

**Corporate Services and LGSS Cambridge Office**

**Finance and Performance Report – March 2015**

**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)	1	3	7	11

**2. INCOME AND EXPENDITURE**

**2.1 Overall Position**

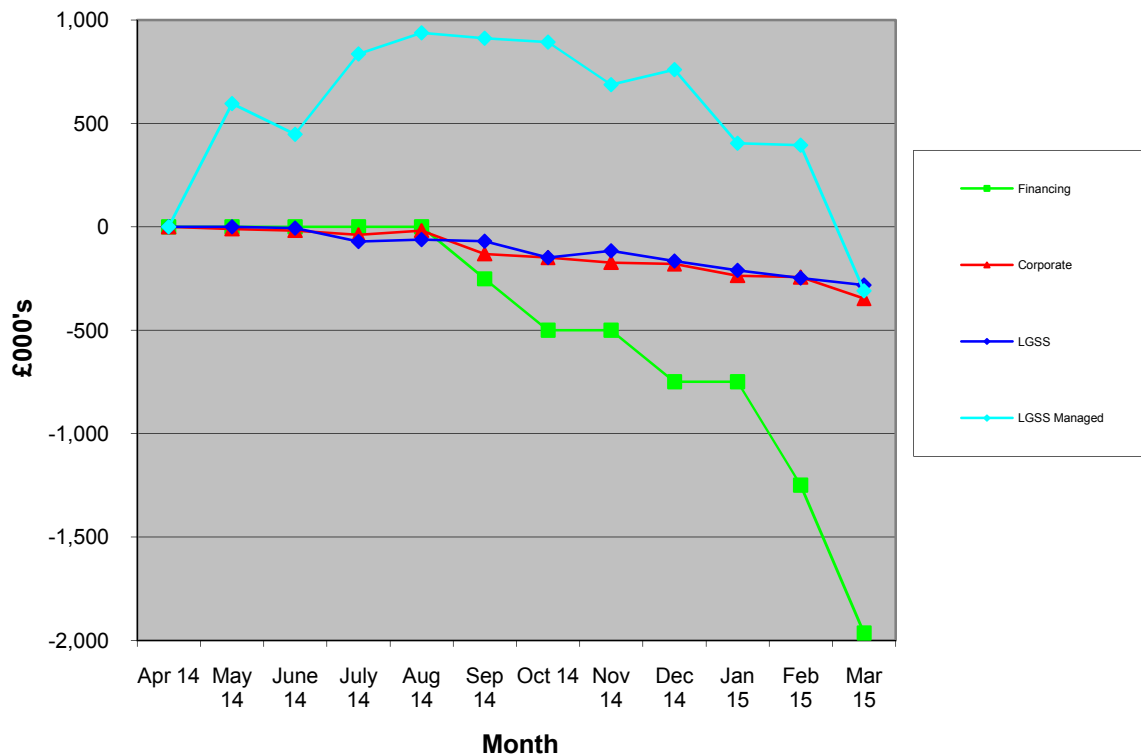
<b>Forecast Variance - Outturn (Feb) £000</b>	<b>Directorate</b>	<b>Current Budget for 2014/15 £000</b>	<b>Actual to end of March £000</b>	<b>Forecast Variance - Outturn (Mar) £000</b>	<b>Forecast Variance - Outturn (Mar) %</b>
-243	Corporate Services	6,625	5,853	-347	-5
395	LGSS Managed	7,508	4,494	-310	-4
-1,250	Financing Costs	34,142	11,741	-1,965	-6
<b>-1,098</b>	<b>Sub Total</b>	<b>48,275</b>	<b>22,088</b>	<b>-2,622</b>	
-247	LGSS Cambridge Office	10,570	13,045	-282	-3
<b>-1,345</b>	<b>Total</b>	<b>58,845</b>	<b>35,133</b>	<b>-2,904</b>	

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

The service level budgetary control report for LGSS Cambridge Office for March 2015 can be found in [LGSS appendix 1](#)

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

## Corporate Services & LGSS Cambridge Office Outturn 2014/15



### 2.2.1 Significant Issues – Corporate Services

- Corporate Services is currently predicting a year-end underspend of £347k.
- There are no new exceptions to report this month.

### 2.2.2 Significant Issues – LGSS Managed

- LGSS Managed is currently predicting a year-end underspend of £310k.
- County Offices is forecasting an overspend of £461k, a reduction of £193k compared to last month. A savings target of £736k was allocated in the 2013/14 Business Planning linked to a reduction in the Council's property portfolio, with £597k as the balance of savings to be identified at the start of the year. Savings of £120k have been achieved in the current year, resulting from the part-year closure of Dryden House and Castle Court. In addition, there has been a one-off windfall from Libraries' rates rebates (£150k), additional income generated of £100k, and savings of £35k on utilities across the portfolio. These in-year savings will be partly offset by an accrual of £200k in respect of Dryden House dilapidations.

- The Transformation Fund has incurred £1m of costs as a result of Section 188 redundancies, resulting in an underspend of £800k. This is an increase of £300k from the previously reported figure.
- The Authority-wide Miscellaneous budget is showing an underspend of £371k. High volumes of unidentified income and cancellations of out of date cheques were credited to this budget in March (£150k) and a higher than expected ESPO rebate, in respect of 2013/14 purchasing activity, has also contributed to the underspend. The additional employer pension contributions have exceeded the £2.6m lump sum paid into the pension fund at the end of March by £171k. The Council had budgeted for a 0% pay increase in 2014-15 and the applied percentage was based on this, whereas we actually had a 1% pay increase, contributing to the over-achievement. No adjustment has yet been made to the Council's provision for bad debt, which is subject to review during closure of accounts, and so the currently reported outturn may change.

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

- Financing Costs is showing an underspend of £1.965million on the debt charges budget, an increase of £715k compared to last month. Of this, £1.33 million is largely due to the decision to delay long term borrowing until 2015-16 and instead utilise cash balances, which has resulted in a favourable variance for interest payable. In addition we have experienced higher than forecast levels of cash balances throughout the year, so consequently interest receivable is also greater than originally budgeted. An underspend on the Minimum Revenue Provision has also contributed significantly as result of lower than expected levels of prudential borrowing. This saving is in addition to the £1million reduction in the debt charges budget approved in the Business Plan in the expectation of slippage in the capital programme.

In March, the Council received full payment of the Section 106 contributions for the Addenbrookes 2020 site (£8.5 million). Accumulated accrued interest of £635k was also paid earlier than expected, resulting in the additional underspend reported above.

The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and a pragmatic approach to borrowing continues to be adopted.

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

- LGSS Cambridge Office is currently predicting a year-end underspend of £282k after equalisation.
- The year-end deficit / surplus on LGSS operational budgets is subject to a sharing arrangement with Northamptonshire County Council (NCC). Based on the latest joint report, this is currently expected to result in a £157k equalisation payment from CCC to NCC.

### **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 in March.

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 have been made this month:

#### **LGSS Managed:**

	<b>£</b>	<b>Notes</b>
From LGSS Managed to ETE	-1,525,072	ETE insurance charges funding
From LGSS Managed to CFA	-421,828	CFA insurance charges funding

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 has a capital budget of £185k in 2014/15 and there is spend to date of £34k. It is currently expected that the programme will underspend by £97k at year-end, and the total scheme variances will amount to £0k across the programme.

There are no exceptions to report for March.

- LGSS Managed has a capital budget of £13.4m in 2014/15 and there is spend to date of £2.9m. It is currently expected that the programme will underspend by £9.2m at year-end, and the total scheme variances will amount to an underspend of £8.5m across the programme.

The EPAM – Shire Hall Campus scheme is showing an in-year underspend of £0.7m. This is due to delays in progressing work on the Shire Hall lift, due to archaeology findings (£0.3m) and lower than expected costs associated with the closure of Castle Court. It is expected that there will be a total scheme underspend relating to the closure of Castle Court, but this has not yet been confirmed.

- LGSS Cambridge Office has a capital budget of £412k in 2014/15 and there is spend to date of £0k. It is currently expected that the programme will underspend by £209k at year-end, and the total scheme variances will amount to £0k across the programme.

There are no new exceptions to report for March.

### Funding

- Corporate Services has budgeted capital funding of £185k in 2014/15. As reported above, the Corporate Services budget is expected to underspend by £97k, which will result in a reduced requirement for funding of this amount.
- LGSS Managed has budgeted capital funding of £13.3m in 2014/15. As reported above, the LGSS Managed budget is expected to underspend by £9.2m, which will result in a reduced requirement for funding of this amount.
- LGSS Cambridge Office has capital funding of £412k in 2014/15. As reported above, the LGSS Cambridge Office budget is expected to underspend by £209k, which will result in a reduced requirement for funding 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	Time period covered	Target	Actual	RAG status	Direction of travel	Comments
<b>Customer Service and Transformation</b>										
Proportion of FOI requests responded to within timescales	Monthly	High	%	13/04/15	March 2015	95%	93.0%	Amber	↓	In 2014/15 we received 1166 FOI Requests where 1105 were responded to on time and 61 were not (95%). The number of requests received that have been directed to information that has already been published by the council has increased from 10 requests in 2013/14 to 49 requests in 2014/15. From 1 April 2015, target will be amended to 90%.
For context only - number of FOI requests received annually	Annually	Low	Num	13/04/15	1 April 2014 - 31 March 2015	N/A*	1166	N/A	N/A	2013/14 - 1153 2012/13 - 899 2011/12 - 917 2010/11 - 834
Proportion of customer complaints received in the month before last that were responded to within minimum response times	Monthly	High	%	17/04/15	1 - 28 February 2015	90%	83.1%	Amber	↓	Number of customer complaints for February 2015 = 77 Breakdown of February 2015 figures CFA received 33 complaints of which 2 failed to meet the target of responding within timescales. This month's figure is 93.94%. ETE received 43 complaints of which 11 failed to meet the target of responding within timescales. This month's figure is 74.42%. CS&T received no complaints. LGSS received 1 complaint which was responded to within timescales. This month's figure is 100.00%.
For context only - number of complaints received annually per thousand population	Annually	Low	Num	N/A**	1 Apr 2014 - 31 Mar 2015	N/A*	N/A**	N/A	N/A	Data to be reported on in May 2015 for period of 1 April 2014 - 31 March 2015
Proportion of all transformed transaction types to be completed online by 31 March 2015***	Annually	High	%	13/04/15	1 Jan to 31 Mar 2015 (Q4)	75%	70.5%	Amber	↑	Q4 2014/15 figures Jan 15 - 71.2% Feb 15 - 67.5% Mar 15 - 72.5% Some technical problems have caused some downtime (especially in February). As a wider range of services are being deployed this figure is expected to move towards green.
<b>LGSS Managed Services</b>										
Strategy and Estates – capital receipts target managed and achieved	Quarterly	High	%	14/01/15*	1 Oct - 31 Dec 2014 (Q3 2014)	98% (£3.888 m gross)	185.6%	Green	↓	*Q4 data unavailable at time of publishing report  Data to be next reported on in May 2015 for Q4 and year-end.
Strategy and Estates – farm estates income demanded and collected on time	Half-yearly	High	%	14/01/15*	1 July - 31 December 2014 (Q2 & Q3)	95% (£3.625 m gross)	98.0%	Green	↔	*Q4 data unavailable at time of publishing report Q1 2014/15 - 98.0% Data to be next reported on in May 2015 for Q4 and year-end.
IT – availability of Universal Business System****	Quarterly	High	%	24/04/15	1 January - 31 March 2015 (Q4)	95%	100.0%	Green	↑	Q3 2014/15 - 99.7% Q2 2014/15 - 99.8% Q1 2014/15 - 99.7%
IT – incidents resolved within Service Level Agreement	Quarterly	High	%	24/04/15	1 January - 31 March 2015 (Q4)	90%	100.0%	Green	↑	Q3 2014/15 - 96.0% Q2 2014/15 - 91.0% Q1 2014/15 - 95.0%

#### 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	Year end RAG
<b>LGSS Cambridge Office</b>										
Percentage of invoices paid within term for month	Monthly	High	%	01/04/15	97.5%	98.4%	Green	↓	99.5% reported last period	N/A
Percentage of invoices paid within term cumulative for year to date	Monthly	High	%	01/04/15	97.5%	97.6%	Green	↓	99.7% reported last period	Green
Total debt as a percentage of turnover	Monthly	Low	%	01/04/15	10.0%	13.9%	Red	↓	15.7% reported last period	Green
Percentage of debt over 90 days old	Monthly	Low	%	01/04/15	20.0%	8.4%	Green	↑	8.3% reported last period	Green

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

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

Forecast Variance - Outturn (Feb)		Current Budget for 2014/15	Actual to end of Mar	Forecast Variance - Outturn (Mar)	
£000	Service	£000	£000	£000	%
<u>Corporate Services</u>					
-27	Corporate Director	863	800	-41	-5
-73	Business Transformation	3,009	2,535	-85	-3
-31	Chief Executive's Office	430	391	-34	-8
-102	Communications & Community Engagement	1,505	1,312	-176	-12
0	Elections	194	13	0	0
-10	Redundancy, Pensions & Injury	945	1,122	-11	-1
0	Grant Income	-321	-321	0	0
<b>-243</b>		<b>6,625</b>	<b>5,853</b>	<b>-347</b>	<b>-5</b>
<u>LGSS Managed</u>					
252	Building Maintenance	1,116	1,358	292	26
-72	County Farms	-3,081	-3,505	-20	1
654	County Offices	5,634	5,853	461	8
-170	Effective Property Asset Management	275	7	-82	-30
0	External Audit	169	51	0	0
0	Insurance	-516	-2,284	0	0
300	IT Managed	1,801	2,328	287	16
-11	Members' Allowances	1,004	940	-60	-6
-25	OWD Managed	125	92	0	0
-33	Subscriptions	135	159	-16	-12
-500	Transformation Fund	1,000	56	-800	-80
0	Authority-wide Miscellaneous	-53	-460	-371	-698
0	Grant Income	-100	-100	0	0
<b>395</b>		<b>7,508</b>	<b>4,494</b>	<b>-310</b>	<b>-4</b>
<u>Financing Costs</u>					
-1,250	Debt Charges and Interest	34,142	11,741	-1,965	-6
<b>-1,098</b>	<b>CORPORATE SERVICES TOTAL</b>	<b>48,275</b>	<b>22,088</b>	<b>-2,622</b>	<b>-5</b>
<u>MEMORANDUM - Grant Income</u>					
0	Public Health Grant - Corporate Services	-138	-138	0	0
0	Public Health Grant - LGSS Managed	-100	-100	0	0
0	Open Data Breakthrough Fund	-33	-33	0	0
0	Release of data & Breakthrough Funding 2014/15	-122	-122	0	0
0	Other Corporate Services Grants	-29	-29	0	0
<b>0</b>		<b>-421</b>	<b>-421</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	Forecast Variance - Outturn £'000      %	
<b>Communications &amp; Community Engagement</b>	1,505	-176	-12%
Communications and Community Engagement is showing an underspend of £176k. This is due to salary savings across the Service (£46k), general efficiencies (£46k), and income recovery being greater than costs in the Research Team (£84k).			
<b>Building Maintenance</b>	1,116	+292	+26%
Reactive building maintenance spend across the property portfolio has exceeded the budget. Property Operations have identified an under-accrual in relation to 2013/14 works that has contributed towards the overspend. It is reported that the budget will overspend by £292k.			
<b>County Offices</b>	5,634	+461	+8%
County Offices is forecasting an overspend of £461k, a reduction of £193k compared to last month. A savings target of £736k was allocated in the 2013/14 Business Planning linked to a reduction in the Council's property portfolio, with £597k as the balance of savings to be identified at the start of the year. Savings of £120k have been achieved in the current year, resulting from the part-year closure of Dryden House and Castle Court. In addition, there has been a one-off windfall from Libraries' rates rebates (£150k), additional income generated of £100k, and savings of £35k on utilities across the portfolio. These in-year savings will be partly offset by an accrual of £200k in respect of Dryden House dilapidations.			
<b>IT Managed</b>	1,801	+287	+16%
<p>The 2014/15 Business Plan included a £600k savings target against IT Managed budgets. IT Services have delivered £313k savings against budgets for which they are directly responsible (telephony, PC refresh and CPSN) and have been reviewing contract arrangements for other IT related contracts across Cambridgeshire.</p> <p>It is anticipated that the recent renewal of the mobile telephony contract will produce significant savings towards the outstanding target. However, centralisation of the budgets will not be implemented until April 2015, and as such the part-year savings in 2014/15 will accrue to service budgets rather than this budget.</p>			
<b>Transformation Fund</b>	1,000	-800	-80%
The Transformation Fund has incurred £1million of costs as a result of Section 188 redundancies, resulting in an underspend of £800k. The underspend has increased by £300k from the previously reported figure.			

Service	Current Budget £'000	Forecast Variance - Outturn	
		£'000	%
<b>Authority-wide Miscellaneous</b>	-53	-371	-698
<p>The Authority-wide Miscellaneous budget is showing an underspend of £371k. High volumes of unidentified income and cancellations of out of date cheques were credited to this budget in March (£150k) and a higher than expected ESPO rebate, in respect of 2013/14 purchasing activity, has also contributed to the underspend. The additional employer pension contributions have exceeded the £2.6m lump sum paid into the pension fund at the end of March by £171k. The Council had budgeted for a 0% pay increase in 2014-15 and the applied percentage was based on this, whereas we actually had a 1% pay increase, contributing to the over-achievement. No adjustment has yet been made to the Council's provision for bad debt, which is subject to review during closure of accounts, and so the currently reported outturn may change.</p>			
<b>Debt Charges &amp; Interest</b>	34,142	-1,965	-6%
<p>Financing Costs is showing an underspend of £1.965 million on the debt charges budget, an increase of £715k compared to last month. Of this, £1.33 million is largely due to the decision to delay long term borrowing until 2015-16 and instead utilise cash balances, which has resulted in a favourable variance for interest payable. In addition we have experienced higher than forecast levels of cash balances throughout the year, so consequently interest receivable is also greater than originally budgeted. An underspend on the Minimum Revenue Provision has also contributed significantly as result of lower than expected levels of prudential borrowing. This saving is in addition to the £1 million reduction in the debt charges budget approved in the Business Plan in the expectation of slippage in the capital programme.</p> <p>In March, the Council received full payment of the Section 106 contributions for the Addenbrookes 2020 site (£8.5 million). Accumulated accrued interest of £635k was also paid earlier than expected, resulting in the additional underspend reported above.</p> <p>The capital programme continues to be monitored closely alongside forecasts for cash balances and interest rates and a pragmatic approach to borrowing continues to be adopted.</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	238*
Open Data Breakthrough Fund	Local Government Association	33
Release of Data & Breakthrough Fund	Cabinet Office	122
Non-material grants (+/- £30k)	Various	29
<b>Total Grants 2014/15</b>		<b>421</b>

\* The Public Health grant allocation for Corporate Services has been reduced by £27k, compared to the Business Plan figure of £265k.

## CS APPENDIX 4 – Virements and Budget Reconciliation

### Corporate Services:

	£000	Notes
<b>Budget as per Business Plan</b>	<b>5,851</b>	
Transfer HealthWatch function to CFA	-429	
Transfer post from Chief Executive's Office to Democratic Services	-30	
Corporate Services Operational Savings Transfer – Customer Relationship Management System	250	
Corporate Services Operational Savings Transfer - Service Transformation Funding	256	
Corporate Services Operational Savings Transfer - Digital by Default	184	
Corporate Services Operational Savings Transfer - Grants to Voluntary Organisations	48	
Transfer HealthWatch function back from CFA	429	
Non-material virements (+/- £30k)	65	
<b>Current Budget 2014/15</b>	<b>6,625</b>	

### LGSS Managed:

	£000	Notes
<b>Budget as per Business Plan</b>	<b>9,670</b>	
Transfer funding for County Farms investment post to LGSS Cambridge Office	-50	
Transfer funding for County Farms staff to LGSS Cambridge Office	-85	
Right-sizing Rural Estates staffing establishment	-119	
ETE insurance charges funding	-1,525	
CFA insurance charges funding	-421	
Non-material virements (+/- £30k)	38	
<b>Current Budget 2014/15</b>	<b>7,508</b>	

**Financing Costs:**

	<b>£000</b>	<b>Notes</b>
<b>Budget as per Business Plan</b>	<b>34,142</b>	
Non-material virements (+/- £30k)	0	
<b>Current Budget 2014/15</b>	<b>34,142</b>	

## CS APPENDIX 5 – Reserve Schedule

### 1. Corporate Services Reserves

Fund Description	Balance at 31 March 2014	2014-15		Forecast Balance at 31 March 2015	Notes
		Movements in 2014-15	Balance at 31/03/15		
	£'000	£'000	£'000	£'000	
<b><u>General Reserve</u></b>					
Corporate Services Carry-forward	1,314	-937	377	724	1
subtotal	1,314	-937	377	724	
<b><u>Equipment Reserves</u></b>					
Postal Service	50	0	50	50	
subtotal	50	0	50	50	
<b><u>Other Earmarked Funds</u></b>					
Travellers Support Officer	50	9	59	14	
Election Processes	0	0	0	180	
Cambs & Peterborough Resilience Forum	13	-13	0	0	
EDRM Project	274	0	274	233	
subtotal	336	-3	332	426	
<b><u>Short Term Provisions</u></b>					
Transforming Cambridgeshire	1,000	0	1,000	1,000	
subtotal	1,000	0	1,000	1,000	
<b>TOTAL</b>	<b>2,701</b>	<b>-941</b>	<b>1,760</b>	<b>2,201</b>	

#### Notes

- The year-end position reflects the forecast Corporate Services underspend of £347k, £772k use of operational savings and £165k transferred to central reserves. Details on operational savings allocated to date can be found in CS Appendix 4.

## 2. LGSS Managed Reserves

Fund Description	Balance at 31 March 2014	2014-15		Forecast Balance at 31 March 2015	Notes
		Movements in 2014-15	Balance at 31/03/15		
	£'000	£'000	£'000	£'000	
<b><u>Equipment Reserves</u></b>					
Corporate Infrastructure Replacement & Renewals	79	0	79	79	
Corporate ICT Assets	475	0	475	335	
Corporate Telephony	5	0	5	5	
subtotal	559	0	559	419	
<b><u>Other Earmarked Funds</u></b>					
Manor school site demolition costs	0	0	0	138	4
subtotal	0	0	0	138	
<b><u>Short Term Provisions</u></b>					
Carbon Trading Provision	459	-459	0	0	1
Insurance Short-term Provision	1,180	0	1,180	1,180	
Insurance MMI Provision	400	-368	32	0	
Redundancy Provision	826	-826	0	0	2
subtotal	2,866	-1,653	1,213	1,180	
<b><u>Long Term Provisions</u></b>					
Insurance Long-term Provision	4,721	0	4,721	4,721	
subtotal	4,721	0	4,721	4,721	
<b>SUBTOTAL</b>	<b>8,146</b>	<b>-1,653</b>	<b>6,492</b>	<b>6,458</b>	
<b><u>Capital Reserves</u></b>					
General Capital Receipts	0	5,444	5,444	0	3
P&P Commissioning (Property)	472	0	472	472	
Blackwell Travellers Site	9	0	9	9	
subtotal	481	5,444	5,924	481	
<b>TOTAL</b>	<b>8,627</b>	<b>3,790</b>	<b>12,417</b>	<b>6,939</b>	

### Notes

- 1 A specific provision was created in lieu of carbon trading credits to be purchased for 2013/14.
- 2 The specific provision for Section 188 redundancy costs has been drawn-down to cover revenue costs incurred in 2014/15.
- 3 Capital Receipts achieved in 2014/15 will be used to fund the capital programme at year-end.
- 4 Rental income from Bellerbys buildings on Manor School site being held to offset demolition costs when the lease expires in 2021.

## CS APPENDIX 6 – Capital Expenditure and Funding

### Capital Expenditure – Previously Reported Exceptions

Corporate Services & LGSS Managed Capital Programme 2014/15						TOTAL SCHEME	
Original 2014/15 Budget as per BP £000	Scheme	Revised Budget for 2014/15 £000	Actual Spend (to Mar) £000	Forecast Spend - Outturn (Mar) £000	Forecast Variance - Outturn (Mar) £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
	<b>Corporate Services</b>						
	- Electronic Record Management	155	34	88	(67)	300	-
	- Other Schemes	30	-	-	(30)	40	-
		<b>185</b>	<b>34</b>	<b>88</b>	<b>(97)</b>	<b>340</b>	-
	<b>LGSS Managed</b>						
1,110	EPAM - Shire Hall Campus	1,101	400	425	(676)	6,824	-
	- EPAM - Fenland	130	(186)	130	-	6,596	(925)
804	EPAM - Local Plans Representations	814	467	500	(314)	1,548	-
1,000	EPAM - County Farms Viability	1,009	303	350	(659)	8,031	-
600	EPAM - Building Maintenance	600	588	600	-	8,567	-
625	EPAM - Sawston Community Hub	625	39	65	(560)	1,250	-
1,150	EPAM - East Barnwell Community Hub	1,200	30	50	(1,150)	2,350	-
232	EPAM - Other Committed Projects	456	(108)	300	(156)	2,043	(420)
600	EPAM - Renewable Energy Soham	600	106	150	(450)	10,245	-
300	EPAM - Housing Provision on CCC Portfolio	300	133	150	(150)	17,500	-
950	EPAM - Trumpington Option Land	950	-	-	(950)	950	(950)
75	EPAM - Disposal / Relocation of Huntingdon Highways Depot	75	-	-	(75)	1,625	-
1,000	EPAM - MAC Market Towns Project	1,000	-	-	(1,000)	7,000	(5,220)
1,470	Carbon Reduction	1,143	19	25	(1,118)	1,673	(652)
1,100	Optimising IT for Smarter Business Working	1,100	187	355	(745)	2,100	-
600	IT Infrastructure Investment	988	227	227	(761)	2,400	-
	- Cambridgeshire Public Sector Network	411	220	300	(111)	5,554	-
	- Microsoft Enterprise Agreement	-	402	402	402	1,500	-
590	Other Schemes	848	54	104	(744)	2,368	(298)
<b>12,206</b>		<b>13,350</b>	<b>2,880</b>	<b>4,133</b>	<b>(9,217)</b>	<b>90,124</b>	<b>(8,466)</b>
<b>12,206</b>	<b>TOTAL</b>	<b>13,535</b>	<b>2,914</b>	<b>4,221</b>	<b>(9,314)</b>	<b>90,464</b>	<b>(8,466)</b>

The EPAM – Shire Hall Campus scheme is showing an in-year underspend of £0.7m. This is due to delays in progressing the Shire Hall lift works due to archaeology findings (£0.3m) and lower than expected costs associated with the closure of Castle Court. It is expected that there will be a total scheme underspend relating to Castle Court closure, but this has not yet been confirmed.

Residual work on the Awdry House site is still to be completed. It remains the expectation that the total scheme will underspend by £0.9m, as reported in 2013/14.

The EPAM – County Farms Viability scheme is showing an in-year underspend of £0.7m. Delays in recruiting resource to support the scheme, coupled with reduced interest from tenants to undertake building improvement works, have resulted in fewer business cases coming forward against the available funding during 2014/15.



The EPAM – Sawston Community Hub scheme is forecasting an in-year underspend of £0.6m. The slippage is due to the extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the Business Plan and does not reflect a reduction in total scheme costs.

Similarly, the EPAM – East Barnwell Community Hub scheme is forecasting an in-year underspend of £1.2m due to the extended lead time prior to the start of construction that was not anticipated when the budget was profiled in the Business Plan. This does not reflect a reduction in total scheme costs.

The EPAM – Trumpington Option Land scheme did not proceed in 2014-15, resulting in an underspend of £1.0m. Going forward, it is anticipated that the project will be incorporated within the wider City Deal schemes currently under development as part of the ETE Business Plan capital programme.

The MAC Public Property Partnership & Market Towns project has been reassessed and it has been concluded that the Property Partnership will not be developed over the next few years as MAC wishes to focus on more practical projects. The deliverability of the various Market Town projects have been re-evaluated in light of this decision and it has been decided to focus on taking the March Market Town project forward. This is expected to result in an in-year underspend of £1.0m, and a total scheme underspend of £5.2m. As a result, the scheme budget has been adjusted as part of the 2015/16 Business Planning process.

The works planned under the Carbon Reduction scheme have been reviewed and a new schedule has been agreed. It is expected that the majority of costs will be incurred in 2015/16 and so an in-year underspend of £1.1m is reported. The agreed workplan is expected to deliver a total scheme underspend of £0.65m.

The Optimising IT for Smarter Business Working scheme is forecasting an in-year underspend of £0.7m. This reflects an updated spend profile for the purchase of equipment to support the Smarter Business programme, and is not expected to result in a reduction in total scheme costs.

The IT Infrastructure Investment scheme is showing an in-year underspend of £0.8m. Timing of spend on this scheme has been significantly impacted by commencement of the Enterprise Agreement with Microsoft; many of the licences due to be paid will now be deferred until August 2015 when they will be paid in conjunction with other commitments under the Enterprise Agreement. It is therefore not expected that this in-year underspend will result in a reduction in total scheme costs.

## Capital Funding – Previously Reported Exceptions

Corporate Services & LGSS Managed Capital Programme 2014/15				
Original 2014/15 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2014/15 £000	Forecast Funding - Outturn (Mar) £000	Forecast Funding Variance - Outturn (Mar) £000
	<b>Corporate Services</b>			
	- Capital Receipts *	-	88	88
	- Prudential Borrowing	185	-	(185)
		<b>185</b>	<b>88</b>	<b>(97)</b>
	<b>LGSS Managed</b>			
4,669	Capital Receipts	4,669	4,133	(536)
1,000	Other Contributions	1,000	-	(1,000)
6,537	Prudential Borrowing	7,681	(0)	(7,681)
<b>12,206</b>		<b>13,350</b>	<b>4,133</b>	<b>(9,217)</b>
<b>12,206</b>	<b>TOTAL</b>	<b>13,535</b>	<b>4,221</b>	<b>(9,314)</b>
	- Capital Receipts - Application to other Services **	-	1,024	1,024

\* Excess capital receipts achieved by LGSS Managed have been applied to Corporate Services to reduce prudential borrowing requirements.

\*\* Excess capital receipts achieved by LGSS Managed will be applied to Economy, Transport and Environment Services and to Children, Families and Adults Services to reduce prudential borrowing requirements.

The forecast level of capital receipts currently exceeds the 2014/15 Business Plan expectation of £4.7m by £0.7m, of which £0.26m has been applied to Corporate Services and LGSS Cambridge Office schemes, and £1.0m has been applied to Economy, Transport and Environment Services and to Children, Families and Adults Services. This will therefore result in a reduction in prudential borrowing in 2014/15. General Purposes Committee will be asked to approve the change from the Business Plan expectation at year end.

The anticipated inclusion of the EPAM – Trumpington Option Land scheme within the City Deal schemes has resulted in a corresponding £1.0m reduction in funding (other contributions) in relation to this scheme.

As the result of the reported slippage on the LGSS Managed capital programme, the overall prudential borrowing requirement has reduced by £7.7m.

## LGSS APPENDIX 1 – Service Level Budgetary Control Report

The variances to the end of March 2015 for LGSS Cambridge Office are as follows:

Forecast Variance - Outturn (Feb) £000	Service	Current Budget for 2014/15 £000	Actual to end of Mar £000	Forecast Variance - Outturn (Mar) £000	%
<b><u>LGSS Cambridge Office</u></b>					
<u>Central Management</u>					
-47	Service Assurance	351	315	-33	-9
198	Trading	-8,306	-7,798	198	2
149	LGSS Equalisation	-576	-35	157	27
0	Grant Income	-350	-350	0	0
<b>300</b>		<b>-8,882</b>	<b>-7,868</b>	<b>322</b>	<b>-4</b>
<u>Finance</u>					
-33	Chief Finance Officer	1,102	863	-33	-3
-16	Strategic Finance	30	70	-16	-53
-75	Strategic Assets	907	832	-75	-8
8	CF, ETE, CS & LGSS Finance	679	674	6	1
-77	CFA Finance	1,319	1,246	-78	-6
0	Pensions Service	0	1,005	0	0
<b>-193</b>		<b>4,037</b>	<b>4,690</b>	<b>-196</b>	<b>-5</b>
<u>People, Transformation &amp; Transactional</u>					
-145	HR Business Partners	1,269	1,136	-145	-11
-40	HR Policy & Strategy	368	212	-40	-11
0	LGSS Programme Team	2,172	2,223	0	0
0	Organisational & Workforce Development	594	470	0	0
0	Revenues and Benefits	2,266	2,317	0	0
0	Transactional Services	1,638	1,786	0	0
<b>-185</b>		<b>8,307</b>	<b>8,143</b>	<b>-185</b>	<b>-2</b>
<u>Law, Property &amp; Governance</u>					
-45	Audit & Risk Management	888	796	-45	-5
-139	Democratic & Scrutiny Services	499	348	-139	-28
75	Legal Services	-383	-55	75	20
-25	Procurement	339	314	-25	-7
-26	Property Operations & Delivery	757	1,292	-30	-4
<b>-160</b>		<b>2,100</b>	<b>2,694</b>	<b>-164</b>	<b>-8</b>
<b>-9</b>	<u>IT Services</u>	<b>5,007</b>	<b>5,387</b>	<b>-59</b>	<b>-1</b>
<b>-247</b>	<b>Total LGSS Cambridge Office</b>	<b>10,570</b>	<b>13,045</b>	<b>-282</b>	<b>-3</b>
<b>MEMORANDUM - Grant Income</b>					
0	Public Health Grant	-220	-220	0	0
0	Counter Fraud Initiative Grant	-130	-130	0	0
<b>0</b>		<b>-350</b>	<b>-350</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	Forecast Variance - Outturn	
		£'000	%
<b>Trading</b>	-8,306	+198	+2%
There is a shortfall of £198k on the trading position which relates to the requirement for additional trading activity in 2014/15. This pressure is being mitigated within LGSS by operational underspends.			
<b>HR Business Partners</b>	1,269	-145	-11%
An underspend of £145k is forecast for HR Business Partners. One-off income opportunities have been realised with various customers, the additional work having been absorbed within the existing operations. In addition, a number of vacancies have been held within the People Service providing further in-year savings.			
<b>Democratic &amp; Scrutiny Services</b>	499	-139	-28%
Democratic & Scrutiny Services are forecasting an underspend of £139k. £55k of this relates to staff turnover, with other general office underspends of £28k also contributing to the overall position. In addition, staff savings identified for 2015/16 have been achieved early, resulting in a further underspend of £56k.			

### 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>	Public Health	220
Counter Fraud Initiative	DCLG	130
Non-material grants (+/- £30k)		0
<b>Total Grants 2014/15</b>		<b>350</b>

## LGSS APPENDIX 4 – Virements and Budget Reconciliation

	£'000	Notes
<b>Budget as per Business Plan</b>	10,351	
Funding for County Farms investment post from LGSS Managed	50	
Transfer post from Chief Executive's Office to Democratic Services	30	
Transfer funding for County Farms staff	85	
Transfer funding for CCS HR Support	50	
Right-sizing Rural Estates staffing establishment	119	
Transfer of CCS finance support from LGSS Finance to CCS	-104	
Non-material virements (+/- £30k)	-11	
<b>Current Budget 2014/15</b>	<b>10,570</b>	

## LGSS APPENDIX 5 – Reserve Schedule

Fund Description	Balance at 31 March 2014	2014-15		Forecast Balance at 31 March 2015	Notes
		Movements in 2014-15	Balance at 31/03/15		
	£'000	£'000	£'000	£'000	
<b>General Reserve</b>					
LGSS Cambridge Office Carry-forward	1,116	-18	1,098	915	1
subtotal	1,116	-18	1,098	915	
<b>Equipment Reserves</b>					
Legal Services	85	0	85	0	
subtotal	85	0	85	0	
<b>SUBTOTAL</b>	<b>1,201</b>	<b>-18</b>	<b>1,183</b>	<b>915</b>	
<b>Capital Reserves</b>					
Legal Services	30	0	30	0	
subtotal	30	0	30	0	
<b>TOTAL</b>	<b>1,231</b>	<b>-18</b>	<b>1,213</b>	<b>915</b>	

### Notes

- The year-end position reflects £465k planned use of operational savings and the currently forecast underspend of £282k.

## LGSS APPENDIX 6 – Capital Expenditure and Funding

### Capital Expenditure – Previously Reported Exceptions

LGSS Cambridge Office Capital Programme 2014/15						TOTAL SCHEME	
Original 2014/15 Budget as per BP £000	Scheme	Revised Budget for 2014/15 £000	Actual Spend (to Mar) £000	Forecast Spend - Outturn (Mar) £000	Forecast Variance - Outturn (Mar) £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
- R12 Convergence		382	-	173	(209)	600	-
- Other Schemes		30	-	30	-	30	-
- TOTAL		412	-	203	(209)	630	-

There are no previous exceptions to report.

### Capital Funding – Previously Reported Exceptions

LGSS Cambridge Office Capital Programme 2014/15				
Original 2014/15 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2014/15 £000	Forecast Funding - Outturn (Mar) £000	Forecast Funding Variance - Outturn (Mar) £000
- Capital Receipts *		110	173	63
- Other Contributions		30	30	-
- Prudential Borrowing		272	-	(272)
- TOTAL		412	203	(209)

\* Excess capital receipts achieved by LGSS Managed have been applied to LGSS Cambridge Office to reduce prudential borrowing requirements.

There are no previous exceptions to report.