

NORTH YORKSHIRE COUNTY COUNCIL

15 February 2012

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

COUNTY COUNCILLOR JOHN WATSON OBE

2011/12 Budget Position

The Q3 position will be reported to the Executive on the 28 February 2012.

The preliminary assessment is that the position will be very similar to that forecast at Q2. The key issue is the 4 year savings target of £69m of which £36.8m falls into 2011/12. The headlines are:

- Directorates on schedule to achieve their savings targets for the year, indeed
- in some cases they have accelerated these savings, and
- BES is “repaying” base budget provision not required for Concessionary Fares, but
- on the downside, the ongoing low interest rates in the financial markets means that we cannot make the budgeted investment income on our cash balances but this is offset by the cheaper cost of borrowing to finance the Capital Plan.

Overall we are likely to achieve a satisfactory outturn.

Veritau

The company set up jointly with the City of York to deliver internal audit, counter fraud and, in our case, information governance services, is now in its third year. It is meeting both its performance and financial targets. Annual turnover is approximately £1.2m.

Looking ahead, it will, from the 1st April 2012, be taking over the staff and work of the 5 District Councils that comprise the North Yorkshire Audit Partnership (namely Hambleton, Richmond, Ryedale, Scarborough and Selby).

This deal will increase the estimated turnover of the company to £1.6m per annum.

This company is an excellent example of how working together with neighbouring authorities can produce a pragmatic solution that is both cost effective and efficient.

NYnet

The company is meeting both its current performance and financial targets. Annual turnover is approximately £8.2m, and the company is heading for a small profit in the current year.

NYnet also continues to be central to the County Council's proposals for implementing the next generation of Broadband in the area.

Once the procurement process for the Connecting North Yorkshire project is completed in the summer, the role / responsibility of NYnet will need to be reviewed, particularly in the context of supporting the drive to introduce broadband to the rural areas.

Microsoft Migration Project

The ICT team has successfully completed the migration of over 8000 accounts and 530 Blackberries from GroupWise to Outlook 2010 our new email system. This work was completed in January, on schedule. The team is now preparing to move onto the next stage in the programme to standardise the ICT programmes used across the council.

This is the migration to Windows 7 and Office 2010, which will give us the latest versions of Microsoft Word, Excel and PowerPoint. The rolling installation programme will commence in late March and the Microsoft Migration project is expected to be complete by the end of 2012.

Training sessions to support this phase of the migration programme will be provided and details of these will be available once the installation timetable is finalised.

The new systems will deliver improved ICT services and systems and achieve savings of around £300,000 on annual operating costs.

Property

Disposals

So far this financial year, our receipts from disposals amount to £2.78m and we anticipate receiving approximately £3.5m in total by the end of the year. The property market remains flat. The more significant cases included disposal of The Close at Brompton, Richmond highway depot, Croft House at Skipton and Water Street offices at Skipton.

Level of transaction activity

There are 16 properties currently on the market or coming to market shortly. These form part of a caseload of over 230 transactions - either acquisitions or disposals – a number of which are low value but still significant to the customer eg resolving a boundary dispute with a neighbour.

Utility Usage

The efforts to reduce the council's energy and water consumption continues, saving money, energy and carbon. For example a water saving initiative with a school reduced its water bill by £48k as a result of mending leaks, installing water saving kit and repairing faulty meters. In total, the cost of water consumption in schools has reduced by approximately £230,000 since 2007.

County Hall Catering Arrangements

With effect from 1st April 2012, County Catering will take over the provision of catering facilities in County Hall. This replaces the current contract with Sodexo. County Catering are looking at ways to increase the patronage of the staff restaurant by improving

the quality, selection and availability of the food on offer. As an in-house service it will be operated on a not for profit basis and it is expected that this will have the benefit of reducing prices but increasing the volume of trade. The new management arrangements should result in a comprehensive improvement in service noticed by Members and staff alike.

6 February 2012