANCE AND PROPERTY

FINANCE

1. The 2010/11 audited year-end accounts are presented to County Council on today's agenda. The year-end accounts are an important mechanism which demonstrate how the County Council has utilised public money and are also an important element in the Council's overall corporate governance arrangements. The audited accounts are therefore significant in providing the County Council with an independent assessment of how effective its financial management arrangements are, and the external auditor also gives a view on the effectiveness of the authorities arrangements for delivering value for money. I am therefore pleased to report that for both the financial accounts and the value for money assessment, the external auditor has issued an unqualified opinion, which is a very positive outcome for the County Council.
2. In terms of the current financial year, the forecast out-turn for the year, as at the end of July, is an overall underspend of £3.5m. Table one below sets out the summary position of the County Council.

Table 1 – Summary Financial Position

Portfolio's	Forecast		
	Budget £'000	Actual £'000	Variance £'000
Children & Young People	164,866	169,326	5,006
Adult Social Care & Health	218,985	215,145	(3,558)
Transport & Highways	58,199	58,217	825
Environment & Sustainability	27,206	27,109	(200)
Culture & Community	15,548	4,545	80
Community Safety	4,466	15,465	322
Leader	5,346	6,430	0
Deputy Leader	15,081	17,598	2,000
Finance & Property	32,762	30,443	(112)
Personnel & Performance	2,427	2,745	0
Net Portfolio (under)/overspend	544,886	547,023	4,363
Corporate Items	(36,300)	(44,108)	(7,808)
Net County Council	544,886	502,915	(3,445)

3. The forecast underspend is primarily due to an anticipated increase in income in Adults (due to changes in Fairer Access Charging Scheme) which has resulted in a £3.1m increase in the income forecast. In addition, the level of grant received centrally is greater than expected, as the Local Services Support Grant (LLSG), which amounts to £1.7m, was, for prudent reasons, not included in the budget due to the uncertainty of the amount to be received.
4. In addition, ongoing measures to avoid non-essential spend are once again being pursued, to maximise underspends whilst ensuring essential service delivery. We will continue to monitor the financial situation throughout the year and regular reports will be presented to Members and Senior Officers.
5. In my regular Portfolio meetings with Officers I have discussed a range of topics: including the latest position regarding the implementation of the Business Management System (BMS), Community Transport Funding, the transfer of Public Health funding and the recently released consultation and technical papers on the Governments proposals for the repatriation of business rates to local government. Further information on what will be a highly significant change in local authority funding, will be made available in the coming months.
6. Preparations for the 2012/13 budget and the on-going Medium Term Financial Strategy are continuing. The Finance team have established the estimated total cost pressures across the County Council and the likely gap that will need to be met from savings and efficiencies. Presentations on this work have been given to Cabinet and opposition groups and further briefings are planned over the course of the budget preparation period.

PROPERTY

7. During the period 8 June 2011 to 6 September 2011 inclusive there were 4 Property Pre-Agenda Meetings at which 23 reports were considered and these were taken on to the Property Portfolio Meetings for decisions.
 - The following Capital projects are on site: Ryton Park (Worksop) is completed and handed over 12 September and the County Hall Data Centre structural upgrade has completed phase 1 of 3.
 - The School Capital Programme is continuing, the build at Ryton Park Primary School has been completed and handed over to the school on 12 Sep.
 - The School Capital Refurbishment Programme has commenced and all projects in year 1 now have completed design briefs. The programme for years 2 and 3 are now in planning.
 - 6 secondary schools and 2 primary schools have been successfully transferred to academy status
 - Greasley Beauvale school has recently been completed and handed over to the school in time for the new term

- The Carlton Digby Special School planning approval has been granted and contractors started onsite mid July 2011. Completion is due autumn 2012.
- The project for the replacement Children's respite centre at Edwinstowe is in detailed design. Options to access the site are being developed with a view to starting construction in early 2012.
- The Bassetlaw Specialist Facility project feasibility study is ongoing.
- The sale of the development site at Ruddington Lane, West Bridgford has been agreed subject to planning.
- The following farm properties were sold at auction: Glebe Farm, East Bridgford, Whatton Lodge Farm, Whatton and land at Swillow Lane, Rolleston. This generated a capital receipt in excess of £3 million pounds.
- The office at 39/41 Loughborough Road was sold at auction for £337,000.

ICT SERVICES

8. ICT Services will run a pilot of the new Microsoft tools over the next few weeks. These include the Windows 7 operating system, Office 2010, Sharepoint electronic document management system, Exchange email solution and the Lync telephony solution. The pilot will help inform the wider roll-out plan and likely staff training requirements. All major ICT systems have been reviewed for their compatibility with the Windows 7 operating system and some will require upgrades before it can be introduced with them.
9. Work on the refurbishment to the Data Centre has progressed well and the first machine room has been completed. The new chillers have now been commissioned and are providing the required coolant. As a result ICT equipment is now being moved from the old to the new machine room. A planned schedule of moves is taking place over an 8 week period with a completion date of early October. The second machine room construction is planned to be completed by the end of December 2011.
10. Work continues on the technical ICT strands for the delivery of the new Business Management System (BMS) and all remain on target for implementation by the due dates.
11. ICT Services have produced a full set of electronic electoral ward maps and these are available to access on the intranet.
12. Project upgrades have recently been delivered for the Framework social care records system and the Homecare management system.

STRATEGIC SERVICES

COUNTY SUPPLIES

Financial

13. Financial position, see latest Period 4 Budget Monitoring statement favourable by 56K or Trading Account position based on forecasted sales favourable by £42K. Actual Sales turnover 1.2% up on forecasted sales at end of Period 4.

Operational

14. Delivery performance holding up well, despite sharp peak in activity in July, with Routine delivery (annual cumulative 95% within 3 days) at 90.7% and Next Day (annual, cumulative, over 50% next day) at 59.3% at end of Period 5. Purchase price variance favourable as expected.
15. Work is currently in progress to:
 - Complete the regression testing for the SAP to County Supplies (Chorus/Talent) systems integration
 - Plan in detail the cutover arrangements and prepare for data migration at BMS go-live.

DESIGN AND PRINT

16. Following the restructure of Communication and Marketing both Design and Translation and Interpretation (TIS) are under line management of 'Marketing Group Manager'. Please note: this post has been filled but awaiting a start date.
17. All services continue to be provided for the whole authority, with the main customer being the central Communication and Marketing team and other public body organisations. Marketing campaigns are being planned and are expected to filter through soon.
18. The re-structure of Design/Print and TIS continue to be positive, with services that are now scaled to fit the demand.

Translation and Interpretation (TIS)

19. The service was included in the communications and marketing restructure and has been transferred over to the marketing and engagement line. Feedback from the team is that business continues as normal.

Design

20. The service was included in the communications and marketing restructure and has been transferred over to the marketing and engagement line.

21. The early signs are positive. Feedback from the team is they have been busy during summer and met all deadlines.

Print

22. The restructure has created a team that fits demand. Cross training of the staff continues, providing the service with extensive cover and flexibility. Feedback, from the office environment and customers, on the quality and service delivery has been positive.
23. A new customer, Highbury Hospital, has received their goods and fed back the following; 'we have today received the magnets, and Matron is exceptionally pleased with them - Once again many thanks'.
24. New corporate business, 'Personalised letters to school parents offering school places', previously produced on the local printers, has now been redirected and produced by the print unit. Feedback from the customer includes; 'the Print team were patient throughout and particularly during the last minute rush ', 'responded magnificently' and gave their 'appreciation for the excellent level of service that was received from Customer Services and the print team'.
25. The team have met all deadlines which has included many urgent requests.
26. Large format printing is now being carried out in-house; this introduces improved benefits and significant efficiencies. Benchmarking has proved our costs to be very competitive.
27. The team has successfully worked with WoW to release space for corporate benefit.
28. The manager and team will continue to take a business minded approach.

PROCUREMENT

29. As by the end of August 2011 the overall value of spend on the Idea Marketplace since July 2010 is £111million with a total of 47,000 orders. During the last month the Procurement Centre successfully implemented a secure e-tendering system. This system will improve the efficiency of our tender process removing the need to post tender documents and receive responses in the same way. This will improve accessibility to suppliers and reduce the tendering costs and timescales.
30. The Procurement Centre is currently working on a number of projects which will deliver savings to the council. These include GSM gateways contract, which has a saving of £95k on our telephone charges. Procurement are in the process of also renegotiating existing contracts for the provision of Daycare services, evaluating tenders on Audio

Visual Solutions and Partnership Homes and reviewing Local Area Network equipment and services.

31. The Procurement Centre has just completed a successful e-auction process for the provision of Adhoc Taxi Services. This contract is worth £2.3m per annum. An additional £94K has been saved with the introduction of a new telecommunications contract, which includes mobiles and fixed lines.
32. In the last two months, we have awarded contracts for the Telecare Services, Children's Social Care Policy and Practice Guidance (PPG), CYP Missing from Home and Care Service, Provision of Intensive Supervision and Surveillance Programme and Training for Children's Social Care Staff.
33. Tenders planned to be issued during September include a Coin Operated Print System for Libraries, Radio System for Country Parks, the provision of Partnership Homes and Outreach Extra Care. A competition will take place for School Meal Transportation.
34. Currently the following tender notices are live and have been advertised via Source Nottinghamshire
 - Provision of High-End Desktop Publishing Workstations and related Software, Peripherals and Services
 - GSM Gateways – on the e-tendering portal
 - Supply of bagged salt and bulk sand/salt mix to Highway Services Depots
 - Supply of concrete retaining bays at Bilsthorpe depot
 - Supply and installation of fuel tanks and associated pipe work to Bilsthorpe depot
 - The Provision Of Maintenance, Supply And Installation Of Traffic Data Collection Equipment And Other Works
35. The Procurement Centre is actively involved in the BMS project and working closely with all parts of the council to ensure a smooth transition to the new Procurement system and process.

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