

## REPORT OF THE CABINET MEMBER FOR FINANCE AND PROPERTY

### 1. FINANCE

In my regular Portfolio meetings with Officers I have discussed a range of topics:

#### **Forecast of capital receipts**

Anticipated capital receipts are regularly reviewed and officers have updated me with the latest position. I am pleased to report that the current forecast is in line with the budget of £17 million. Of this figure, over £9 million has already been realised, with £5 million considered 'close to sale'. This information was included in the period 6 budget monitoring report to November Cabinet, and a further update will be included in the quarter 3 report.

#### **Capital variations**

Through the monthly budget monitoring exercise, minor changes to the capital programme have been identified. These mainly relate to rephrasing of existing schemes and all changes have been approved.

#### **2012 Budget Book**

A review of the Budget Book has been undertaken and consideration given as to how we can communicate this information efficiently and in a way that maximises engagement with the public. The finance team will be working with the communications team to produce a more user-friendly, accessible version of the budget book.

#### **Annual Business Rate Payers meeting**

The date for the Annual Business Rate Payers meeting has been set for 5.30pm Tuesday 17 January 2011 in the Rufford Suite, County Hall. Partners and stakeholders have been notified as appropriate.

#### **FM Action plan and restructure**

The Service Director (Finance) has started the process of restructuring the Finance Service and re-focusing it, so that it is more customer focused and shifts resources away from supporting transactional processing to enable more support to be given to activities that add value to the business and enable the County Council to fulfil its objectives.

This realignment will be facilitated by the implementation of BMS but will also be supported by the introduction of new, more effective processes, reporting and governance frameworks and

a greater focus on training and career development for staff.

Members will be well aware that, given the significant financial challenges the authority is facing, the need for effective financial management has never been greater. The aim of these changes is therefore to ensure that the finance service can respond positively to these challenges and is able to deliver a "best in class" service to its customers.

As part of this restructure it is timely that responsibility for Procurement will be taken over by the Service Director for Finance and Procurement in January 2012 from the Improvement Programme. This is as previously envisaged in the restructure plans 12 months ago.

### **BMS live**

The Council's Business Management System (BMS) is now live and a separate report will be presented to Members considering the project as a whole.

### **Chancellor's Autumn Statement**

The Autumn Statement provides an update on the Government's plans for the economy based on the latest forecasts from the Office for Budget Responsibility. These forecasts were published alongside the Autumn Statement on 29 November.

The impact on Nottinghamshire County Council has been reviewed and key announcements are outlined below:

- A 1% cap on public sector pay for two years from 2013. The Medium Term Plan predicted a budget deficit in future years, it is estimated that this could be mitigated by £7.7 million by 2014.
- Additional funding for Regional Growth, schools, and infrastructure.
- Members will be aware of the very positive Government confirmation of the investment of £160m to widen/dual the A453 between Nottingham, the M1 and East Midlands Airport. The County Council has committed to a contribution of £20 million, financed from borrowing. In addition, the County Council has also been successful in its bid to government for funding for the Hucknall Town Centre Improvement Scheme – a new inner relief road allowing pedestrianisation of the High Street plus "bus only" link and enhanced pedestrian and cycle facilities. The County Council is to invest an additional £650,000 in this scheme, financed from borrowing.

## **2. PROPERTY**

During the period 26 September to 13 December 2011 inclusive there were 4 Property Pre-Agenda Meetings at which 15 reports were considered and these were taken on to the Property Portfolio Meetings for decisions.

The following Capital projects are on site: Eastwood Primary (Springbank) which will be completed within the next two weeks, the County Hall Data Centre structural upgrade which for which the construction of Machine Room 2 is underway and the Carlton Digby Special School, which has now had the steel frame constructed.

The Mansfield Library refurbishment has now been completed.

The West Bridgford Library refurbishment is due for site set up and preparation to take place over December. The temporary library is currently being prepared to open on the 5<sup>th</sup> December.

The pre-construction works for the Mansfield bus station are underway with the site construction due to commence early in the New Year.

A number of options for Worksop bus station upgrade are being prepared.

Works continue at the National Water Sports Centre on the fire remedial and asbestos removal, to be completed early 2012.

The School Refurbishment Programme is now underway with the Year 1 design process ongoing. Years 2 and 3 are in the brief preparation stage. Certain works related to roofing and window replacement are being fast tracked into year 1.

The planning approval for the Chuter Ede Primary extension at Fernwood has been granted and the project will be completed summer 2012.

The project for the replacement Children's respite centre at Edwinstowe is in detailed design. Negotiations with the other landowners over access requirements are now underway.

The Bassetlaw Specialist Facility project detailed design is complete and the project is now at the Target Cost approval stage. The feasibility studies for the other projects in the Day Centre programme are now complete.

The options for the proposed West Bridgford Primary School are being evaluated as are options for extensions at Brookside (East Leake), Kingsway (Kirkby in Ashfield) and Jesse Gray (West Bridgford) Primary Schools.

### **3. ICT SERVICES**

At the end of November the SAP Business Management System (BMS) went live for finance, procurement, payroll and HR transactions. This will replace a number of bespoke standalone ICT systems. The new BMS solution also enables the County Council to take credit card and online payments.

Also in November the "Tell Us Once" system was deployed for Registrars which uses a secure connection to record and share births and deaths information with other public agencies.

ICT Services operates a service level agreement (SLA) whereby it seeks to ensure that all business critical ICT systems are available for 98% of business hours. There are currently 32 services that fall into the business critical category. Over the last 3 months availability of these critical ICT systems has continued to exceed SLA requirements with an average of 99.87% "up-time". Some ongoing difficulties have been experienced with the Lotus Notes e-mail service and so some short term improvements are being pursued in the run up to transitioning to Microsoft Exchange e-mail in 2012.

The County Council's mobile telephone voice and data contract is being extended for a further two years with estimated annual tariff savings of £106,000.

Refurbishment work will start in January 2012 on the County Hall and Trent Bridge House buildings which will include the replacement of the data cabling. The new data cabling will support the roll-out of up-to-date Microsoft technologies as part of the Ways of Working programme.

#### **4. STRATEGIC SERVICES**

##### **COUNTY SUPPLIES**

Although the overall sales turnover for the year is down 2.6%, sales for October 2011 were on target and County Supplies is operating within budget.

Work has been successfully completed on the integration of County Supplies ICT systems and BMS. On day one 64 BMS orders were successfully received and processed.

##### **PROCUREMENT**

###### **BMS Go Live**

The overall value of spend on BMS so far is £508K as of 1 December 2011, with a total of 767 shopping cart items where 693 of them have been created through Green Route.

###### **Procurement Activity**

The Procurement Centre is undertaking extensive work across the Council and has contributed to the delivery of procurement savings worth £4.5m so far in this financial year.

The Supplies and Services team is in the process of awarding the following contracts and associated savings: IBM Software Management (£400k), Vodafone Mobiles (£106k), Taxi Transport (£235k), Invoice Audit (£315k) and has avoided cost increases on food worth £150k.

The team is currently working on the following projects: Solar Cell Energy, Property Repairs and Maintenance, Postal Services Review, ICT Hardware e-Auction and procurement of various vehicles for Transport Services. The team continue to support the key projects for the National Water Sports Centre and Sherwood Forest Visitors Centre with both projects entering the pre-qualification evaluation in December.

The Care team is currently working on domestic violence service contracts worth £700K. The team is also working on Supporting People floating support proposals and has just negotiated the units and hours and hourly rates for all the Framework Housing Association services, which will take effect from November 2011. The team is also working on outsourcing Direct Services Supported Living which has an estimated saving £455K over 3 years. The other projects that Care team is working on are, Substance Misuse Assessment and Intervention Service in Clayfields House Secure Children's Home, Partnership Homes for Adults with Learning Disabilities, Flexible Short Breaks Scheme (FSBS) and Disabled Children's Access

to Childcare (DCATCH) for Disabled Children and also Access to Advocacy which is worth approximately £800K pa, and the Council is leading on this joint procurement exercise with Nottingham City Council and City, County and Bassetlaw PCTs to enable economies of scale.

Most of these contracts are being managed via the new e-tendering system called [www.nottscc.eu-supply.com](http://www.nottscc.eu-supply.com) .

## **5. WAYS OF WORKING**

Works on phase II of the Reception area were completed on time and within budget. The works have brought significant improvements for visitors to County Hall, as well as better security for Members, employees and visitors. Work has also started on Trent Bridge House, where the first phase involves fire safety improvements and lift refurbishments. Work on the lifts at County Hall will start before Christmas.

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