

NORTH YORKSHIRE COUNTY COUNCIL

14 December 2011

**STATEMENT OF THE FINANCIAL SERVICES PORTFOLIO HOLDER
(Financial Services including Assets, IT and Procurement)****COUNTY COUNCILLOR JOHN WATSON OBE****Budget current year**

The Executive considered the Quarter 2 position at its meeting on the 22 November. It is reassuring that Directorates are on schedule to achieve their recurring savings targets (which total £36.8m) for the current year. In addition Directorates are forecasting savings of £8m comprising a range of additional one-off savings (totalling £4.8m) which are either earmarked for specific projects (eg Microsoft) or will be returned to the General Working Balance, with the remaining one off in year savings (£3.2m), which have not yet been allocated to a specific purpose, to be reviewed as part of the forthcoming Budget/MTFS process.

Capital Plan

Schemes with a planned spend of £116.3m in 2011/12 are on schedule at this stage of the year. Where possible work has been scheduled to avoid the possible delays that may arise later in the year due to adverse winter conditions.

Treasury Management

Due to the interest rate spread (ie the difference between the cost of borrowing and the return on investment) in the current money markets the strategy is to fund Capital Plan expenditure by internal borrowing rather than take external loans. Internal borrowing is the process whereby the County Council uses its own 'cash in bank' resources to pay the bills for capital schemes rather than borrow the money. This approach is only possible if there is sufficient 'cash in the bank' and provided the current interest rate differential exists in the money markets. Once the cash runs out or the market rates change, the County Council will have to revert to external borrowing. In the short term however (say 2/3 years) this approach is do-able.

Officers will review the extent to which this approach can be sustained as part of the upcoming Budget/MTFS process.

Report on Trading Companies

A full report on all the trading companies (ie Yorwaste, NYnet and Veritau) will be presented to the Executive on 20 December 2011. The report will cover the 2010/11 final accounts and the Business Plan for the current year of each of the companies.

Microsoft Migration Project

Members will be aware that we are standardising the IT programmes we use across the council. This is a big project but with big rewards: by moving away from the Novell and GroupWise systems to Microsoft we will be able to reduce our costs and improve our service.

The ICT team is currently completing the migration from GroupWise to Outlook 2010 as the council's email system. Training sessions for Members will be starting shortly and their accounts will be migrated in December and January. Members will be using either the web based version of Outlook or a laptop version called Outlook Anywhere depending on individual requirements. Members with Blackberries will have them updated as well. The training courses will provide details of what will change and how to use the new email system.

The next stage in the programme will be the migration to Windows 7 and Office 2010, which will give us the latest versions of Microsoft Word, Excel and PowerPoint. The move to Windows 7 and Office 2010 is scheduled to start in March and the overall change programme is expected to be complete by the end of 2012 and deliver savings of around £300,000 on ICT product licences.

22 November 2011