

**Corporate Services and LGSS Cambridge Office****Finance and Performance Report – October 2018****1. SUMMARY****1.1 Finance**

<b>Previous Status</b>	<b>Category</b>	<b>Target</b>	<b>Current Status</b>	<b>Section Ref.</b>
<b>N/A</b>	Income and Expenditure	Balanced year end position	<b>Green</b>	2.1 – 2.4
<b>N/A</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>
October (Number of indicators)	1	3	8	12

**2. INCOME AND EXPENDITURE****2.1 Overall Position**

<b>Outturn Variance (Sep) £'000</b>	<b>Directorate</b>	<b>Budget £'000</b>	<b>Actual £'000</b>	<b>Outturn Variance (Oct) £'000</b>
-126	Corporate & Customer Services	6,691	4,036	-98
220	Corporate Savings & Funding	-1,125	-186	220
-7	Business Improvement & Development	902	1,064	-7
-43	Deputy Chief Executive	325	93	-43
0	Legal & Governance	90	8	0
-1,176	Financing Costs	25,983	3,807	-1,176
126	LGSS Managed	11,186	7,115	184
<b>-1,005</b>	<b>Total</b>	<b>44,052</b>	<b>15,937</b>	<b>-920</b>

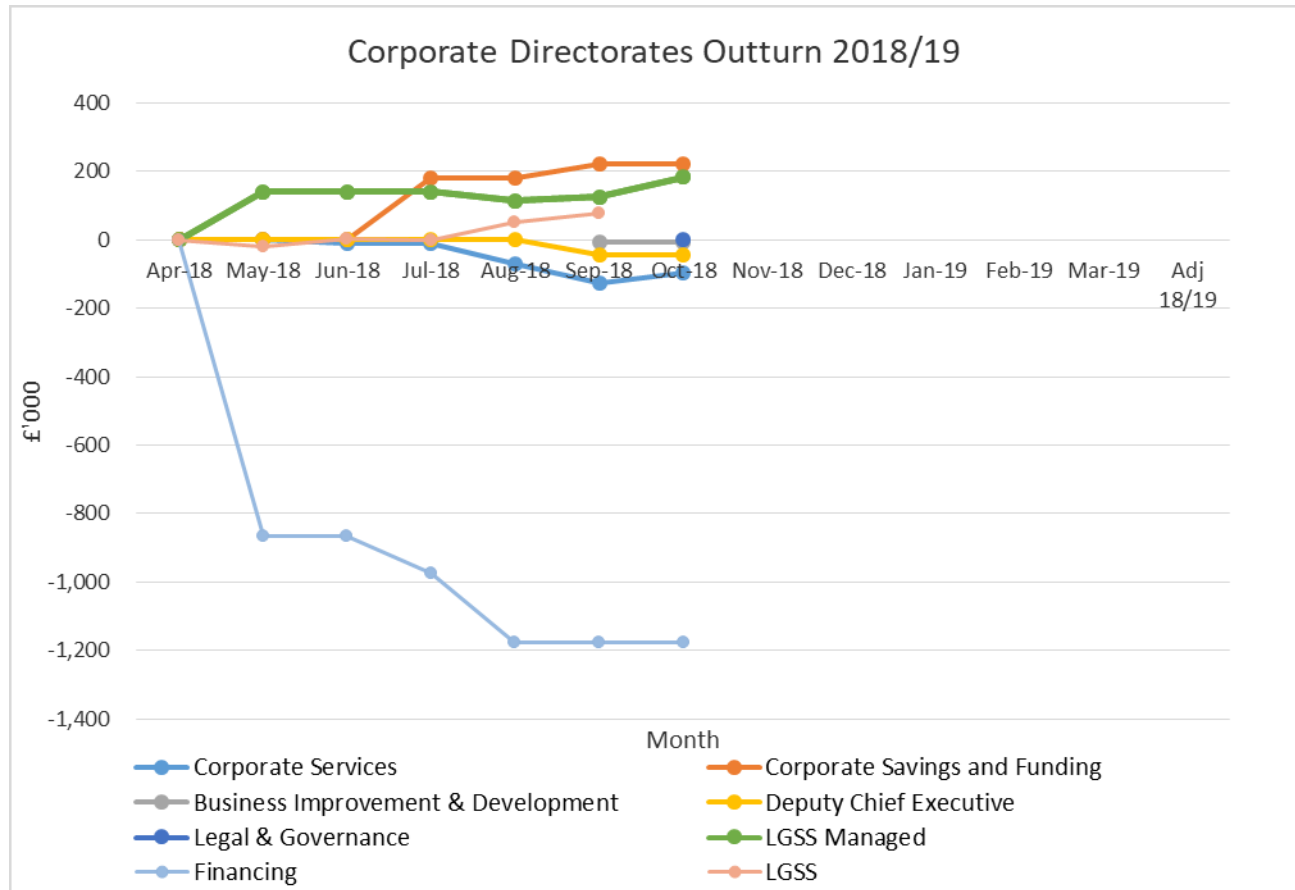
The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for October 2018 can be found in [CS appendix 1](#).

The service level budgetary control report for LGSS Cambridge Office for October 2018 can be found in [LGSS appendix 1](#). The position on the LGSS trading contracts will be included here going forward. Pressures and deficits within LGSS Operational budgets are

the responsibility of the Joint Committee. Formal risk sharing arrangements are in place such that changes in service or financing impacting one partner are isolated from impacting other partners. In practice, this means that where there is risk (or additional requirements for) in-year savings for back-office services shared with or facing Northamptonshire County Council, these do not impact on the service received by Cambridgeshire County Council or impact any overspend to be handled by CCC.

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

*The appendices are published online only and not printed for Committee.*



### **2.1.1 Significant Issues – Corporate and Customer Services**

Corporate and Customer Services budgets are currently predicting an underspend of £98k, which is a decrease of £28k compared to the previous forecast.

There are no exceptions to report this month.

### **2.1.2 Significant Issues – Corporate Savings and Funding**

Corporate Savings and Funding budgets are currently predicting an overspend of £220k, same as last month. This is due to savings targets that are not expected to be met in the year

There are no new exceptions to report this month.

### **2.1.3 Significant Issues – Business Improvement & Development**

Business Improvement & Development budgets are currently predicting an underspend of £7k, same as last month.

There are no new exceptions to report this month.

### **2.1.4 Significant Issues – Deputy Chief Executive**

The Deputy Chief Executive budget is currently predicting an underspend of £43k, same as last month.

There are no exceptions to report this month.

### **2.1.5 Significant Issues – LGSS Managed**

LGSS Managed budgets are currently predicting an overspend of £184k at year-end, which is an increase of £73k from the previous forecast. This is mainly due to an increase in IT costs caused by increased costs of Microsoft licensing.

There are no new exceptions to report this month.

### **2.1.6 Significant Issues – Financing Costs**

Financing Costs are currently predicting an underspend of £1.18m, same as last month. This is due to a change in the payment of Minimum Revenue Provision and a rebate of bank fees on international payments. Following a review of cashflow forecasts and borrowing requirements, the interest payable forecast has been revised giving an additional £200k forecast underspend.

### 2.1.7 Significant Issues – LGSS Cambridge Office

LGSS Cambridge Office is currently predicting an overspend of £77k, which is an increase of £26k from the previous forecast. This is due to an increased overspend on Finance services and Managing Director & Support costs.

There are no exceptions to report this month.

### 2.1.8 Additional Income and Grant Budgeted this Period

**(De minimis reporting limit = £30,000)**

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](#).

### 2.2 Virements and Transfers to / from Reserves (including Operational Savings Reserve)

**(De minimis reporting limit = £30,000)**

The following virements have been made this month to reflect changes in responsibilities.

#### Legal and Governance

	£000	Notes
Legal & Governance services	90	Transfer of monitoring officer budget from LGSS to CCC
Non-material virements (+/- £30k)	0	

#### LGSS

	£000	Notes
Legal & Governance services	-90	Transfer of monitoring officer budget from LGSS to CCC
Non-material virements (+/- £30k)	0	

### **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 and Transformation schemes have a capital budget of £5.4m in 2018/19 and there is expenditure of £826k to date. In-year, a balanced position is forecast. The total scheme forecast is on budget.

An overspend of £309k on Capitalisation of redundancies is forecast. This is due to more redundancies than expected in the year, in particular relating to the closure of the Catering and Cleaning Service.

An overspend of £207k on Capitalisation of Transformation Team is forecast. A greater proportion of the cost of the Transformation Team is being funded from capital receipts in 2018/19 due to a change in policy allowing more costs to be capitalised and a decrease in the amount of Transformation Team work being funded from other sources.

- LGSS Managed has a capital budget of £6.0m in 2018/19 and there is expenditure of £934k to date. In-year, an underspend of £1.6m is forecast. The total scheme forecast is an underspend of £125k.

An in-year underspend of £378k is forecast on the Disaster Recovery facility for critical business systems project. This is due to a change in the way the project is being delivered which has delayed implantation of the project.

- LGSS Cambridge Office has a capital budget of £0.1m in 2018/19 and there is no spend to date. In-year, a balanced position is forecast. The total scheme forecast is on budget.

There are no new material variances to report this month.

## Funding

- Corporate Services and Transformation schemes have capital funding of £5.4m in 2018/19. The Corporate Services capital programme as a whole is forecasting an overspend of £516k, as detailed above.

Total overspends on Capitalisation of Redundancies and Capitalisation of Transformation Team of £516k are forecast, as reported above. This will increase the use of Capital Receipts funding by this amount.

- LGSS Managed has capital funding of £5.9m in 2018/19. The LGSS Managed capital programme as a whole is forecasting an underspend of £1.1m in 2018/19, as reported above. This will reduce the Prudential Borrowing requirement by this amount.
- LGSS Cambridge Office has capital funding of £0.1m in 2018/19. The LGSS Cambridge Office capital programme as a whole is forecasting a balanced outturn position, so the full amount of this funding is expected to be used.

There are no new material variances to report this month.

- 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 key performance indicators for Corporate and Customer Services and LGSS Managed Services are set out in [CS Appendix 7](#). Key performance indicators for LGSS Cambridge Office are not reported here as the information for these is not yet available.

The appendices to this report can be viewed in the [online version](#) of the report.