

**Corporate Services and LGSS Cambridge Office**

**Finance and Performance Report – Outturn 2016**

**1. SUMMARY**

**1.1 Finance**

<b>Previous Status</b>	<b>Category</b>	<b>Target</b>	<b>Current Status</b>	<b>Section Ref.</b>
<b>Green</b>	Income and Expenditure	Balanced year end position	<b>Green</b>	2.1 – 2.4
<b>Green</b>	Capital Programme	Remain within overall resources	<b>Green</b>	3.2

**1.2 Performance Indicators – Current status: (see section 4)**

<b>Monthly Indicators</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Total</b>
March (Number of indicators)	0	2	9	11

**2. INCOME AND EXPENDITURE**

**2.1 Overall Position**

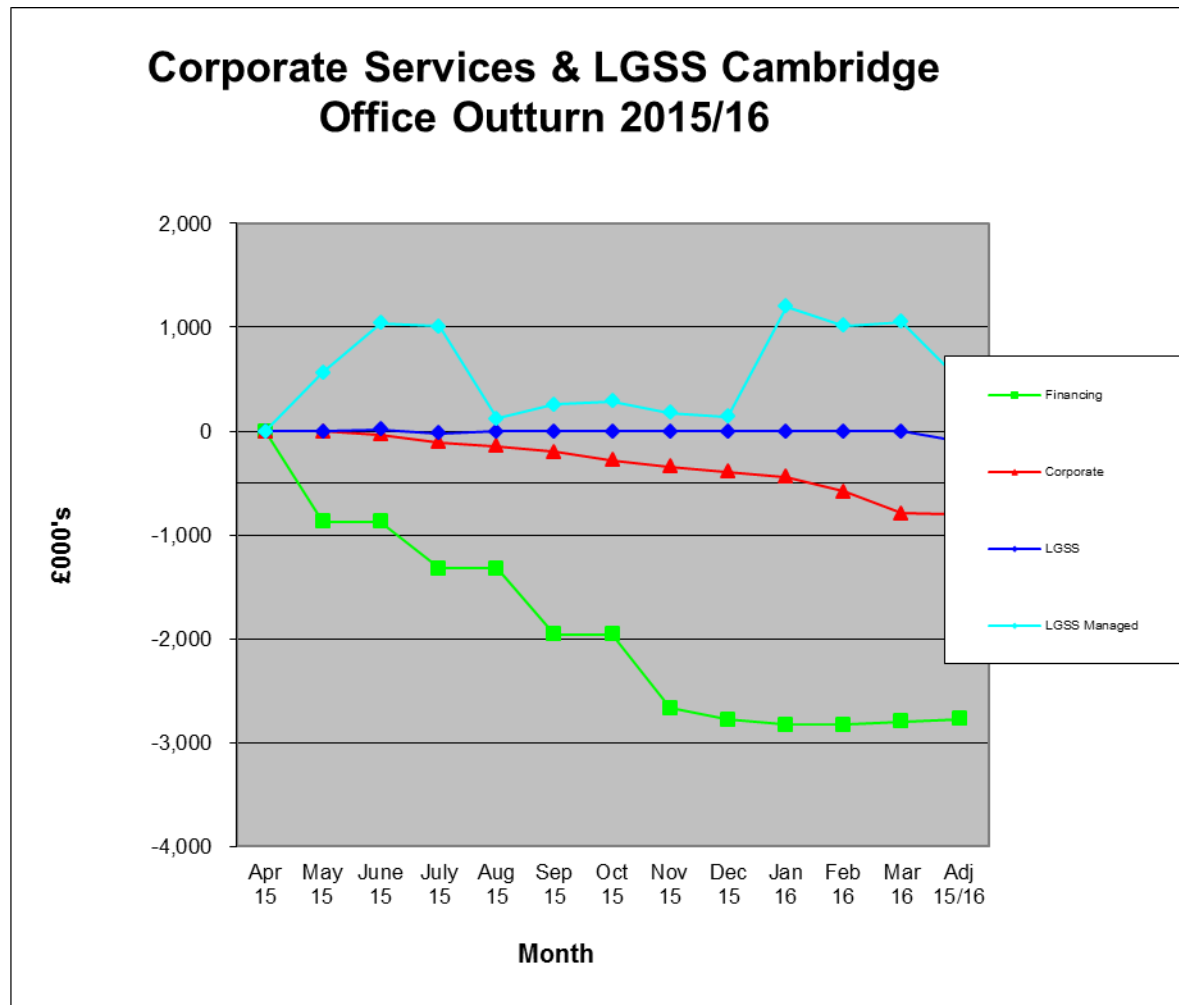
<b>Original Budget as per BP <sup>1</sup></b>	<b>Directorate</b>	<b>Current Budget</b>	<b>Forecast Variance - Outturn (Mar)</b>	<b>Outturn Variance</b>	<b>Outturn Variance</b>
<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
5,672	Corporate Services	4,355	-792	-801	0
9,145	LGSS Managed	201	1,050	488	243
35,460	Financing Costs (excluding MRP)	35,461	-2,800	-2,775	-8
<b>50,277</b>	<b>Sub Total</b>	<b>40,017</b>	<b>-2,542</b>	<b>-3,088</b>	
0	Minimum Revenue Provision (MRP)	0	0	-9,891	0
<b>50,277</b>	<b>Adjusted Sub Total</b>	<b>40,017</b>	<b>-2,542</b>	<b>-12,979</b>	
9,864	LGSS Cambridge Office	-400	0	-103	26
<b>60,141</b>	<b>Total</b>	<b>39,616</b>	<b>-2,542</b>	<b>-3,190</b>	

<sup>1</sup> The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan for each respective Service.

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for year-end 2015/16 can be found in [CS appendix 1](#).

The service level budgetary control report for LGSS Cambridge Office for year-end 2015/16 2016 can be found in [LGSS appendix 1](#)

Further analysis of the results can be found in [CS appendix 2](#) and [LGSS appendix 2](#)



### 2.2.1 Significant Issues – Corporate Services

- The overall position for Corporate Services for 2015/16 was an underspend of £801k.
- There were no new exceptions to report at year-end.

### 2.2.2 Significant Issues – LGSS Managed

- The overall position for LGSS Managed for 2015/16 was an overspend of £488k.
- IT Managed was underspent by £844k in 2015/16. This reflected the writing back of £893k from reserves, comprising all existing IT equipment replacement funds. This figure included the £475k write-back previously approved as part of the LGSS Managed recovery plan.

- The Authority-wide Miscellaneous budget had an underspend of £149k. This reflected the following year-end adjustments:
  - Transfer of funds from the Winter Maintenance replacement fund (£396k)
  - Transfer to revenue of the costs of the EPAM – East Barnwell Community Hub capital scheme which Members decided should not proceed in 2015-16 as originally planned. Total costs were £74k, comprising £31k relating to 2014-15 and £43k relating to 2015-16.
  - Transfer of funds to provisions in respect of Community Resilience (£100k) and Transformation Fund consultancy support costs (£250k).

### **2.2.3 Significant Issues – Financing Costs**

- The variation in capital financing costs for the year (£2.8m) arose as a result of some significant slippage in the capital programme for the year and the effective management of the cash available to the Council. As this has been a recurring outcome over recent years the Committee will recall that the financial benefits of this have been projected into 2016/17 and therefore this position will not re-occur in the future.
- In addition, the year-end adjustment to reflect the approved updated approach to MRP creates a further underspend of £9.891m

### **2.2.4 Significant Issues – Year-end Adjustments**

General Purposes Committee will be asked to approve the following year-end adjustment as part of the Integrated Resources and Performance Report. These adjustments have been included in the reported figures.

- A provision to the value of £50k in respect of consultancy support in setting up a Housing Developer Special Purpose Vehicle.
- A provision to the value of £100k in respect of Community Resilience.
- A provision to the value of £250k in respect of Transformation Fund consultancy costs.

### **2.2.5 Significant Issues – LGSS Cambridge Office**

- The overall position for LGSS Cambridge Office for 2015/16 was an underspend of £103k after equalisation.
- The year-end deficit / surplus on LGSS operational budgets is subject to a sharing arrangement with Northamptonshire County Council (NCC). The consolidated year-end position resulted in a £103k outturn equalisation payment to CCC from NCC.
- Professional Finance was underspent by £211k in 2015/16. This was due to an underspend on the CIPFA trainee as trainees took up substantive posts, further vacancies and reduced costs following the Finance Team restructure, and additional income generated from a secondment to East Cambridgeshire DC. The outturn position also takes into account redundancy costs within the team.

- There was an underspend of £123k on HR Business Partners Partners due to staffing vacancies and delays in recruitment.
- LGSS Programme Team had an underspend of £98k. A 2015-16 budget reduction was made on the assumption that reductions to the ERP contract could be negotiated with Fujitsu, but given the new shared service solution this is unlikely to be achieved. £25k has been incurred by triggering a 'value for money' contractual benchmark review of the hosting contract in order to realise contract savings. This is still underway and it is hoped it will result in revenue savings during 2016-17. Additional cost of infrastructure replacement in Cambridge for FTP server and increased cost of external support to key business systems roles have also contributed to the overspend.
- CCC Transactional Services was overspent by £175k for the year. However the service as a whole was underspent by £186k following the service-wide restructure implemented in August 2015, which resulted in a number of vacancies.
- There was an underspend of £148k on Democratic and Scrutiny Services due to in-year vacancies in the Cambridge Office and reduced expenditure on printing and other contracts.
- LGSS Law was overspent by £266k in 2015-16. This was partly due to lower than anticipated income from NBC (£73k) and NPH (£55k). The remaining shortfall was mostly in relation to the dividend target being higher than expected because the budget transfer from services was based on 18% of the budget held in services, rather than 18% of the actual expenditure in services. Work is underway in the company to identify the most tax efficient way to treat company surpluses. There was also £119k overspend in the LPG directorate due to a significant number of 2014-15 invoices not being accrued for correctly and 2014-15 disbursements. In addition, coding errors for some charges to services were identified late in the year.
- Procurement had an underspend of £142k, the majority of which was due to the early achievement of savings originally planned for 2016-17. In addition it took longer than anticipated to fill vacancies within the team due to the difficulty in attracting the right candidates. There was also a small amount of one-off income that had not been previously forecast.

## **2.3 Additional Income and Grant Budgeted this Period (De minimis reporting limit = £30,000)**

There were no items above the de minimis reporting limit recorded during the closedown period.

A full list of additional grant income for Corporate Services and LGSS Managed can be found in [CS appendix 3](#).

A full list of additional grant income for LGSS Cambridge Office can be found in [LGSS appendix 3](#).

## 2.4 Virements and Transfers to / from Reserves (including Operational Savings Reserve) (De minimis reporting limit = £30,000)

The following virements were made during the closedown period to reflect changes in responsibilities.

### Corporate Services:

	£	Notes
Virement from Corporate Services to CFA and ETE	-2,727,491	Corporate Allocations 2015/16*

### LGSS Managed:

	£	Notes
Virement from LGSS Managed to CFA and ETE	-7,363,176	Corporate Allocations 2015/16*

### LGSS Cambridge Office:

	£	Notes
Virement from LGSS Cambridge Office to CFA and ETE	-10,571,481	Corporate Allocations 2015/16*
Virement from reserves to LGSS Cambridge Office	47,400	Transfer of funding from reserves re K2.

\* To allow for accurate completion of Government & CIPFA statistical returns, we are required to charge certain corporate overheads to direct services. These recharges relate to the net cost of a significant element of Corporate Services, LGSS Managed and LGSS Cambridge Office. The charges are transferred to services at year end with matching budget, therefore there is no impact on final outturn variance.

A full list of virements made in the year to date for Corporate Services, LGSS Managed and Financing Costs can be found in [CS appendix 4](#).

A full list of virements made in the year to date for LGSS Cambridge Office can be found in [LGSS appendix 4](#).

## 3. **BALANCE SHEET**

### 3.1 Reserves

A schedule of the Corporate Services and LGSS Managed reserves can be found in [CS appendix 5](#).

A schedule of the LGSS Cambridge Office Reserves can be found in [LGSS appendix 5](#).

### **3.2 Capital Expenditure and Funding**

#### Expenditure

- Corporate Services had a capital budget of £386k in 2015/16 with spend during the year of £106k. This equated to an overall programme underspend of £280k for the year and the total scheme variances amounted to £0k across the programme.

There were no new exceptions to report at year-end.

- LGSS Managed had a capital budget of £15.3m in 2015/16 with spend to year-end of £6.6m. This equated to an overall programme underspend of £8.7m for the year and the total scheme variances amounted to an underspend of £9.3m across the programme.

There were no new exceptions to report at year-end.

- LGSS Cambridge Office had a capital budget of £209k in 2015/16 with spend during the year of £540k. This amounted to a total scheme overspend of £331k for the year and the total scheme variances amounted to £0k across the programme.

There were no new exceptions to report at year-end.

#### Funding

- There are no key funding changes to report for year-end.
- Corporate Services had capital funding of £386k in 2015/16. As reported above, the Corporate Services budget underspent by £280k, which resulted in a reduced funding requirement of this amount.
- LGSS Managed had capital funding of £15.3m in 2015/16. As reported above, the LGSS Managed budget had an underspend of £8.7m, which resulted in a reduced requirement of funding of this amount.
- LGSS Cambridge Office had capital funding of £209k in 2015/16. As reported above, LGSS Cambridge Office overspent by 331K, which resulted in an increased funding requirement of this amount.

A detailed explanation of the position for Corporate Services and LGSS Managed can be found in [CS appendix 6](#).

A detailed explanation of the position for LGSS Cambridge Office can be found in [LGSS appendix 6](#).

## 4. PERFORMANCE

4.1 The table below outlines key performance indicators for Customer Services and Transformation and LGSS Managed Services.

Measure	Reporting frequency	What is good	Unit	Data last entered	Target	Actual	RAG status	Direction of travel	Comments
<b>Customer Service &amp; Transformation</b>									
Proportion of FOI requests responded to within timescales	Monthly	High	%	05/04/16	90.0%	89.0%	Amber	↓	
For context only - number of FOI requests received annually	Annually	Low	Num	05/04/16	N/A*	1,228	N/A	N/A	Running total will be collected quarterly. Data to be next reported on in July 2016 for Q1 2016/17.
Proportion of customer complaints received in the month before last that were responded to within minimum response times	Monthly	High	%	11/04/16	90.0%	93.2%	Green	↓	
For context only - number of complaints received annually per thousand population	Annually	Low	Num	27/04/15	N/A*	1.68**	N/A	N/A	Data to be next reported on in May 2016 for period of 1 April 2015 - 31 March 2016
Proportion of all transformed transaction types to be completed online by 31 March 2015***	Annually	High	%	11/04/16	75.0%	76.1%	Green	↑	To be next reported on in October 2015 for Q2 2015/16
Deprivation measure - Number of physically active adults (narrowing the gap between Fenland and others)	Annually	High	%	24.03.16 (change to target and 2014 actual)	53.1% (2015) 54.1% (2016)	52.1% (2014)	TBC	N/A	To be next reported on in July 2016 for Q1 2016/17 and year end.
<b>LGSS Managed Services</b>									
Strategy and Estates – capital receipts target managed and achieved	Quarterly	High	%	02/02/16	98% (£250k gross)	115.0%	Green	↑	To next be reported on in May 2016 for Q4 2015/16 and year-end.
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	10/03/16	95% (£3.9m gross)	96.2%	Green	↓	To next be reported on in May 2016 for Q4 2015/16 and year-end.
IT – availability of Universal Business System****	Quarterly	High	%	02/02/16	95.0%	94.0%	Amber	↓	To next be reported on in May 2016 for Q4 2015/16 and
IT – incidents resolved within Service Level Agreement	Quarterly	High	%	02/02/16	90.0%	97.0%	Green	↑	To next be reported on in May 2016 for Q4 2015/16 and year-end.

The full scorecard for Customer Services and Transformation and LGSS Managed Services can be found at [CS appendix 7](#).

#### 4.2 The table below outlines key performance indicators for LGSS Cambridge Office

Measure	Reporting frequency	What is good	Unit	Data last entered	Target	Actual	RAG status	Direction of travel	Comments
<b>LGSS Cambridge Office</b>									
Percentage of invoices paid within term for month	Monthly	High	%	01/04/16	97.5%	99.8%	Green	↔	99.8% reported last period
Percentage of invoices paid within term cumulative for year to date	Monthly	High	%	01/04/16	97.5%	99.8%	Green	↑	99.7% reported last period
Total debt as a percentage of turnover	Monthly	Low	%	01/04/16	10.0%	4.2%	Green	↓	4.0% reported last period
Percentage of debt over 90 days old	Monthly	Low	%	01/04/16	20.0%	18.9%	Green	↑	22.6% reported last period

## CS APPENDIX 1 – Corporate Service Level Budgetary Control Report

The variances to the end of Closedown 2015/16 for Corporate Services, LGSS Managed and Financing Costs are as follows:

Original Budget as per BP £000	Service	Current Budget for 2015/16 £000	Forecast Variance - Outturn (Mar) £000	Outturn Variance 2015/16	Outturn Variance 2015/16 %
<u>Corporate Services</u>					
1,096	Director, Policy & Business Support	-1,698	-128	-126	-7
296	Chief Executive	295	-87	-86	-29
433	Corporate Information Management	464	-1	-6	-1
1,286	Customer Services	1,285	-150	-152	-12
511	Digital Strategy	826	-320	-301	-36
299	Research	374	-57	-62	-17
0	Service Transformation	256	0	0	0
136	Smarter Business	136	-2	-2	-1
656	Strategic Marketing, Communications & Engagement	550	-37	-54	-10
198	Elections	209	0	0	0
926	Redundancy, Pensions & Injury	926	-11	-9	-1
0	City Deal	917	0	0	0
-165	Grant Income	-186	0	0	0
<b>5,672</b>		<b>4,355</b>	<b>-792</b>	<b>-801</b>	<b>-18</b>
<u>LGSS Managed</u>					
1,138	Building Maintenance	399	132	111	28
-3,174	County Farms	-2,812	-293	-204	-7
5,497	County Offices	6,245	876	792	13
121	Effective Property Asset Management	121	-28	9	7
179	External Audit	179	44	-22	-12
1,483	Insurance	-518	1,150	1,150	222
1,834	IT Managed	2,216	-357	-844	-38
985	Members' Allowances	1,000	-56	-65	-7
128	OWD Managed	128	-28	-30	-24
106	Subscriptions	106	-2	-2	-2
1,000	Transformation Fund	1,000	-225	-257	-26
-53	Authority-wide Miscellaneous	-7,764	-162	-149	-2
-100	Grant Income	-100	0	0	0
<b>9,145</b>		<b>201</b>	<b>1,050</b>	<b>488</b>	<b>243</b>
<u>Financing Costs</u>					
35,460	Debt Charges and Interest (excluding MRP)	35,461	-2,800	-2,775	-8
<b>50,277</b>	<b>CORPORATE SERVICES TOTAL</b>	<b>40,017</b>	<b>-2,542</b>	<b>-3,088</b>	<b>-8</b>
0	Minimum Revenue Provision (MRP)	0	0	-9891	0
<b>50,277</b>	<b>CORPORATE SERVICES - ADJUSTED TOTAL</b>	<b>40,017</b>	<b>-2,542</b>	<b>-12,979</b>	<b>-32</b>
<b>MEMORANDUM - Grant Income</b>					
-165	Public Health Grant - Corporate Services	-136	0	0	0
-100	Public Health Grant - LGSS Managed	-100	0	0	0
0	Other Corporate Services Grants	-50	0	0	0
<b>-265</b>		<b>-286</b>	<b>0</b>	<b>0</b>	<b>0</b>

## CS APPENDIX 2 – Commentary on Forecast Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

Service	Current Budget £'000	Outturn Variance £'000 %	
<b>Director, Policy &amp; Business Support</b>	1,698	-126	-7%
Director, Policy & Business Support had an underspend of £126k in 2015/16. This comprised £50k of savings through directorate efficiencies and £49k of salary savings following a restructure. The balance is due to savings on Chairman's allowances and postage costs.			
<b>Customer Services</b>	1,285	-152	-12%
There was an underspend of £152k on Customer Services in 2015/16. This was primarily due to underspends on salaries due to recruitment and retention issues. In addition there was a saving of £10k on blue badge production and an increased income stream of £20k.			
<b>Digital Strategy</b>	826	-301	-36%
Digital Strategy was underspent by £301k. This was primarily due to slippage on projects, with the balance of £56k due to underspending on staffing.			
<b>Building Maintenance</b>	399	111	28%
Building Maintenance spend across the property portfolio exceeded budget in 2015/16 by £111k. As previously reported, there was a shortfall of £121k on the amount accrued in the 2014-15 accounts compared to invoices paid in respect of these accrued costs. This pressure was partly offset by costs of £65k to be charged to capital, £18k income from caretaker housing, and £5k of the 2014-15 costs which have now been re-assessed as relating to the 2015-16 financial year.			
<b>County Farms</b>	-2,812	-204	-7%
County Farms budgets were underspent by £204k in 2015/16. The final underspend was reduced by cancellation of £98k of duplicate invoices. As previously reported the underspend was due to postponement of some planned County Farms maintenance schemes and fewer calls than anticipated on the unplanned maintenance budget. In addition, an increase in rent income (£140k) following completion of 60 rent reviews during 2014/15 and a reassessment of the levels of income generation resulting from the ongoing programme of solar PV installations across the estate (£45k) contribute to the underspend.			
<b>County Offices</b>	6,245	+792	+13%
County Offices had an overspend of £792k for the year. The rent negotiations for Babbage House were completed, and the agreed figure was lower than previously estimated. This resulted in an increase of £17k in 2015-16 (compared to £47k previously predicted) and £26k per annum.			
Following delays in obtaining planning permission, the lease agreement for Castle Court was finally completed towards the end of January. As previously reported, the 50%			

Service	Current Budget £'000	Outturn £'000	Variance %
<p>rental period under the agreement was due to commence on 31st October 2015. Therefore the additional income predicted in 2015/16 was reduced pro rata from £281k to £112k. There was also a subsequent reduction of around £30k in the rate rebate achieved.</p> <p>The pressure resulting from Children's Centre business rates invoices was in the region of £550k. Of this amount, £400k was the liability for prior years billing and £150k related to the annual cost for 2015/16 onwards.</p> <p>Full-year savings were realised in respect of the closure of Dryden House (£203k) and the cessation of Castle Court running costs (£347k). The prior-year savings target for a reduction of the property portfolio was therefore fully achieved. In addition, there were a number of small budgetary pressures across the portfolio, amounting to £100k. These were partially offset by a £42k reduction in the anticipated cost of Dryden House dilapidations.</p>			
<b>Insurance</b>	-518	1,150	222%
<p>Municipal Mutual Insurance (MMI) was the County Council's insurance provider until it ceased insurance business in 1992 as a result of its failing financial strength. In 2014 the MMI Scheme of Arrangement Levy was invoked, whereby the creditors became liable for the payment of a levy. MMI's financial position has continued to deteriorate and the insurance fund has a provision to fund the extension of the levy from 15% to 25%. However, actuaries predict the levy relating to claims prior to 1992 is likely to continue to increase and on this basis a further £1.15m provision is required to meet this historic liability.</p>			
<b>IT Managed</b>	2,216	-844	-38%
<p>IT Managed was underspent by £844k in 2015/16. This reflected the writing back of £893k from reserves, comprising all existing IT equipment replacement funds. This figure included the £475k write-back previously approved as part of the LGSS Managed recovery plan. This is facilitated by the move towards provision of mobile devices, which are funded from the IT for Smarter Business Working capital scheme. As reported previously there was a pressure of £62k due to unbudgeted revenue costs on the mobile phone budget arising from the Smarter Business capital project and £54k net pressures across the centrally held budgets.</p>			
<b>Transformation Fund</b>	1,000	-257	-26%
<p>The Transformation Fund covers the costs of Section 188 redundancies. An underspend £257k was achieved, exceeding the figure of £225k that was previously predicted.</p>			

<b>Authority-wide Miscellaneous</b>	-7,764	-149	-2%
<p>The Authority-wide Miscellaneous budget had an underspend of £149k. This reflected the following year-end adjustments:</p> <ul style="list-style-type: none"> <li>• the transfer of funds from the Winter Maintenance replacement fund (£396k)</li> <li>• transfer to revenue of the costs of the EPAM – East Barnwell Community Hub capital scheme which Members decided should not proceed in 2015-16 as originally planned; total costs of the East Barnwell scheme were £74k, comprising £31k relating to 2014-15 and £43k relating to 2015-16.</li> <li>• Transfer of funds to provisions in respect of Community Resilience (£100k) and consultancy support costs for the Transformation Fund (£250k).</li> </ul> <p>Other factors included an ESPO rebate for 2015-16 which exceeded the budget set by £159k, and an adjustment of £150k in respect of Adult Social Care accruals 2014-15. These items were offset by a pressure of £149k due to additional employer's pension contributions.</p>			
<b>Financing Costs</b>	35,461	-12,666	-36%
<p>Overall an underspend of £12.7m has been achieved for debt charges this year. Of this £9.8m was directly attributable to a change in MRP policy approved and implemented during the year. Careful management of the Council's balance sheet and a strategy of internal borrowing have meant that costly external long term loans have been avoided generating net £2.8m.</p>			

### CS APPENDIX 3 – Grant Income Analysis

The table below outlines the additional grant income, which was not built into base budgets.

<b>Grant</b>	<b>Awarding Body</b>	<b>Expected Amount £000</b>
<b>Grants as per Business Plan</b>	Public Health	236*
Non-material grants (+/- £30k)	Various	10**
<b>Total Grants 2015/16</b>		<b>246</b>

\* The Public Health grant allocation for Corporate Services has been reduced by £29k, compared to the Business Plan figure of £265k.

\*\* This relates to grant funding received during 2014/15, where conditions have now been met and so funding has been applied.

## CS APPENDIX 4 – Virements and Budget Reconciliation

### Corporate Services:

	£000	Notes
<b>Budget as per Business Plan</b>	<b>5,673</b>	
Transfer of Travellers Support budget to ETE	-51	
Transfer Green Spaces budget to ETE	-55	
Operational Savings Transfer 2015/16 - CRM System	150	
Operational Savings Transfer 2015/16 - Service Transformation Funding	256	
Operational Savings Transfer 2015/16 - Digital by Default	165	
Operational Savings Transfer 2015/16 - Digital Delivery Assistant	31	
City Deal budgets transferred from LGSS Managed	917	
Corporate Service Corporate Allocations	-2,727	
Non-material virements (+/- £30k)	-2	
<b>Current Budget 2015-16</b>	<b>4,355</b>	

### LGSS Managed:

	£000	Notes
<b>Budget as per Business Plan</b>	<b>9,144</b>	
Transfer of City Deal funding from New Homes Bonus to corporate ownership (ETE)	717	
Centralisation of mobile phone budgets from CFA, ETE, CS & LGSS	372	
Funding from reserves for Microsoft support extension	33	
Transfer additional City Deal funding from reserves	200	
Matching funding for annual insurance charges	-1,982	
City Deal budgets to be reported under Corporate Services	-917	
LGSS Managed Corporate Allocations	-7,363	
Non-material virements (+/- £30k)	-3	
<b>Current Budget 2015-16</b>	<b>201</b>	

**Financing Costs:**

	<b>£000</b>	<b>Notes</b>
<b>Budget as per Business Plan</b>	<b>35,460</b>	
Non-material virements (+/- £30k)	1	
<b>Current Budget 2014/15</b>	<b>35,461</b>	

## CS APPENDIX 5 – Reserve Schedule

### 1. Corporate Services Reserves

Fund Description	Balance at 31 March 2015 (5)	Movements in 2015-16	Balance at 31/03/16	Notes
	£'000	£'000	£'000	
<b>General Reserve</b>				
Corporate Services Carry-forward	1,020	198	1,218	1
subtotal	1,020	198	1,218	
<b>Equipment Reserves</b>				
Postal Service	50	7	57	
subtotal	50	7	57	
<b>Other Earmarked Funds</b>				
Travellers Support Officer	45	-45	0	3
Shape Your Place - Fenland Grant	18	0	18	
Green Spaces	10	-10	0	3
Election Processes	180	145	325	2
EDRM Project	274	-42	232	
City Deal - NHB funding	0	699	699	
subtotal	527	747	1,274	
<b>Short Term Provisions</b>				
Transforming Cambridgeshire	1,000	-38	962	
Transformation Fund	0	250	250	6
Earith Bridge Travellers Site	43	-43	0	3
Community Resilience	0	100	100	4
subtotal	1,043	270	1,312	
<b>TOTAL</b>	<b>2,640</b>	<b>1,222</b>	<b>3,862</b>	

#### Notes

- 1 The year-end position reflects the Corporate Services underspend of £801k and £602k use of operational savings. Details on operational savings allocations can be found in CS Appendix 4.
- 2 The underspend on the Elections budget has been transferred to the earmarked reserve. This is to ensure that sufficient funding is available for the four-yearly County Council election.
- 3 The unapplied balances on the Fenland Social Media Cohesion grant and Heritage Lottery funding for the Cambridgeshire Local Nature Partnership and the short-term provision in respect of Earith Bridge Travellers Site have transferred to ETE following the Customer Service and Transformation restructure.
- 4 Additional provision of £100k for Community Resilience.
- 5 Balances brought forward have been amended following publication of the final Statement of accounts 2015-16.
- 6 A new provision of £250k for consultancy costs in respect of Transformation Fund work.

## 2. LGSS Managed Reserves

Fund Description	Balance at 31 March 2015 (6)	Movements in 2015-16	Balance at 31/03/16	Notes
	£'000	£'000	£'000	
<b><u>Equipment Reserves</u></b>				
Corporate Infrastructure Replacement & Renewals	162	-162	0	1
Corporate ICT Assets	475	-475	0	1
Corporate Telephony	5	-5	0	1
subtotal	642	-642	0	
<b><u>Other Earmarked Funds</u></b>				
Manor school site demolition costs	139	94	233	2
CPSN Partnership Funds	59	90	149	4
subtotal	198	184	382	
<b><u>Short Term Provisions</u></b>				
Insurance Short-term Provision	2,324	0	2,324	5
SPV provision	0	50	50	
External Audit Costs	154	-66	89	
Insurance MMI Provision	32	1,150	1,182	
Back-scanning Reserve	56	0	56	
Contracts General Reserve	893	0	893	
Operating Model Reserve	1,000	0	1,000	
subtotal	4,460	1,134	5,595	
<b><u>Long Term Provisions</u></b>				
Insurance Long-term Provision	3,613	0	3,613	
subtotal	3,613	0	3,613	
<b>SUBTOTAL</b>	<b>8,913</b>	<b>676</b>	<b>9,589</b>	
<b><u>Capital Reserves</u></b>				
Effective Property Asset Management Receipts	0	0	0	3
MAC - One Public Estate	0	230	230	
General Capital Receipts	0	0	0	
P&P Commissioning (Property)	472	-50	422	
IT for Smarter Business Working	0	0	0	
Blackwell Travellers Site	9	-9	0	
subtotal	481	171	652	
<b>TOTAL</b>	<b>9,394</b>	<b>847</b>	<b>10,241</b>	

### Notes

- 1 To contribute towards recovery of the overall LGSS Managed overspend the balance the IT Asset replacement fund has been written back to revenue. In addition, all other equipment reserves have also been written back to revenue.
- 2 Rental income from Bellerbys buildings on Manor School site is being held to offset demolition costs when the lease expires in 2021.
- 3 Capital Receipts achieved in 2015/16 have been used to fund the capital programme at year-end.
- 4 £120k from MMS over recovery. Funds ring-fenced for CPSN partnership to be used for procurement of replacement contract.
- 5 Additional provision of £1.15m in 2015/16 accounts to cover predicted increases in the MMI Scheme of Arrangement Levy.
- 6 Balances brought forward have been amended following publication of the final Statement of accounts 2015-16.

## CS APPENDIX 6 – Capital Expenditure and Funding

### Capital Expenditure

Corporate Services & LGSS Managed Capital Programme 2015/16					TOTAL SCHEME	
Original 2015/16 Budget as per BP £000	Scheme	Revised Budget for 2015/16 £000	Actual Spend 2015/16 £000	Outturn Variance 2015/16 £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
	<b>Corporate Services</b>					
	- Electronic Record Management	56	55	(1)	300	-
300	Essential CCC Business Systems Upgrade	300	51	(249)	300	-
	- Other Schemes	30	-	(30)	40	-
<b>300</b>		<b>386</b>	<b>106</b>	<b>(280)</b>	<b>640</b>	-
	<b>LGSS Managed</b>					
550	EPAM - Shire Hall Campus	937	663	(274)	6,524	(314)
	- EPAM - Fenland	20	0	(20)	6,596	(1,115)
45	EPAM - Local Plans Representations	389	242	(147)	1,548	-
1,000	EPAM - County Farms Viability	1,182	398	(784)	5,000	(2,396)
600	EPAM - Building Maintenance	600	378	(222)	6,000	-
1,180	EPAM - Sawston Community Hub	1,206	42	(1,164)	1,250	100
1,742	EPAM - East Barnwell Community Hub	1,911	(5)	(1,916)	2,000	-
	- EPAM - Other Committed Projects	167	(95)	(262)	2,043	(264)
203	EPAM - Renewable Energy Soham	242	-	(242)	12,030	(2,210)
200	EPAM - Housing Provision on CCC Portfolio	367	164	(203)	17,500	-
50	EPAM - Disposal / Relocation of Huntingdon Highways Depot	125	-	(125)	1,625	(1,625)
630	EPAM - MAC Market Towns Project	630	-	(630)	1,780	(300)
	- Carbon Reduction	593	379	(214)	1,673	(650)
1,840	Optimising IT for Smarter Business Working	2,273	1,438	(835)	3,432	-
950	IT Infrastructure Investment	1,708	995	(713)	2,400	-
	- Cambridgeshire Public Sector Network	189	156	(33)	5,554	-
500	Microsoft Enterprise Agreement	500	496	(4)	1,902	-
500	Implementing IT Resilience Strategy for Data Centres	500	251	(249)	500	-
1,000	Communications & Storage Infrastructure Refresh	1,000	1,008	8	1,000	-
395	Other Schemes	792	75	(717)	1,095	(506)
<b>11,385</b>		<b>15,331</b>	<b>6,583</b>	<b>(8,748)</b>	<b>81,452</b>	<b>(9,281)</b>
<b>11,685</b>	<b>TOTAL</b>	<b>15,717</b>	<b>6,689</b>	<b>(9,028)</b>	<b>82,092</b>	<b>(9,281)</b>

### Previously Reported Exceptions

As reported in 2014/15, a reduction in the estimated cost of final retention payments for the Awdry House site has increased the total scheme underspend to £1.1m.

The EPAM – County Farms Viability scheme had an underspend of £0.8m. The level of funding required for this scheme was reassessed for Business Planning and it was determined that it could be reduced by £0.5m per year to better reflect actual activity with tenant farmers more cautious due to the unsettled global market. This will result in a total scheme underspend of £2.4m and the scheme budget has been adjusted as part of the 2016/17 Business Planning process.

The EPAM – Sawston Community Hub scheme was underspent by £1.1m in 2015/16. Group Leaders paused the project in November 2015 subject to clarification on the long term strategy for library locations. A total scheme overspend of £0.1m is forecast as a result of an increase in construction costs due to the delays in construction.

Members undertook a review of the EPAM – East Barnwell Community Hub scheme and decided that it should not progress in its current form. As a consequence, there is an in-year underspend of £1.9m. A revised scheme has been included in the 2016/17 Business Planning process.

The review of the EPAM – East Barnwell Community Hub and reassessment of EPAM – MAC Market Towns Project schemes identified above impacted on the associated ring-fenced capital receipt generation, resulting in reduced funding of £0.8m. This has not adversely impacted on in-year prudential borrowing requirements.

Due to contractor delays, work on the EPAM – Renewable Energy Soham project will now commence in 2016-17, and therefore the scheme had an underspend of £0.2m in 2015/16. The expected total scheme cost has reduced to £9.8m due to a more accurate reflection of the costs following the production of a detailed business case. As a result there is a forecast total scheme underspend of £2.2m, which has been addressed as part of the current Business Planning process.

The EPAM – Disposal / Relocation of Huntingdon Highways Depot scheme is no longer required and so a total scheme underspend of £1.6m is reported. This has been superseded by a new Joint Highways Depot scheme under Making Assets Count, which was submitted via the 2016/17 Business Planning process.

The EPAM – MAC Market Towns Project was reassessed for Business Planning, resulting in rephasing of activity from 2015/16 to 2016/17, producing an in-year underspend of £0.6m and a reduced total scheme cost (-£0.3m).

The Optimising IT for Smarter Business Working scheme is forecasting an in-year underspend of £0.9m. Expenditure has been rephased to reflect the priorities set by the County Council for the provision of the IT infrastructure and devices to support mobile working, and a revised timescale for implementation.

The IT Infrastructure Investment scheme is underspent by £0.8m in 2015/16. Expenditure has been rephased to better reflect timescales for the delivery of upgrades / refresh of the core IT software and hardware systems that underpin the use of IT across the Council.

The works planned under the Carbon Reduction scheme were reviewed in 2014/15 and a new schedule was agreed. As reported in 2014/15, the agreed work plan is expected to deliver a total scheme underspend of £0.65m.

## Capital Funding

Corporate Services & LGSS Managed Capital Programme 2015/16				
Original 2015/16 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2015/16 £000	Outturn Spend 2015/16 £000	Outturn Funding Variance 2015/16 £000
	<b>Corporate Services</b>			
300	Prudential Borrowing	386	106	(280)
<b>300</b>		<b>386</b>	<b>106</b>	<b>(280)</b>
	<b>LGSS Managed</b>			
4,531	Capital Receipts	4,531	6,153	1,622
-	Other Contributions	57	57	-
255	Developer Contributions	255	-	(255)
6,599	Prudential Borrowing	10,488	373	(10,115)
<b>11,385</b>		<b>15,331</b>	<b>6,583</b>	<b>(8,748)</b>
<b>11,685</b>	<b>TOTAL</b>	<b>15,717</b>	<b>6,689</b>	<b>(9,028)</b>

## Previously Reported Exceptions

There are no previous exceptions to report.

## CS Appendix 7 – Performance Scorecard

Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG status	Direction of travel	Comments	Year end RAG (2014-15)
<b>Customer Service and Transformation</b>											
Proportion of FOI requests responded to within timescales	Monthly	High	%	05/04/16	1 - 31 March 2016	90%	89.0%	Amber	↓	110 FOI requests due for closure in March 2016 with 98 closed on time.  There were a high number of FOI requests due in March, including several complex requests. The team also had a high volume of requests under the Data Protection Act to deal with which diverted some resources from FOI.	Green
<i>For context only - number of FOI requests received annually</i>	Annually	Low	Num	05/04/16	1 April - 31 March 2016	N/A*	1,228	N/A	N/A	* No target or RAG status for this indicator. Purpose is to set the context.  2015/16 - 1228 2014/15 - 1177 2013/14 - 1153 2012/13 - 899 2011/12 - 917 2010/11 - 834  Running total will be collected quarterly. Data to be next reported on in July 2016 for Q1 2016/17.	N/A
Proportion of customer complaints received in the month before last that were responded to within minimum response times	Monthly	High	%	11/04/16	1-31 January 2016	90%	93.2%	Green	↓	Number of customer complaints for January 2016 = 118  <u>Breakdown of January 2016 figures</u> 36 complaints were received for CFA in January and 29 were responded to in time. This was a pass rate of 80.6%.  68 complaints were recieved for ETE in January and 67 were responded to in time. This was a pass rate of 98.5%.  14 complaints were received for CS&T in January. All were responded to on time which meant a pass rate of 100%.	Amber
<i>For context only - number of complaints received annually per thousand population</i>	Annually	Low	Num	27/04/15	1 April 2014 - 31 March 2015	N/A*	1.68**	N/A	N/A	* No target or RAG status for this indicator. Purpose is to set the context. ** Based on Cambridgeshire Insight mid-2013 population estimate of 635,100 residents  Data to be next reported on in May 2016 for period of 1 April 2015 - 31 March 2016	N/A
Proportion of all transformed transaction types to be completed online by 31 March 2015***	Annually	High	%	11/04/16	1 January - 31 March 2016	75%	76.1%	Green	↑	To be next reported on in July 2016 for Q1 2016/17 and year end.	Red
Deprivation measure - Number of physically active adults (narrowing the gap between Fenland and others)	Annually	High	%	24.03.16 (change to target and 2014 actual)	1 April 2015 - 31 March 2016	53.1% (2015) 54.1% (2016)	52.1% (2014)	TBC	N/A	New indicator identified by GPC in response to the deprivation motion passed by Council in July 2014. Indicator shared with Public Health.  Update 24.03.16 - actual for 2014 and therefore target for 2015 and 2016 amended to reflect updates to data.  Data to be reported on in May 2016 for year end.	N/A
Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG status	Direction of travel	Comments	

LGSS Managed Services											
Strategy and Estates – capital receipts target managed and achieved	Quarterly	High	%	02/02/16	1 October - 31 December 2015 (Q3)	98% (£250k gross)	115.0%	Green	↑	Q2 2015/16 - 99% Q1 2015/16 - 110%  The target for 2015/16 is £3.705m. This is broken down into cumulative quarterly targets as follows: Q1 = £0.25m; Q2 = £1.50m; Q3 = £2.00m Q4 = £3.705m.  <i>To next be reported on in May 2016 for Q4 2015/16 and year-end.</i>	Green
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	10/03/16	1 October - 31 December 2015 (Q3)	95% (£3.9m gross)	96.2%	Green	↓	The target is made up of two rent runs and it is the collection of these that we monitor in July (for the April rents) and January (for the October rents). The delay in closing off the chasing of these debts is because of the different type of farm tenancies and the agricultural law that covers them.  In October 2015 we sent out invoices valued £1,791,425 and there is £67,580 still to collect (3.77% of total) and so remain above the KPI threshold.  <i>To next be reported on in May 2016 for Q4 2015/16 and year-end</i>	Green
IT – availability of Universal Business System****	Quarterly	High	%	02/02/16	1 October - 31 December 2015 (Q3)	95%	94.0%	Amber	↓	In October 2015 issues were experienced with access to external websites and there were also problems with corporate remote access (Juniper). In November 2015 there were still ongoing issues to external websites, problems with access to ONE and AFM. Also significant performance issues caused by problems with the Storage Area Network over a 2 week period.  Q2 2015/16 - 100.0% Q1 2015/16 - 100.0%  <i>To next be reported on in May 2016 for Q4 2015/16 and year-end.</i>	Green
IT – incidents resolved within Service Level Agreement	Quarterly	High	%	02/02/16	1 October - 31 December 2015 (Q3)	90%	97.0%	Green	↑	Improvement in performance can be seen following the recruitment of extra staff, using the workspace more effectively and transferring the NoCC calls to the NCC helpdesk.  Q2 2015/16 - 83% Q1 2015/16 - 98%  <i>To next be reported on in May 2016 for Q4 2015/16 and year-end.</i>	Green

## LGSS APPENDIX 1 – Service Level Budgetary Control Report

The variances to the end of Closedown 2015/16 for LGSS Cambridge Office are as follows:

Original Budget as per BP £000	Service	Current Budget for 2015/16 £000	Forecast Variance - Outturn (Mar) £000	Outturn Variance 2015/16 £000	Outturn Variance 2015/16 %
<b><u>LGSS Cambridge Office</u></b>					
<u>Central Management</u>					
162	Service Assurance	19	-25	27	137
-8,905	Trading	-8,656	479	922	11
353	LGSS Equalisation	452	0	-459	-102
-410	Grant Income	-419	0	0	0
<b>-8,799</b>		<b>-8,604</b>	<b>454</b>	<b>490</b>	
<u>Finance &amp; Property</u>					
1,048	Chief Finance Officer	-9,459	0	52	-1
894	Audit	713	-60	-49	-7
2,013	Professional Finance	1,986	-85	-211	-11
724	Property Operations & Delivery	854	15	-77	-9
883	Strategic Assets	927	-50	-34	-4
0	Pensions Service	0	0	0	0
<b>5,562</b>		<b>-4,978</b>	<b>-180</b>	<b>-319</b>	<b>6</b>
<u>People, Transformation &amp; Transactional</u>					
1,277	HR Business Partners	1,271	-80	-113	-9
315	HR Policy & Strategy	313	-107	-123	-39
1,880	LGSS Programme Team	1,879	63	-98	-5
573	Organisational & Workforce Development	341	0	-82	-24
2,266	Revenues and Benefits	2,327	0	0	0
1,157	Transactional Services	1,285	-100	175	14
<b>7,468</b>		<b>7,416</b>	<b>-225</b>	<b>-241</b>	<b>-3</b>
<u>Law &amp; Governance</u>					
489	Democratic & Scrutiny Services	466	-82	-148	-32
-406	LGSS Law Ltd	-250	50	266	107
364	Procurement	358	-43	-142	-40
<b>447</b>		<b>575</b>	<b>-75</b>	<b>-23</b>	<b>-4</b>
5,186	IT Services	5,191	25	-10	0
<b>9,864</b>	<b>Total LGSS Cambridge Office</b>	<b>-400</b>	<b>0</b>	<b>-103</b>	<b>26</b>
<b>MEMORANDUM - Grant Income</b>					
-220	Public Health Grant	-220	0	0	0
-190	Counter Fraud Initiative Grant	-199	0	0	0
<b>-410</b>		<b>-419</b>	<b>0</b>	<b>0</b>	<b>0</b>

## LGSS APPENDIX 2 – Commentary on Forecast Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

Service	Current Budget £'000	Outturn Variance £'000 %	
<b>Trading</b>	-8,809	+916	11%
There was an overspend of £916k against the Trading budget for 2015/16. There was a deficit of £925k on the consolidated trading position, which related to the forecast shortfall on additional trading activity in 2015/16 to meet the revised income target. This shortfall was met from the LGSS Smoothing Reserve.			
<b>Professional Finance</b>	1,986	-211	-11%
Professional Finance was underspent by £211k in 2015/16. This was due to an underspend on the CIPFA trainee budget as trainees took up substantive posts, further vacancies and reduced costs following the Finance Team restructure, and additional income generated from a secondment to East Cambridgeshire DC. The outturn position also took into account redundancy costs within the team.			
<b>HR Business Partners</b>	1,271	-113	-9%
The underspend of £113k on HR Business Partners was due to staffing vacancies and delays in recruitment.			
<b>HR Policy &amp; Strategy</b>	313	-123	-39%
The underspend of £123k on HR Policy & Strategy was due to delays in recruitment to the Workforce Planning and Strategy team.			
<b>Transactional Services</b>	1,285	175	14%
CCC Transactional Services was overpent by £175k for the year. However the service as a whole underspent by £186k following the Service-wide restructure implemented in August 2015, which resulted in a number of vacancies.			
<b>Democratic and Scrutiny Services</b>	466	-148	-32
There was an underspend of £148k on Democratic and Scrutiny Services due to in-year vacancies in the Cambridge Office and reduced expenditure on printing and other contracts.			
<b>LGSS Law Ltd</b>	-250	266	107
LGSS Law was overspent by £266k in 2015/16. This was partly due to lower than anticipated income from NBC (£73k) and NPH (£55k). The remaining shortfall was mostly in relation to the dividend target being higher than expected because the budget transfer from services was based on 18% of the budget held in services, rather than 18% of the actual expenditure in services. Work is underway in the company to identify the			

Service	Current Budget £'000	Outturn £'000	Variance %
most tax efficient way to treat company surpluses. There was also £119k overspend in the LPG directorate due to a significant number of 2014-15 invoices not being accrued for correctly and 2014-15 disbursements. In addition, coding errors for some charges to services were identified late in the year.			
<b>Procurement</b>	358	-142	-40
Procurement had an underspend of £142k, the majority of which was due to the early achievement of savings originally planned for 2016/17. In addition it has taken longer than anticipated to fill vacancies within the team due to the difficulty in attracting the right candidates. There was also a small amount of one off income that had not been previously forecast.			

### LGSS APPENDIX 3 – Grant Income Analysis

The table below outlines the additional grant income, which is not built into base budgets.

	<b>Awarding Body</b>	<b>Expected Amount £'000</b>
<b>Grants as per Business Plan</b>	Various	419*
Non-material grants (+/- £30k)		0
<b>Total Grants 2014/15</b>		<b>419</b>

\* The Counter Fraud Initiative Fund grant received in 2015/16 is £9k more than the Business Plan figure of £190k.

## LGSS APPENDIX 4 – Virements and Budget Reconciliation

	£'000	Notes
<b>Budget as per Business Plan</b>	9,864	
LGSS Transactions support from Reablement	34	
Transfer from CFA to Finance for Adults Accountant post	30	
Transfer from reserves to Strategic Assets for K2	36	
Transfer from reserves to LGSS Law Ltd	202	
Transfer from reserves to Estates	47	
LGSS Cambridge Office Corporate Allocations	-10,571	
Non-material virements (+/- £30k)	-42	
<b>Current Budget 2015-16</b>	<b>-400</b>	

## LGSS APPENDIX 5 – Reserve Schedule

Fund Description	Balance at 31 March 2015	Movements in 2015-16	Balance at 31/03/16	Notes
	£'000	£'000	£'000	
<b><u>General Reserve</u></b>				
LGSS Cambridge Office Carry-forward	1,003	9	1,013	1
subtotal	1,003	9	1,013	
<b><u>Other Earmarked Funds</u></b>				
Counter Fraud Initiative	130	0	130	2
subtotal	130	0	130	
<b>SUBTOTAL</b>	<b>1,134</b>	<b>9</b>	<b>1,143</b>	
<b>TOTAL</b>	<b>1,134</b>	<b>9</b>	<b>1,143</b>	

### Notes

- 1 The year-end position reflects the LGSS Cambridge Office underspend of £103k and £910k operational savings to be carried forward to 2016/17.
- 2 The Counter Fraud Initiative grant was unapplied in 2014/15 and so the balance was transferred to the earmarked reserve.

## LGSS APPENDIX 6 – Capital Expenditure and Funding

### Capital Expenditure

LGSS Cambridge Office Capital Programme 2015/16					TOTAL SCHEME	
Original 2015/16 Budget as per BP £000	Scheme	Revised Budget for 2015/16 £000	Actual Spend 2015/16 £000	Outturn Variance 2015/16 £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
- R12 Convergence*		209	25	(184)	600	-
- Next Generation ERP		-	515	515	-	-
- <b>TOTAL</b>		<b>209</b>	<b>540</b>	<b>331</b>	<b>600</b>	<b>-</b>

\*This funding will now be used to cover the initial costs to be incurred in replacing the Enterprise Resource Planning (ERP) system, as approved by GPC as part of the March 2015 Integrated Resource and Performance Report.

### Previously Reported Exceptions

There are no previous exceptions to report.

### Capital Funding

LGSS Cambridge Office Capital Programme 2015/16				
Original 2015/16 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2015/16 £000	Outturn Spend 2015/16 £000	Outturn Funding Variance 2015/16 £000
- Prudential Borrowing		209	540	331
- <b>TOTAL</b>		<b>209</b>	<b>540</b>	<b>331</b>

### Previously Reported Exceptions

There are no previous exceptions to report.