



meeting COUNTY COUNCIL

date 7 OCTOBER 2004

agenda item number

REPORT OF THE CABINET MEMBER FOR FINANCE AND PROPERTY

SECTION A - FINANCE

1. Preparatory work on the budget has been continuing over the summer months, so that we are aware of all the budget pressures that need to be considered for next year. Further meetings have been held of the reference group which is advising me, and I have held a number of meetings with local MP's to inform them about our budget position and seek their support in whatever ways they are able to help us. There will be consultations with the public during the autumn, prior to the announcement of the provisional revenue support grant settlement which is now expected in mid-November. Firm proposals about next year's budget will be brought to Cabinet in January.
2. The Government have announced the appointment of Sir Michael Lyons, a former Chief Executive of this Council, to look closely at the findings of the Balance of Funding review and report back by December 2005. Whilst it is disappointing that the complex issues of Local Government Finance remain unresolved for some time yet, it is encouraging that there is an opportunity for improvements to be made in the way Local Government is financed, and we must hope that Sir Michael's experience in this area will prove to be beneficial for the eventual outcome.
3. The Pension Fund was holding its annual meeting on 1 October 2004 at Kelham Hall. We have received independently verified figures that our investment performance over the last 5 years was nearly 1% per annum ahead of the average fund, and this amount is worth about £12 million a year. Much of the out-performance has been due to the decision taken in Nottinghamshire to have an above-average proportion of our fund invested in property, and it now seems that the wider pensions investment industry now support this as the right form of investment to make. In the recent Professional Pensions Awards for 2004, we were short listed in 4 categories, including the "large scheme

of the year”, which was eventually won by the Co-operative Group Pension Fund. We are awaiting the results of the Actuarial Valuation of the Pension Fund as at 31 March 2004, but in common with most Local Authority Pension Funds, some increase in employers contributions are expected, because of the fact that people are living longer and that Investment returns in the last 3 years were not very good because of the performance of the stock market.

SECTION B - PROPERTY

1. Since 7 July, there have been 3 Property Progress Meetings at which 51 separate reports have been considered, and which will be taken on to the Finance Portfolio Meeting for decisions.
2. The property at Padge Road in Beeston, which is a replacement for Broadgate House, has been prepared for occupation, and Social Services were able to move into these offices in September. The refurbishment of the Fourth Floor at County Hall for use by the Culture and Community Department is now nearing completion, with the last phase of work expected to be completed by mid-October. We continue to seek a site for office accommodation in the Ashfield Area.
3. Agreement has now been reached on the work on the culvert outside Meadow House at Mansfield, and it is expected that work will commence in January 2005, so that we are able to make use of the funding provided by the Environment Agency.
4. The extra care facility at Southwell has now been completed, and residents have moved in to use the facilities that are now available at this site.
5. We are still awaiting the response from Gedling Borough Council towards the outcome of their local plan enquiry, which has potentially significant implications for the County Council as landowner in that area.

COUNCILLOR JOHN CARTER
Cabinet Member for Finance and Property