

NORTH YORKSHIRE COUNTY COUNCIL

19 December 2012

**STATEMENT OF THE FINANCIAL SERVICES PORTFOLIO HOLDER
(Financial Services including Assets, IT and Procurement)****COUNTY COUNCILLOR JOHN WATSON OBE****Chancellors Autumn Statement**

As the Leader has already indicated in his Statement, the Chancellor made his autumn statement on 5 December 2012, some 2 weeks before we anticipate the announcement of the provisional Local Government Finance Settlement. It is unlikely that we will get firm and precise information in advance of the Local Government Finance Settlement but the Chancellor did announce that capital investment was to be funded from a series of further cuts in government departments. It was announced that Local Government would be subject to such cuts and whilst being spared further cuts in 2013/14, it would have its government funding reduced by 2% in 2014/15. At this point, it is assumed that this is in addition to the £21.7m that we are already looking to save. If these assumptions prove to be correct and applied equally across councils then we would anticipate having to find a further £2.5m on top of the £21.7m in the next 2 years.

Further information will be provided to Members as soon as possible after the Local Government Finance Settlement but the timescales for this year have been challenging.

Credit Union Update

The North Yorkshire Credit Union (NYCU) was wound up following an order of the High Court on 31 October 2012. Liquidators have been appointed and the County Council and the City of York Council have been contacted as creditors.

Savers of the North Yorkshire Credit Union have all now been contacted by the Financial Services Compensation Scheme and payments have been made. Separate correspondence was made to savers and this included information about the new Credit Union for North Yorkshire as offered by South Yorkshire Credit Union (operating at Ridings Credit Union). This was as close to the "one envelope" approach as was manageable given the situation.

At present, fewer than 200 people have joined the South Yorkshire Credit Union from the North Yorkshire Credit Union. This is seen as disappointing and most are from the Harrogate and Northallerton area. More advertising is to be done particularly in the York area and it is hoped to build up this business. The search is underway for premises in York and Scarborough and Scarborough Borough Council have offered a lease for an unused cash office in their St Nicholas Street Customer Contact Service Centre. There is also interest in operating from Eastfield Library.

An office from the City of York Council attended the South Yorkshire Credit Union Board of Directors meeting on 26 November. The accounts were discussed and show a relatively healthy position.

Revisions to quarterly monitoring of Revenue Budgets and Capital Plan

Changes were recently instigated to the way in which the Revenue Budget is reported to the Executive. This new approach seeks to bring greater clarity to the cash variation within the Revenue Budget and particularly draws out –

1. Sums being saved in order to help with cash flowing of savings in future years
2. Sums to be used for funding of projects beyond the financial year in question and
3. Under / overspends against operational day to day budgets

This approach also seeks to give early indication on how the cash variations will be treated at the year end. Clearly there remains a significant amount of time for the Revenue Budget position to change, not least due to the impact of flooding and the potential for a harsh winter.

Changes are also being planned to rationalise the way in which the Capital Plan is reported. Currently a Capital Programme and a separate Capital Forecast are maintained. As a result of this there is a significant degree of explanation required for movement between the Capital Programme and the Capital Forecast. The intention is to simplify the arrangement and maintain a single Capital Plan whilst maintaining the disciplines of good Capital Project Management. Members will be able to review this approach in action upon the production of the Q3 Capital Monitoring Report.

Microsoft Migration Project

The Microsoft programme is progressing well. The deployment of Windows 7 and Office 2010 is now well under way with around 40 NYCC computers being upgraded every working day. So far a total of over 2000 machines, nearly 40% of the estate, have been upgraded. The programme team expect to complete the migration sometime around March next year, providing the winter weather does not cause too much disruption.

The programme team is working with service managers to plan the deployment to minimise the impact on the service areas. Where possible training is taking place at the same time as the migration of the PC's to minimise the staff's time away from the desk. Positive feedback has been received from the users who have attended the training.

Most of the business applications have been upgraded and are ready for Windows 7. The programme team are working to resolve the small number of applications which are still not compatible with Windows 7.

The final phase of the programme will be the decommissioning of the remaining Novell infrastructure components. This is expected to be complete by mid-2013.

Procurement

At the last meeting, I reported to the Council that YPO had been successful in winning the tender for the Procurement Services contract. The new service which will be badged as the North Yorkshire Procurement Service, commenced on the 10th November. Implementation of the new service is going well, and a number of the key changes reflected in the specification of the new service are being progressed.

Alongside other authorities in the region, the County Council will be moving to a new e-procurement system, YORtender, from January 2013. This replaces and enhances a system called SCMS that has been in use for a number of years. The new system has a number of added features, and we believe that it will be very helpful in supporting our wider engagement with businesses both locally and nationally. In particular, the system will be our main way of informing businesses of forthcoming procurement opportunities, as well as a way of dealing electronically with the procurement process itself. The system has a number of features that will improve the efficiency of our internal processes.

NYnet

In addition to keeping the current Public Sector Network (PSN) going for over 700 sites across North Yorkshire (on behalf of virtually all public sector organisations in North Yorkshire), NYnet now has two major development projects underway.

(a) Superfast North Yorkshire (SFNY)

The Superfast North Yorkshire (SFNY) project has now moved into "planning for delivery" mode with BT.

The physical roll out will begin in January 2013 and continue until the end of 2014. There are over 700 cabinets to be upgraded in that period. As the detailed plans are signed off the details will be placed on the SFNY website.

The roll out will ensure that at least 90% of the residential and business premises in North Yorkshire and the City of York areas will have access to broadband of at least 25Mbps. For the remaining 10% (equivalent to 40000 premises), BT are required to provide a minimum of 2 Mbps.

The SFNY Vision is to provide equivalent superfast broadband to 100% of premises. Work is therefore in hand, in partnership with all the local authorities in North Yorkshire, to establish an overlay of community (wireless based) schemes that will provide, as far as is practically possible, comparable broadband to that available in the 90% areas.

The SFNY team have recently provided briefings to Members, and local groups, in a number of areas of the County and are available to do more if that would be helpful in getting the message across about what is happening.

A practical issue is the need to ensure that the roll out process is not delayed by "bureaucracy". To this end, constructive meetings have already been held involving staff from the SFNY team and BT with senior officers from both Highways and Planning authorities. The aim is to ensure applications/approvals re cabinets are progressed both efficiently and with due regard to local policies and circumstances etc. The intention is to avoid situations where the conclusion becomes, to put it simply, "no cabinet, no broadband".

(b) WAN 3

The WAN 2 network currently provides the PSN referred to above. It has been in operation for over 4 years and over time will become out of date technically and therefore less attractive, in VFM terms, to customers. The network being built under the SFNY project provides an opportunity to both upgrade the WAN technically and also take advantage of cost reductions to circuits that will effectively become cheaper once the SFNY network is in completed.

The NYnet Board has consequently approved a project to plan, develop and implement a new WAN 3 network with effect from 1 April 2014.

John Watson
10 December 2012