

meeting **COUNTY COUNCIL**

date **9 DECEMBER 2010**

agenda item number **7(a)viii**

## REPORT OF THE CABINET MEMBER FOR FINANCE AND PROPERTY

### FINANCE

1. At this time of year the Finance team is very heavily engaged in joining together the Revenue Budget and Capital Programme. At the time of writing this report, the Government's Revenue Support Grant Settlement has not been announced but will be known by the date of the County Council meeting. Officers will be working closely with Cabinet to take account of the settlement announcement and a detailed budget report will be considered at the Cabinet meeting on the 15<sup>th</sup> December 2010.
2. In addition to the revenue budget I have been working closely with Cabinet colleagues and Officers to prepare a Capital Programme for the forth coming four year period and one which is affordable, prudent and sustainable. We will be looking at a range of potential capital projects and these too, will be included in the December's Cabinet report. Since my last report to Council I have met with Officers in my Portfolio meeting and have had a particular keen interest in the financial performance of the Children and Young People's portfolio which is currently managing the demand growth for looked after children within existing resources. I have also agreed a report on Energy Procurement which gives an update on our energy contract and this report will be considered at the December's Cabinet meeting.
3. I have received regular budget monitoring reports and capital programme monitoring reports and these two will be reported to Cabinet on the 15<sup>th</sup> December. At present it appears that overall the Council may be heading for an under-spend in 2010/11 of over £9 million and this is evidence that the in-year spending reductions which have been applied are having the desired effect. Finally I have carried out a review of reserves, a number of which will be reduced or deleted and will be available, to support on a one off basis cross cutting and change initiatives.

## **PROPERTY**

4. During the period 8 November 2010 to 22 November 2010 inclusive there were 2 Property Pre-Agenda Meetings at which 13 reports were considered and these were taken on to the Property Portfolio Meetings for decisions.
5. The following Capital projects are on site: Ryton Park (Worksop) and Greasley Beauvale Primary Schools; Mansfield Library refurbishment and Westfield Folk House Young Person's Centre (Mansfield).
6. The Primary Capital Programme is on target for time and cost with five of the School refurbishment projects now complete. The remaining projects will complete over the next few months.
7. Ryton Park and Greasley Beauvale Primary Schools continue their build programme on site.
8. Eastwood Primary School to commence on site on Monday 22<sup>nd</sup> November.
9. Mansfield Library refurbishment is underway.
10. Design works on West Bridgford Library and Holme Pierrepont are underway.
11. The Carlton Digby Special School rebuild project has been submitted for planning consent.
12. The Data Centre structural refurbishment project is at the Target Cost stage and is about to be submitted to planning.
13. Design works continue on two section 106 Primary Schools (Fernwood and Sharp Hill).

## **ICT SERVICES**

14. The 1C1N (One County One Network) programme remains on plan to upgrade the connectivity for 350 schools by 31<sup>st</sup>. March 2011 and 270 corporate sites by 31<sup>st</sup>. May 2011. All sites will be connected to a new shared network and receive new shared internet related services. Some connectivity issues are always likely with a few sites and so appropriate contingency plans have been put in place. The ICT milestones, risks and implications are reviewed regularly by the 1C1N board.
15. The BMS (Business Management System) procurement process was successfully completed and the contract awarded to Logica. They will implement their templated solution which is based on SAP. The BMS programme has now moved into the implementation stage comprising 2 phases over the next 18 months. Phase 1 (October 2010 to October

2011) will include the core functional elements of HR/Payroll, Finance and Procurement with Phase 2 (October 2011 to April 2012) implementing the same elements for Schools. The ICT milestones, risks and implications are to be reviewed by the ICT Strategy Board in December.

16. ICT Services are currently producing a new security plan to ensure that data and information continues to be appropriately safeguarded, and are updating security policies to meet all legislative and regulatory obligations.
17. ICT Services are now working with building contractors and ICT partner SCC on the data centre refurbishment project. It is expected that the design will be completed and agreed w/c 29/11/10, with the construction work starting mid December. The first phase of construction is planned to end 2<sup>nd</sup> June 2011 so that servers and storage equipment can be transferred into the new machine room. Phase 2 is to construct a second machine room and an office area and this commences mid September 2011 with an end date in January 2012.

## **STRATEGIC SERVICES**

### **County Supplies**

#### **Financial**

18. Financial position ahead of budget, see Period 7 Budget Monitoring statement, favourable by £63K, or Trading Account position (using Yr10 hypothecated sales) favourable by £24K. Actual Sales turnover 6.6% down on hypothecated sales at end of Period 7. 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 such that a sales downturn of 7% or lower will not affect the ability of County Supplies to deliver the budgeted surplus. Still forecasted outturn to budget.

#### **Operational**

19. Delivery performance holding up well, Routine delivery (annual cumulative 95% within 3 days) at 93.0% and Next Day (annual, cumulative, over 50% next day) at 57.7%.
20. Following on from Office Supplies, further categories, e.g cleaning, have been taken on. NCC departmental spend has been reviewed, rationalised and the method of supply implemented. Supplies are purchased, subject to budget control measures, through NCC Marketplace and supplied by County Supplies. Work is beginning on other categories e.g. personal protective equipment (PPE) consumables.

21. Work is currently in progress to:
- Enable the acceptance of electronic orders from IDeA Marketplace into County Supplies sales system. This is scheduled in December.
  - Implement the County Supplies new content management system and ecommerce project. This is now scheduled for February.

### **Design and Print**

22. Design and Print is showing a reduction in income and job requests which reflects the further reduction in corporate spends.
23. The result of the P2P system and communication of the Print Policy is now starting to see customers follow the authority's gateway process. A few non-compliance cases still exist but these are being addressed.
24. The department is taking positive steps to reduce expenditure and gain more business from other public bodies and schools.
25. 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)**

26. The number of jobs processed has increased by 20%, with 10 of the previous 12 months all showing an increase in job volumes.
27. Business continues as usual. On current prediction the service is on target for a small surplus at year end.

### **Procurement**

28. The Procurement team is currently working with departmental users to establish a number of Contracts including:
- Banking Services
  - Childcare Vouchers
  - Teaching Agency Staff
  - Eye Testing
  - Return to Social Work Training
  - Proxy Voting Services
  - Care Support and Enablement
  - Fencing
29. 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
- Ways of Working

**Marketplace:**

30. Marketplace use continues to increase. During October there were 4057 orders raised with a value of £25m.
31. Preparation work for piloting e-invoicing is underway.
32. Training sessions are ongoing and available to all staff.

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