

COUNTY COUNCIL MEETING – 12 JULY 2013

Statement from: Councillor M J Hill OBE– Leader and Executive Councillor for Policy, Finance, Property, Communications, Procurement and Commissioning

Finance Matters

Financial Performance 2012/13

The Executive considered a report at its meeting on 2 July 2013 which reviewed the financial performance of the Council over the 2012/13 financial year. The report also considered a number of issues relating to the use of underspends at the year end and requests to carry forward unspent monies into the new financial year. The report will now go to the Value for Money Scrutiny Committee on 30 July for their comments. Thereafter the recommendations of the Executive together with the related scrutiny comments will come to the September full Council meeting for approval.

The headline underspend for the year is £55.9m of which £26.1m relates to schools and is not available for general use by the Council. The actual underspend on day to day Council services was only £7.5m or 1.9% of spending on these services. Full details of the position and recommendations for use of the available underspend will be considered by the next meeting of the Council. These recommendations will be framed in the context of the difficult financial climate that will continue to exist for local government services over the medium term.

Financial Performance 2013/14

We are still very early in the current financial year but at present revenue spending on services is in line with budgets and there is a small (£4.6m) projected overspend on capital which is related to the timing of spending on certain schemes. However, there is £1.7m in additional Government grant income now projected for the year. This relates to a number of announcements of funding that have been made since the Council set its budget in February this year. The majority this grant is of a one-off nature and includes such items as adoption reform grant, additional council tax support grant and a higher allocation of council tax freeze grant than was predicted for this year. Budget monitoring reports will be considered regularly during the year by both the Value for Money Scrutiny Committee and the Executive.

Spending Review 2015/16

The Chancellor announced the outcome of a one year Spending Review relating to Government Spending for 2015/16 on 26 June 2013. This review covers what will be the first year of a new Parliament given a General Election will take place in May 2015. The review sets spending totals for government departments and not for their individual services. The key issues for this Council arising from the Review are as follows:

- Government funding for local government will reduce by 10% in 2015/16 and the sector again receives the largest cut in support of any central government spending department. This is estimated to imply a £12m reduction for this authority.
- The Government will fund a further two years of council tax freezing in 2014/15 and 2015/16 by offering a freeze grant, the value of which is yet to be announced but likely to be 1%. There will continue to be a referendum ceiling of 2% on any increase in council tax should the freeze grant offer not be accepted by any authority.
- Funding for the two freeze grants presently on-going (i.e. for the year 2011/12 and 2013/14) is set to continue into 2015/16. This is worth around £9m to this authority.
- The troubled families programme will extend from 2015/16 covering more families for which £200m will be allocated.
- The Education Services Grant which funds council provided support services in maintained schools will reduce by around 20% in 2015/16 which could equate to a loss of around £1.5m to the County Council.
- A range of additional funding measures for health and social care were announced. Detail on the nature and conditions relating to these funding streams is awaited but they appear to be a positive development.

The impact of these announcements will be factored into the fundamental review of service priorities and budgets that was trailed in the budget report approved by full Council in February 2013 and needs to be completed by April 2015.

Corporate Property Rationalisation Programme

Property area reviews and rationalisation have taken place and are continuing around the county.

Eleven Rationalisation Projects have been completed to date which has resulted in 15 properties being returned to the landlords. Two freeholds have been sold and ten more are ready for disposal. Ten thousand square metres of floor space (13%) has been released since the beginning of the programme

Recent examples of projects that have been completed include the co-location of Council employees with South Kesteven District Council in Bourne, the closure of the Old Courthouse in Horncastle, with staff relocated to other County Council premises. Ida Road in Skegness will close at the end of July and the current services will be delivered from other locations in Skegness. This will include a joint customer access point with East Lindsey District Council at the Skegness Town Hall.

The Property Rationalisation Programme is on target to achieve the £1 million savings target by 2015, with £760,850 saved by the end of the financial year 2012/13.

Procurement Lincolnshire

Following the implementation of the Public Services Social Value Act in January 2013, Procurement Lincolnshire has been working with the voluntary and community sector and Lincolnshire businesses to look at how we can maximise social value through the procurement process. Examples include increasing opportunities for young carers to gain employment and for more apprenticeships in key sectors, including construction.

Procurement Lincolnshire is leading on one of three national category work streams (energy, ICT and construction) that are supported through the Local Government Association (LGA). Lincolnshire has taken a lead on the construction work stream and the Head of Procurement Lincolnshire will be working with experts in construction from across local government and other influential bodies including the Government Procurement Service, Pro5 (the big public buying organisations) and the Business and Skills Council to agree and implement a number of projects that will drive better value through the supply chain. The role of local suppliers is a key consideration in this work

The role of procurement in supporting economic growth and continually getting better value from our suppliers through more competitive costs and service improvements is increasingly recognised in Central and Local Government. The role of Procurement Lincolnshire as the shared service, working on behalf of all eight Lincolnshire Councils, is recognised as a model of best practice across the country. The service continues to deliver a wide range of benefits on behalf of the Councils and, since it was established in 2008/09, it has helped the Councils to realise almost £18 million in cashable savings.

Strategic Communications

The new digital engagement team have already started to make big improvements to how we communicate with residents online.

The area of our website containing key council news has seen a 43% increase in visitors in the last three months. These pages have been restructured and promoted more effectively in order to make information easier to find and help keep Lincolnshire people informed.

Increasing and improving our video content has also seen an increase from 320 views a month to 2,367 over the same time period. The team are continuing to make changes to the council's website to make it more user-friendly.

As well as saving £10,000 on print and design in the last month, the expertise of the digital engagement team is enabling us to reduce expenditure on external sites and council microsites. By hosting this content on the council's main website, it will save tens of thousands of pounds in set-up and maintenance costs every year. The team will also be making it easier for customers to access services and information online while driving down costs via self-service and channel shifting. As well as being more cost-effective for the authority, it will meet the ever-increasing demands of the public and provide them with an improved service.

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