

NORTH YORKSHIRE COUNTY COUNCIL

12 October 2011

STATEMENT OF THE FINANCIAL SERVICES PORTFOLIO HOLDER (Financial Services including Assets, IT and Procurement)

COUNTY COUNCILLOR JOHN WATSON OBE

Budget position

Members will be aware that the 4 year Medium Term Financial Strategy (MTFS) was approved by the County Council in February 2011.

A further report (Budget 2) in May 2011 addressed the shortfall in savings.

All aspects of the current year Budget are monitored via the Q reports submitted to a joint meeting of Scrutiny Chairmen and the Executive. The Q1 report was considered on the 21 June 2011.

Although it is early in the year certain issues (both positive and negative) have been identified which the Executive and Management Board will be addressing. Whilst there are the usual unknowns (eg severity of the winter) the overall picture is that the out-turn will be balanced at least in cash terms at the year end.

The Corporate Director for Finance and Central Services and his staff are currently updating their forecasts and assumptions for the next 3 years. Key variables for next year will include

- achievability of items in the savings matrix
- future interest rates (their impact on both investment income from cash balances as well as the cost of future borrowing for the Capital Plan)
- future inflation
- pay awards
- pensions
- service trends (eg elderly people needing care, concessionary travel)

For subsequent years the position is inevitably less clear particularly given the Government's recent proposals, currently out to consultation, on business rates and the cost of Council Tax benefits.

Work on all of these matters is ongoing and a seminar is scheduled for Wednesday 19 October 2011 at which the Corporate Director – Finance and Central Services will explain, in more detail, the financial prospects for the next 3 years.

What we do know is that the challenge to maintain current services will not get any easier.

Microsoft

What is it and how much will it cost?

The County Council's ICT infrastructure has historically used Novell products for the delivery of a number of key services including file sharing, print, e-mail, user authentication, and desktop management services. The Executive has agreed an ICT proposal to migrate to Microsoft as the new standard platform and transition will begin with the email systems between October 2011 – January 2012 and Microsoft Windows 7 from March 2012 – December 2012.

These are primarily one-off costs that will be incurred in purchasing the new hardware and software necessary to implement and then operate the Microsoft technology. These total £4.65m. The application of available non-recurring funds leaves a shortfall of £2.9m which will be funded by the PIP.

Why do it?

Current ICT processes are labour intensive due to use of out-of-date technology. There is limited consolidation of the servers, and back-up remains a manual task with associated risks. The platform is characterised by widely distributed data and limited integration both of which pose an increasing security risk. Future ICT processes need to become more efficient, to provide improved services and to meet compliance requirements. "One Council" requires the ICT solutions to be an enabler for change, bringing new ways of working around communications, collaboration and flexibility for staff and increasingly across citizens, partners and suppliers.

Financial return on our investment

After transition the operational budget for the Subsequent Steady State shows a net reduction over the 3 years 2013/14 to 2015/16 of £798k. These savings are necessary to meet the Budget Matrix savings obligations of Finance and Central Services in Years 3 and 4 and are equivalent to 20% of the annual base budget of the ICT operational team in 2011. These recurrent savings relate primarily to reduced numbers of ICT staff, particularly on the Support team.

Other advantages

- ➔ Latest version of Windows and Office
- ➔ Improved user experience
- ➔ Industry standard platform
- ➔ Reduced costs
- ➔ Improved efficiency
- ➔ Enhanced resilience and support
- ➔ Standardised PC hardware to base specification
- ➔ Standardised and upgraded applications
- ➔ Firm foundation to introduce new functionality to support One Council.
- ➔ Firm foundation for North Yorkshire to provide new and more efficient services for our customers.

Connecting North Yorkshire

The Connecting North Yorkshire (CNY) project involves using a combination of Broadband Delivery UK (BDUK) and European Regional Development Fund (ERDF) funding (topped up by other funding streams as available) to establish a comprehensive superfast Broadband network across the North Yorkshire and York sub-region. We expect the total public sector investment to be in the region of £25m.

A CNY Board has been established to oversee the process. It contains representatives of NYCC (as the Accountable body), BDUK and NYnet (as the procurement agent of NYCC). The Board is chaired by the Deputy Leader and NYCC's officer representatives are Gary Fielding (Assistant Chief Executive) and John Moore (Corporate Director – Finance and Central Services).

The procurement process is well underway with 5 companies now shortlisted to submit their initial proposals. The procurement process is scheduled to be completed by June 2012 with the estimated 18 month roll-out to start in September 2012.

It is unlikely that the funding available will be sufficient to reach all residents/properties with superfast broadband – the CNY Board is therefore developing a community based model that can provide the 'last mile' of connectivity on a sustainable basis. We will be testing this model using 14 pilots to be financed by grants funded by the £750k of Performance Reward Grant allocated by the NYSP.

I am conscious that many Members are anxious to know more about how and when the CNY project will reach their rural communities. A seminar is therefore being arranged (provisional date 2 November) to provide further details.

Belle Vue Square, Skipton and Jesmond House, Harrogate

This September has seen the completion of two BrightOffice Strategy projects with 338 staff moving into refurbished premises in Skipton and Harrogate.

In Skipton the County Council has joined with Craven District Council in acquiring space (2820 sq m) in the former Belle Vue Mills in Skipton. The Mills have been converted to office accommodation and NYCC has taken space on two floors to provide accommodation for 97 staff from CYPS, HAS and CEG. The Registration Service has relocated from its Water Street premises and weddings and registration ceremonies are now conducted in a new suite at Belle Vue Square.

Moving to Belle Vue Square has allowed NYCC to vacate four other properties in the town and sell the former Registrar's office.

The project has created an opportunity to work closely with Craven District Council by sharing a number of facilities.

In Harrogate staff have moved back into Jesmond House, having temporarily vacated it to allow a comprehensive refurbishment. The BrightOffice approach means that CYPS and HAS staff are co-located and sharing facilities in greatly improved conditions. The moves have meant that Education Offices Ainsty Road premises have been able to close.

Together the projects are expected to save NYCC £150,000 per year in running costs.

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