

NORTH YORKSHIRE COUNTY COUNCIL

20 February 2013

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

COUNTY COUNCILLOR JOHN WATSON OBE

Revenue Budget and MTFS

Discussion of our forthcoming Budget and forward Strategy is, of course, the main purpose of this Council meeting and there is little purpose, therefore, in rehearsing its contents in this report.

I would draw attention, however, to two things.

First, we are proposing that Council Tax should be frozen for the third year running and that there should be no increase for 2013/14. We have also made the assumption that Council Tax will then rise by 2.0% in 2014/15. If these proposals are agreed, then NYCC Council Tax will have risen in total by just 5.0% in the five years between April 2010 and March 2015. During those five years it is likely that inflation will prove to be about 20%.

Second, the Chancellor's Autumn Statement advised Local Authorities that Government funding after 2015 should be assumed "to follow the same trajectory" as in the recent past. We have therefore based our forward projections for the four years from 2015/16 onwards upon the assumption that Comprehensive Spending Reviews will reduce our available funding by 7.5% per year.

NYnet

Essentially NYnet undertakes two roles for the County Council

- (a) supplies a public sector network (WAN2) for all the public sector organisations in North Yorkshire. This part of the business is forecast to make a small profit in 2012/13. The network is to be upgraded (to WAN3) during 2013/14 which will produce significant cost savings that will be passed onto customers in 2014/15 and subsequent years.
- (b) managing the Superfast North Yorkshire (SFNY) project that will deliver high speed broadband (>25Mbps) to at least 90% of the premises in the county. The remaining 10% will get a minimum of 2Mbps. This project, which is funded by grants from BDUK and ERDF, is on schedule to be completed by the end of 2014. In addition to the technical rollout being carried out by BT, the SFNY team are undertaking a range of demand stimulation activities designed to encourage take-up and raise digital awareness, together with skills both for residents and businesses. Latest details on the rollout are available on the SFNY website www.superfastnorthyorkshire.com

In addition, Nynet is continuing to develop a range of community based wireless schemes that will provide >2Mbps in the 10% areas of the county.

Veritau

Veritau is having a successful trading year both in terms of both meeting the performance targets for its principal clients (ie NYCC and City of York Council) and securing additional work from other public sector clients. With the continued squeeze on public sector budgets, the prospects for next year will be challenging, though the core services provided by the company (ie internal audit, fraud investigation, information governance) will still be required by its clients.

YPO Performance

The financial year for YPO ends in December and last year the organisation was successful in increasing its turnover in spite of the difficult market conditions, in particular by expanding its client base both regionally and nationally.

The organisation has also made an increased surplus in 2012 compared with 2011.

Prospects for 2013 are good, with the agreed business plan looking for a further increase in turnover with a continuing high level of surplus.

Procurement

The new North Yorkshire Procurement Service, provided under contract by YPO, is bedding in well. The service has now completed the restructuring necessary to meet the new contract specification, with staff who transferred from the previous service provided by NPG now appointed to new roles. This will ensure that the overall arrangements for procurement, agreed as part of the One Council work, can continue to deliver the programme of effective procurement that is so important to the achievement of value for money gains, and a number of the key initiatives included in the budget proposals for 2013/14 and beyond.

Microsoft Migration Update

ICT are making good progress on the Microsoft migration with over 70% of devices (PC's/laptops) now running on Windows 7 and Office 2010. All officers receive training on the new products whilst their machines are updated and this has received very positive feedback.

John Watson
11 February 2013