

**FINANCE AND PERFORMANCE REPORT – JANUARY 2016**

*To:* **General Purposes Committee**

*Meeting Date:* **15th March 2016**

*From:* **Director of Customer Service and Transformation**  
**Chief Finance Officer**

*Electoral division(s):* **All**

*Forward Plan ref:* **Not applicable**      *Key decision:* **No**

*Purpose:* **To present to General Purposes Committee (GPC) the January 2016 Finance and Performance Report for Corporate Services and LGSS Cambridge Office.**

**The report is presented to provide GPC with an opportunity to comment on the projected financial and performance outturn position, as at the end of January 2016.**

*Recommendation:* **The Committee is asked to review, note and comment upon the report**

<b><i>Officer contact:</i></b>	
Name:	Chris Malyon
Post:	Chief Finance Officer
Email:	<a href="mailto:Chris.malyon@cambridgeshire.gov.uk">Chris.malyon@cambridgeshire.gov.uk</a>
Tel:	01223 699796

## 1. BACKGROUND

- 1.1 At its meeting in May 2014, the Committee was informed that it will receive the Corporate Services and LGSS Cambridge Office Finance and Performance Report at its future meetings, where it will be asked to both comment on the report and potentially approve recommendations, to ensure that the budgets and performance indicators for which the Committee has responsibility remain on target.

## 2. MAIN ISSUES

- 2.1 Attached as **Appendix A** is the January 2016 Finance and Performance report.
- 2.2 At the end of January, Corporate Services (including the LGSS Managed and Financing Costs) was forecasting a year-end underspend on revenue of £2,070k.
- 2.3 The LGSS Operational budget was expected to break-even by year-end. This element of the budget is monitored by the LGSS Joint Committee and is not the responsibility of General Purposes Committee.
- 2.4 There are three new significant forecast outturn variances by value (over £100,000) to report for Corporate Services / LGSS Managed.

There is a predicted underspend of £116k on Customer Services, an increase of £45k from the previous month. This is primarily due to a predicted underspend of £81k on salaries due to recruitment and retention issues, which is an increase of 30k from the previous month. In addition there is a predicted saving of £10k on blue badge production and an increased income stream of £20k.

GPC approval is being sought to increase the Insurance Fund by an additional provision of £1.15m in 2015/16 to cover the MMI Scheme of Arrangement Levy that will become payable in the near future. Municipal Mutual Insurance (MMI) was a key provider of insurance to the public sector for many years 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 Council has recently received notice of an expected extension to the levy from the current 15% up to 34%. It is expected that the additional levy will become payable towards the end of the current financial year or early in 2016/17.

The forecast underspend reported by County Farms has increased by £105k to £300k. This increase is due to a reduction in the forecast spending on County Farms maintenance due to postponement of some planned maintenance schemes and fewer calls than anticipated on the unplanned maintenance budget.

- 2.5 The debt charges and interest budget is currently predicting a year-end underspend of £2,830k, an increase of £50k from the figure reported last month. The movement is largely as a result of a decision to continue with a strategy of internal borrowing as the health of the balance sheet has been

stronger than anticipated. As a result investments have been drawn down as a surrogate for expensive long term borrowing.

- 2.6 At the end of January, Corporate and LGSS Managed was forecasting a year-end underspend on capital of £6.2m in 2015-16.
- 2.7 There are no new significant forecast underspends by value to report for Corporate Services / LGSS Managed.
- 2.8 Corporate Services / LGSS have eleven performance indicators for which data is available. Seven indicators are currently at green status, and four at amber.

### **3. ALIGNMENT WITH CORPORATE PRIORITIES**

#### **3.1 Developing the local economy for the benefit of all**

There are no significant implications for this priority.

#### **3.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

#### **3.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

### **4. SIGNIFICANT IMPLICATIONS**

#### **4.1 Resource Implications**

This report sets out details of the overall financial position for Corporate Services / LGSS and this Committee.

#### **4.2 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

#### **4.3 Equality and Diversity Implications**

There are no significant implications within this category.

#### **4.4 Engagement and Consultation Implications**

There are no significant implications within this category.

#### **4.5 Localism and Local Member Involvement**

There are no significant implications within this category.

#### **4.6 Public Health Implications**

There are no significant implications within this category.

Source Documents	Location
There are no source documents for this report	