

meeting **COUNTY COUNCIL**

date **21 OCTOBER 2010**

agenda item **7(a)viii**

## **REPORT OF THE CABINET MEMBER FOR FINANCE AND PROPERTY**

### **1. FINANCE**

- As we approach budget setting time all departments are working on a range of options which will contribute towards the budget targets for 2011/12 and the following years. It is my intention as far as possible to set a fairly firm and detailed four year budget plan which will take us into 2014/15. I think it is important that the Council should be open and transparent in its budget planning and therefore I intend to publish details for more than one year, unlike the previous administration which only ever set out it's future year plans at the highest level.
- These are very challenging times and the budget will be constructed around the ideas that are emerging from the Improvement Programme which are set out elsewhere on today's agenda.
- We will need to reconsider our capital programme, particularly in light of the Governments decision to withdraw funding from the Building Schools for the Future Programme. This work will also form part of the overall budget preparation which will culminate at the Council meeting in February.
- Consultation on budget related matters has already commenced and the big budget conversation is progressing well. A progress report on views expressed was noted by Cabinet on 6<sup>th</sup> October and full details on responses will be included in the December budget report. Once formal budget proposals are published we intend to consult widely and will be using the County news publication to reach every single household in the County.
- I am pleased to be able to report to Council that the accounts for 2009/10 have received a clean bill of health from the external auditor and this was reported to the Audit Committee on the 29<sup>th</sup> September. The accounts have received an unqualified audit opinion and the Auditor has concluded that the authority has satisfactory arrangements for ensuring value for money. There were no material errors identified in the accounts and the three rather minor recommendations made by the auditors are all agreed and will be addressed by Officers.

- In addition the accounts of the Pension Fund and the Admitted Bodies Pension Fund were also up to the same high standard.
- Although the accounts have now been signed off the Audit has not yet been closed due to an outstanding court case regarding a local elector who has been unable to exercise his rights in respect of the accounts and an objection from another local elector which has yet to be determined. The external auditor is satisfied that these matters do not have a material effect on the 2009/10 financial statements.
- Within my regular portfolio meetings with officers, I continue to review both revenue and capital spending during the year and latest forecast indicate that there is likely to be a modest under spending of about £3.5 million on portfolio budget by year end. This in large part associated with the mid year expenditure freeze which is beginning to show itself in the financial statements. It is clear to me that every penny saved in this year is a penny that will help towards next year's problems and those of future years and all Cabinet Members are keeping a very close eye on expenditure within their areas of responsibility.
- Finally I am able to report that I attended the Local Government Chronicles Investment summit which a range of speakers from across the Pensions industry attended. A full report back on the summit was provided to the Pensions Investment Sub-Committee on 7<sup>th</sup> October 2010 and is available via the Council's website for Members who are interested.

## **2. PROPERTY**

- Primary Capital Programme is on target with several School refurbishment projects now starting to complete.
- Ryton Park and Greasley Beauvale Primary Schools continue their build programme on site.
- Eastwood Primary School is about to commence on site.
- Mansfield Library refurbishment underway.
- Westfield Folk House works continue in planning stage.
- Design works on West Bridgford Library, Sherwood Forest Visitor Centre and Holme Pierrepont are underway.
- Design works commencing on two section 106 Primary Schools (Fernwood and Sharp Hill).
- Trent Bridge House Floor 5 Ways of Working works about to be completed.

### **3. ICT SERVICES**

- September saw the departure of Service Director (ICT) Steve Sankey and the interim appointment of Ivor Nicholson as his replacement. Sue Milburn has been appointed ICT Service Head (Commissioning and Design) again on an interim basis to cover for Ivor Nicholson.
- ICT Services have created a dedicated 'task force' to focus on Phase 1 of the One County One Network (1C1N) programme, bringing together technical architects, operational staff from networks and servers, plus project management resources. Phase 1 concentrates on delivery of the new Wide Area Network for schools and corporate sites, the roll-out of broadband connectivity to sites and the migration of schools services from the East Midlands Broadband Consortium to the shared county council service. The 1C1N contract with Synetrix was signed in September.
- The BMS (Business Management System) project will provide new ICT solutions for our payroll, finance, HR and procurement functions. The project is expected to reach a major milestone with the selection of the supplier to provide the systems integration. This will be announced on 11<sup>th</sup>. October.
- The October Cabinet meeting endorsed the £1.85m capital funding to refurbish the Data Centre. There now follows a call-in period before any expenditure can take place but construction work is planned to commence in December.

### **4. STRATEGIC SERVICES**

#### **County Supplies**

##### **Financial**

- Financial position ahead of budget, see Period 5 Budget Monitoring statement favourable by £59K, or Trading Account position (using Yr10 hypothecated sales) favourable by £25K. Actual Sales turnover 4.0% down on hypothecated sales at end of Period 6. Given the NCC budget control measures announced and the financial environment within which all County Supplies customers are operating, a revised sales forecast has been made and County Supplies cost control measures applied. Forecasted outturn into budget.

##### **Operational**

- Delivery performance holding up well, Routine delivery (annual cumulative 95% within 3 days) at 92.7 and Next Day (annual, cumulative, over 50% next day) at 56.9%.

- NCC departmental spend on Office Supplies has been reviewed, rationalised and the method of supply has now been implemented (with effect from 01 September) whereby all Office Supplies will be purchased, subject to budget control measures, through NCC Marketplace and supplied by County Supplies. Work proceeding on rationalised catalogue and arrangements for other categories.
- Work is currently in progress to: enable the acceptance of XML orders from IDeA Marketplace into County Supplies sales system scheduled now in October; implement the County Supplies new content management system and ecommerce project scheduled to be live in December.

### **Design and Print**

- Design and Print is showing a reduction in income which reflects the further reduction in corporate spend on print and publicity materials. During September, the in year budget controls impacted further and lowered D&P income.
- External business has seen a much smaller drop in service provision with the number of jobs down 11%, but a small rise in income, external income up 14% on the previous year.
- The department is taking positive steps to reduce expenditure and gain more business from other public bodies and schools.
- The manager is continuing to take a business minded approach to the financial climate we are in and the upcoming challenges.

### **Translation and Interpretation (TIS)**

- Business continues as usual. On current prediction the service is on target for a small surplus at year end.

### **Procurement**

- Marketplace use has continued to increase throughout September; with the value of orders reaching just over £23m. The number of orders raised was 3752 and this compares favourably with the 685 orders at a value of £226K during September of last year.
- Although later than expected the e-invoicing connector has now been built and is ready to undergo testing;
- Training sessions are ongoing and available to all staff ; these sessions are very well attended.
- There are now 10335 suppliers and 1540 users live on the system (564 and 885 last September).

## **Procurement Activity**

- The Procurement team is currently working with departmental users to establish a number of Contracts including:
  - Banking Services
  - Childcare Vouchers
  - Teaching Agency Staff
  - Return to Social Work Training
  - Proxy Voting Services
- The Team are also providing support to a number of NCC's efficiency projects:
  - Water Management
  - Print Strategy
  - Temporary Agency Staff
  - Travel, Accommodation and Venue Hire
  - Postal Services
  - Facilities Management
  - Transport and Fleet Management
- A contract has recently been awarded for County News Distribution
- Members of the Procurement Team have also attended a 'Meet The Buyer Event' in Kirkby in Ashfield; events that are designed to help businesses find out about how local authorities buy their goods and services.

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