

Agenda Item 7

COUNTY COUNCIL MEETING – 13 DECEMBER 2013

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

Finance Matters

Revenue Budget & Capital Programme 2014/15

Work is presently underway to prepare next year's Budget for consideration at full Council on 21st February 2014. In preparation for that I hope members took advantage of the Finance Seminar held on the 6th December to familiarise themselves with the current issues and pressures faced by the authority in the present financial climate. At the time of writing this note we are awaiting the Chancellors Autumn Statement on 4th December which will set the financial context for the provisional Local Government Finance Settlement expected to be published on or around the 18th December. As a consequence of this later than normal publication of the provisional settlement it has been necessary to postpone the special budget meeting of the Executive scheduled from 17th December. The draft budget for consultation will therefore be considered by the routine meeting of the Executive on the 7th January. Individual service Scrutiny Committees will, as usual, have the opportunity to consider budget proposals for their service areas during January.

Business Rate Pooling 2014/15

The new financial regime for local authorities that came into place from April 2013 allows for the concept of authorities to pool business rates in their area as a means of collectively avoiding paying a levy to Government on excess rates collected. It is a complicated regime but the County Council entered into such an agreement for the current year with North Kesteven and South Holland District Councils. That arrangement is likely to bring around £550k extra income this year to the County Council. An agreement has been reached in principle on pooling with all seven Lincolnshire District Councils for next year which should generate around £1.2m extra business rate income for the County Council. The agreement will be affirmed (or withdrawn) after publication of the provisional settlement details.

Future Delivery of Support Services Programme

This programme essentially retenders all the services presently delivered under the Mouchel contract which terminates in March 2015. Members may be aware that a decision was taken earlier this year to in-source the accountancy service presently delivered by Mouchel as it was felt that it could be delivered more flexibly and more cost effectively by in-sourcing. An agreement has now been reached in principle with Mouchel to bring forward that in-sourcing, subject to appropriate staff consultations, to April next year. This will assist with the delivery of major programmes of work required to be delivered by the finance service next year, not least of which is the replacement of SAP with Agresso as the primary financial system of the Council

Corporate Property Rationalisation Programme

The Corporate Property Rationalisation Programme has achieved £1million revenue savings from the office accommodation portfolio in advance of the April 2015 target date. Potential further savings targets are currently being investigated.

Rationalisation of office accommodation has released over 9,000sqm of floor space, 15% of the office estate. Over £200,000 per year is no longer paid out in rents alone, with staff moved into existing freeholds. A further 4,200sqm has been released through service reviews that Corporate Property has contributed to.

Options are currently being analysed in Sleaford, East Lindsey and South Kesteven to enable further savings and partnership working, with successful hubs up and running in Boston and Bourne providing single customer access points.

Procurement Lincolnshire

Following on from the very successful programme of events supporting local suppliers, (Training in Public Procurement – TIPPS) organised in conjunction with The Chamber of Commerce and The Federation of Small Businesses, Procurement Lincolnshire is expanding this area of work by addressing the issues faced by the Voluntary and Community Sector in their attempts to work with the public sector. As part of this work, Procurement Lincolnshire is working with Community Lincs on two key objectives; to support the local economy and to engage with and remove barriers faced by the Voluntary and Community Sector. Focus Groups have also been held which were supported by voluntary organisations such as Involving Lincs, Urban Challenge, Just Lincs, Hill Holt Wood and the YMCA, together with Procurement Lincolnshire and Economic Development officers from the County Council and the City of Lincoln. In addition, Procurement Lincolnshire gave a presentation for the second year running at the Involving Lincs Annual Conference held in Lincoln in October.

Work will continue to support the Voluntary and Community sector over the coming months to ensure that concerns are understood and the appropriate levels of support are provided.