

**LGSS Management Board**

**10 May 2017**

**Subject: LGSS 2016-17 Final Outturn**

**Actions:**

- 1. Note the outturn position for 2016-17 to be presented to Joint Committee on 1 June.**
- 2. Note the outturn position for 2016-17 on LGSS capital projects.**
- 3. Note the proposed use of 2016-17 surplus as set out in Section 2 appendix 2(a).**
- 4. Note the proposed carry forward of unused earmarked balances from 2016-17 into 2017-18 as set out in appendix 2(b).**
- 5. Note that under the current proposals a dividend will not be paid to the host authorities for 2016-17.**
- 6. Note the preparation of the draft LGSS Accounts for 2016-17 to be presented to Joint Committee at its meeting in September.**

## **Section 1 – Summary Financial Position**

	<b>2011-12 Outturn £000</b>	<b>2012-13 Outturn £000</b>	<b>2013-14 Outturn £000</b>	<b>2014-15 Outturn £000</b>	<b>2015-16 Outturn £000</b>	<b>2016-17 Provisional Outturn £000</b>
<b>Brought Forward (1 April)</b>	<b>0</b>	<b>-1,489</b>	<b>-3,289</b>	<b>-2,893</b>	<b>-2,005</b>	<b>-2,025</b>
<b>Reinvestment</b>	<b>0</b>	<b>604</b>	<b>2,402</b>	<b>2,091</b>	<b>2,005</b>	<b>2,025</b>
<b>Repayment to Norwich City Council</b>	<b>0</b>	<b>0</b>	<b>184</b>	<b>0</b>	<b>0</b>	
<b>Distribution of prior year dividend</b>	<b>0</b>	<b>0</b>	<b>700</b>	<b>700</b>	<b>0</b>	
<b>Actual Surplus</b>	<b>-1,489</b>	<b>-2,404</b>	<b>-2,009</b>	<b>-652</b>	<b>-204</b>	<b>-969</b>
<b>Balance at 31 March</b>	<b>-1,489</b>	<b>-3,289</b>	<b>-2,012</b>	<b>-754</b>	<b>-204</b>	<b>-969</b>
<b>Planned Reinvestment</b>	<b>0</b>	<b>0</b>	<b>-881</b>	<b>-1,251</b>	<b>-1,821</b>	<b>-725</b>
<b>LGSS Reserves at 31 March</b>	<b>-1,489</b>	<b>-3,289</b>	<b>-2,893</b>	<b>-2,005</b>	<b>-2,025</b>	<b>-1,694</b>

The Table above summarises:

- The outturn position for 2011-12 through to 2015-16 as previously reported to Joint Committee.
- The 2016-17 outturn position outlined in Section 2 of this report and detailed in Appendices 1(a) and (b).
- The planned reinvestment for 2017-18 as detailed in Appendix 2 (b). (Carry forward Schedule)

The actual physical balance in reserves as at 31.03.17, £278k, due to the temporary use by NCC of £447k LGSS reserves, which have been replaced in the current year.

It is proposed to use the 2016-17 LGSS surplus as follows:

	<b>£000</b>
Planned reinvestments as per the carry forward schedule	864
Top-up trading smoothing reserve	105
<b>TOTAL</b>	<b>969</b>

A provision of £284k was created in 2013-14 for benefits share negotiations. £209k was drawn down from this provision in 2014-15, but there have been no draw downs in 2016-17, leaving a current balance of £75k.

## **Section 2 – 2016-17 LGSS Final Outturn**

	Previous Forecast Variance	Gross Exp Budget	External Income Budget	Internal Income Budget	Full Year Budget	Pressures	Full Year Variance
	£000	£000	£000	£000	£000	£000	£000
Finance Services	-309	23,158	-7,447	-868	14,843	622	-110
Human Resources	-336	11,347	-2,428	-1,155	7,765	522	-336
Business Services, Systems & Change	-372	18,498	-3,905	-777	13,818	216	-383
Information Technology Services	-89	20,170	-1,473	-2,828	15,869	418	-217
LGSS Law & Governance	-54	2,127	-127	2	2,002	0	-52
Managing Director & Support	149	506	-10	0	496	0	129
<b>Total LGSS Services</b>	<b>-1,011</b>	<b>75,806</b>	<b>-15,389</b>	<b>-5,626</b>	<b>54,793</b>	<b>1,778</b>	<b>-969</b>

Trading Account	708	2,899	-25,573	-275	-22,949	0	689
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<b>Total LGSS Operational</b>	<b>-303</b>	<b>78,705</b>	<b>-40,962</b>	<b>-5,901</b>	<b>31,844</b>	<b>1,778</b>	<b>-280</b>
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<b>MKC / LGSS Partnership Contingency</b>	<b>-292</b>	292	0	0	292	0	-292
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1. The overall outturn variance of £280k is split between an underspend of £969k on LGSS Services, and a £689k pressure on trading contracts. The former recognises pressures that have been identified in-year, but where actions have been taken to mitigate these in year. The trading contract variance will be offset through the Smoothing Reserve, which has been purposely built up in previous financial years to address potential trading risk. Further detail and commentary on the joint LGSS Operational outturn position is provided at Appendices 2(a), 2(b) and 2(c). £100k adverse variance within Managing Director & Support is due to an undelivered saving with regard to hosting of the new pensions payroll system that is yet to be implemented, and £20k is the doubtful debt provision.
2. The £292k MKC contingency is the initial years savings from the partnership which were planned to form a contingency to support the partnership in future years.
3. The application of the overall outturn above is a matter for the Joint Committee to agree and decide upon. The carry forward schedule Appendix 2 (b) provides a summary of the new carry forward bids put forward by services for 2017-18, a total of £864k.
4. The balance in reserves pre April 17, is £725k, and the requests for use of these reserves are also on the carry forward schedule Appendix 2 (b).
5. The table below summarises the capital projects within LGSS. LGSS projects are all fully funded from either external funding sources or by the individual authorities discretionary funding. Appendix 4 gives further detail on a scheme by scheme basis.

	Expenditure Profile	Funding Profile
Authority		External Discretionary

	Exp Budget	Prev Year's Exp	Actuals 2016-17	Forecast Future Years	Total Life of Project	Over/(Under) Spend v Approved Exp	Total Funding of Project		
	£000	£000	£000	£000	£000	£000	£000	£000	£000
NCC	21,856	15,287	4,508	2,138	21,933	77	863	20,993	21,856
CCC	1,428	515	592	321	1,428	0	0	1,428	1,428
MKC	5,307	572	3,380	1,355	5,307	0	0	5,307	5,307
<b>TOTAL</b>	<b>28,591</b>	<b>16,374</b>	<b>8,480</b>	<b>3,814</b>	<b>28,668</b>	<b>77</b>	<b>863</b>	<b>27,728</b>	<b>28,591</b>

#### **Appendix 1 (a)**

#### **2016-17 Outturn Detail – LGSS Operational Budgets**

## Finance Services Directorate

	Previous Forecast Variance £000	Gross Exp Budget £000	External Income Budget £000	Internal Income Budget £000	Full Year Budget £000	Actual to March £000	Pressures £000	Full Year Variance £000
<b>Finance Services Directorate:</b>								
Professional Finance								
CCC	1	1,625	0	-135	1,490	1,491	61	1
MKC	-170	2,147	-53	0	2,094	2,114	219	20
NCC	102	2,000	-57	-143	1,800	1,902	172	102
Financial Operations	-129	4,752	-130	-67	4,555	4,426	0	-130
Integrated Finance Services	-44	2,097	-684	-401	1,012	966	108	-46
LGSS Business Planning & Finance	25	448	0	0	448	487	62	38
Audit & Risk	-94	2,311	-508	-122	1,681	1,587	0	-95
Pensions Operations	0	5,841	-5,814	0	27	27	0	0
Norwich	0	984	0	0	984	984	0	0
NBC	0	798	-5	0	793	793	0	-0
Land Charges (NBC)	0	155	-196	0	-41	-41	0	0
<b>Total Finance Services Directorate</b>	<b>-309</b>	<b>23,158</b>	<b>-7,447</b>	<b>-868</b>	<b>14,843</b>	<b>14,736</b>	<b>622</b>	<b>-110</b>

The Directorate has an outturn underspend of £110k.

The overspend in MKC Professional Finance is due to pension strain and redundancy costs of £219k; these redundancies will help to achieve future year savings. The service has been able to absorb the majority of these costs due to vacancies, increased recovery from Milton Keynes Development partnership for the Commercial Accountant and government funding for Transparency Act work.

The overspend of £102k in the NCC Professional Finance team relates to one-off costs for an interim Director of Finance at NCC, and redundancy costs relating to the LGSS restructure. Additional income was achieved which has reduced the overspend.

The Financial Operations team has an underspend of £130k, positions have purposely been held vacant as this team is in the process of restructuring.

There is an underspend within the Integrated Finance Service due to additional schools income within NCC. There is an inherent pressure on the traded schools income target in MKC which has been rectified for the 2017-18 base budget.

The overspend of £38k in the LGSS Business Planning & Finance relates to one-off costs for the interim Head of Service and redundancy costs relating to the LGSS restructure. Audit and Risk have an underspend due to vacancies throughout the year, appointments have now been made and the team is almost at full establishment. Additional recharge income of £15k has been achieved in relation to the Norwich contract.

There is an historically large vacancy factor of £177k which has been mitigated within the NCC & CCC Professional Finance, Integrated Finance Services and LGSS Business Planning & Finance teams.

## Human Resources Directorate

	Previous Forecast Variance £000	Gross Exp Budget £000	External Income Budget £000	Internal Income Budget £000	Full Year Budget £000	Actual to March £000	Pressures £000	Full Year Variance £000
<b>Human Resources Directorate:</b>								
HR Central Management	-3	233	0	0	233	231	0	-3
Policy & Strategy	-106	1,650	-105	-100	1,445	1,340	0	-106
HR Business Partners								
CCC	-99	1,429	0	-96	1,333	1,234	0	-99
NCC	-66	1,155	0	0	1,155	1,090	33	-66
NCC Schools Income	51	0	-298	0	-298	-247	51	51
Learning & Development	-73	3,077	-641	-803	1,633	1,560	0	-73
Transactional Services (NCC/CCC)	-60	1,966	-705	-156	1,106	1,046	0	-60
MKC HR Operations	-14	930	0	0	930	916	138	-14
MKC Traded Schools	0	256	-416	0	-160	-160	146	0
MKC HR Transactions	-10	651	0	0	651	641	0	-10
MKC HR Transactions - Schools Income	44	0	-263	0	-263	-219	154	44
<b>Total HR Directorate</b>	<b>-336</b>	<b>11,347</b>	<b>-2,428</b>	<b>-1,155</b>	<b>7,765</b>	<b>7,432</b>	<b>522</b>	<b>-336</b>

The Directorate has an outturn underspend of £336k.

The Directorate has purposely been holding vacancies, in order to meet the 2017-18 savings targets and the need to absorb the lost income from HDC and NBC contract terminations.

This underspend has been achieved despite the shortfall in traded schools income of £190k in MKC and £51k in NCC. The pressure in MKC is due to unachievable income budgets and it has been accepted that any future mitigating actions creating schools income is most likely going to be in 2018-19. A £220k reserve has been used in 2016-17 and the Directors of Finance are looking at re-aligning the full target for 2017-18 with a decision to be made in May given the wider restructuring taking place. The pressure in NCC is due to decreased demand.

In addition to the above pressures, the NCC policy decision to improve recruitment for teachers in Northamptonshire and offer this service for schools at no cost has already had an impact on LGSS. The income for the month of March was £22k less than the previous forecast. The full year impact of this decision will be a reduction in income of up to £350k. No actions are underway to mitigate this and discussions continuing. If no solutions are found for this lost income source then an equivalent overspend will have to be reported in the first round of 2017-18 budget monitoring round.

A carry forward request has been submitted with this report to carry forward £29.5k to 2017-18 for Evolve training and to upgrade MKC's online learning portal to LGSS' ilearn. The customer requirement is for this training to be delivered in 2017-18; without this training there will be no development for Senior Managers to progress to the next leadership level.

## Business Services, Systems & Change Directorate

	Previous Forecast Variance	Gross Exp Budget	External Income Budget	Internal Income Budget	Full Year Budget	Actual to March	Pressures	Full Year Variance
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Business Services, Systems &amp; Change Directorate:</b>								
BSSC Leadership	-14	79	0	0	79	64	0	-14
Procurement & Insurance	-199	2,330	-205	-574	1,552	1,340	0	-212
LGSS Business Systems & Change	179	4,612	-23	-172	4,417	4,596	216	179
Customer Engagement	16	420	0	-16	404	420	0	16
Business Development	-15	124	0	0	124	109	0	-15
Revenues & Benefits (MKC)	-339	4,912	-2,940	0	1,972	1,635	0	-337
Revenues & Benefits (NBC)	0	3,639	-737	-15	2,888	2,888	0	0
Revenues & Benefits (Norwich)	0	2,382	0	0	2,382	2,382	0	0
<b>Total BSSC Directorate</b>	<b>-372</b>	<b>18,498</b>	<b>-3,905</b>	<b>-777</b>	<b>13,818</b>	<b>13,434</b>	<b>216</b>	<b>-383</b>

The Directorate has an outturn underspend of £383k.

There is a £14k underspend in BSSC leadership as there was a short delay in recruiting to the Director post.

There is an underspend of £212k in Procurement. This is due to improved income, staff vacancies and deferred recruitment.

There is an overspend of £179k on the LGSS Business Systems & Change budget. A 2015-16 budget reduction of £100k was made on the assumption that reductions to the ERP contract could be negotiated with Fujitsu, but given the shared service solution this was not achieved. There is an overspend of £40k due to ERP user admin savings not being met and there is an additional £22k overspend due to a cross cutting saving not being deliverable. Additional pressures of £54K have been partly mitigated by recharging qualifying costs to capital.

There is an underspend of £337k in Revenues and Benefits (MKC) due to a combination of delays in the recruitment process and a reduction in hours worked by temporary staff.

### Information Technology Directorate

	Previous Forecast Variance	Gross Exp Budget	External Income Budget	Internal Income Budget	Full Year Budget	Actual to March	Pressures	Full Year Variance
	£000	£000	£000	£000	£000	£000	£000	£000
<b>IT Directorate:</b>								
Cambridgeshire County Council	78	2,190	0	-771	1,419	1,507	125	89

MKC IT	-185	3,760	-665	0	3,095	2,807	118	-288
Northamptonshire County Council	-73	3,433	-39	-618	2,776	2,703	100	-73
Norwich	0	3,505	-500	0	3,005	3,005	14	0
NHFT	0	3,315	-253	0	3,062	3,062	0	0
Strategy & Architecture	24	865	-16	-98	751	749	6	-2
Digital Services	39	1,772	0	-964	808	837	55	29
Service Delivery	28	1,330	0	-377	953	981	0	28
<b>Total IT Directorate</b>	<b>-89</b>	<b>20,170</b>	<b>-1,473</b>	<b>-2,828</b>	<b>15,869</b>	<b>15,651</b>	<b>418</b>	<b>-217</b>

The Directorate has an outturn underspend of £217k.

The £89k additional cost in Cambridgeshire County Council Operations is due to unbudgeted contractors as part of the CCC Platform Stability Plan.

The MKC Operations budget has an underspend of £288k underspend, due to vacancies and planned cost avoidance in service.

There is a £29k overspend within Digital Services which is due to the additional recruitment of digital analysts and developer posts over and above the establishment in agreement with NCC and CCC. These posts are in part covered by recharges and further mitigated by underspends within service.

Service Delivery is £28k overspent due to recharges and recovery of income not being met.

There were also budget pressures of approximately £282k which have been mitigated by staff vacancies, additional income and additional recharging to, for example, capital projects.

### LGSS Law and Governance Directorate

	Previous Forecast Variance £000	Gross Exp Budget £000	External Income Budget £000	Internal Income Budget £000	Full Year Budget £000	Actual to March £000	Pressures £000	Full Year Variance £000
<b>LGSS Law and Governance Directorate:</b>								
Democratic Support Services	-125	1,492	-127	2	1,367	1,242	0	-125



CCC Corporate Legal Budget	10	102	0	0	102	98	0	-4
LGSS Law prior year correction	61	10	0	0	10	88	0	77
NBC Legal Budget	0	523	0	0	523	523	0	0
<b>Total LGSS Law and Governance Directorate</b>	<b>-54</b>	<b>2,127</b>	<b>-127</b>	<b>2</b>	<b>2,002</b>	<b>1,951</b>	<b>0</b>	<b>-52</b>

The Directorate has an outturn underspend of £52k.

Within DSS, additional income from external partners was received and vacancies also contributed to the £125k underspend.

Appendix 1(c) provides more detail of the financial forecast for LGSS Law Ltd.

#### Appendix 1(b)

##### 2016-17 Outturn Detail – Trading (Contracts Pre April 2016)

	Previous Forecast Variance £000	Full Year Budget £000	Forecast Outturn £000	Outturn Variance £000
Trading Surplus Target	2,799	-2,850	0	2,850
Offset by surplus on contracts ( A – D below)	-2,593	2,593	27	-2,566
Trading Shortfall	206	-257	27	284
<u>NBC ( A ) ( excluding managed)</u>				

Budget for Service Provision (allocated to services)	0	-7,001	-7,001	0
Pensions auto enrolment	0	115	115	0
Contract Review	0	-90	-90	0
LGSS planned surplus	0	-994	-994	0
<b>Total Income</b>	<b>0</b>	<b>-7,970</b>	<b>-7,970</b>	<b>0</b>
<b>NBC Total</b>	<b>0</b>	<b>-7,970</b>	<b>-7,970</b>	<b>0</b>
<b><u>Norwich ( B )</u></b>				
Budget for Service Provision (allocated to services)	0	-6,733	-6,733	0
LGSS planned surplus	24	-389	-364	25
<b>Total Income</b>	<b>24</b>	<b>-7,122</b>	<b>-7,097</b>	<b>25</b>
<b>Norwich Total</b>	<b>24</b>	<b>-7,122</b>	<b>-7,097</b>	<b>25</b>
<b><u>Huntingdonshire ( C )</u></b>				
Budget for Service Provision (allocated to services)	0	-429	-429	0
LGSS planned surplus	18	-63	-45	18
<b>Huntingdonshire Total</b>	<b>18</b>	<b>-492</b>	<b>-474</b>	<b>18</b>
<b><u>NHFT ( D )</u></b>				
Budget for Service Provision (allocated to services)	0	-3,173	-3,173	0
NHFT additional share	0	111	111	0
LGSS planned surplus	97	-439	-439	0
<b>NHFT Total</b>	<b>97</b>	<b>-3,501</b>	<b>-3,501</b>	<b>0</b>
<b>Other Income/Expenditure</b>				
OCS	144	-1,447	-1,304	143
Public Health	0	-220	-220	0
Pensions	0	-1,232	-1,232	0
LGSS Law Ltd – dividend	259	-538	-279	259
LGSS Law Ltd – Prior year adjustment	110	0	110	110
LGSS Law Ltd - overhead recovery	-150	-170	-320	-150
<b>Other Income Total</b>	<b>363</b>	<b>-3,607</b>	<b>-3,245</b>	<b>362</b>
<b>Total</b>	<b>708</b>	<b>-22,949</b>	<b>-22,260</b>	<b>689</b>

## NBC

There was no variance on the NBC contract.

## Norwich

There is a small forecast overspend against this contract due to costs associated with the recruitment of the new Section 151 Officer.

## NHFT

There was no variance on the NHFT contract.

## OCS

There has been a reduction in the service offering to OCS and therefore the budgeted income target was not met in 2016-17.

## LGSS Law Ltd

Following a review of the LGSS management charge and dividend policy the charge has been increased in line with the draft revised SLA and the dividend/retained profit reduced as a result of the lower profit. A further reduction of £110k has been recognised from 2015-16 as a profit of £118k included in last years figures fell to £7k following completion of the accounts.

#### **Appendix 1 (c)**

#### **LGSS Law Ltd. Financial Results Forecast 2016-17**

The table below indicates the year end position of delivery of the dividend, with the impact of NBC contract changes being cost-neutral.

	<b>Business Plan YTD £</b>	<b>Actual YTD £</b>		<b>Business Plan 2016-17 £</b>	<b>Outturn 2016-17 £</b>		<b>Previous Forecast 2016-17 £</b>	<b>Movement in Forecast £</b>

Income From Shareholders	6,072,000	7,354,529		6,072,000	7,354,529		6,669,556		684,973
Other Income	1,371,456	1,133,000		1,371,456	1,133,000		1,363,114		-230,114
<b>Total income</b>	<b>7,443,456</b>	<b>8,487,529</b>		<b>7,443,456</b>	<b>8,487,529</b>		<b>8,032,670</b>		<b>454,860</b>
PAYE Costs	4,119,164	4,565,081		4,119,164	4,565,081		4,326,108		238,974
Agency Costs	1,473,874	2,285,061		1,473,874	2,285,061		2,218,976		66,085
Inter Company Charges	589,267	492,308		483,301	492,308		510,508		-18,200
Other Non Pay Costs	660,262	621,102		766,229	621,102		396,461		224,641
<b>Total Costs</b>	<b>6,842,567</b>	<b>7,963,551</b>		<b>6,842,568</b>	<b>7,963,551</b>		<b>7,452,053</b>		511,499
<b>Profit before tax</b>	<b>600,889</b>	<b>523,978</b>		<b>600,888</b>	<b>523,978</b>		<b>580,617</b>		<b>-56,639</b>
<b>Corporation Tax</b>	<b>120,178</b>	<b>104,796</b>		<b>120,178</b>	<b>104,796</b>		<b>116,123</b>		<b>-11,328</b>
<b>Net Profit</b>	<b>480,711</b>	<b>419,183</b>		<b>480,710</b>	<b>419,183</b>		<b>464,494</b>		<b>-45,311</b>

**Dividend LGSS**                **£279,455**

**Dividend CBC**                **£13,972**

**Retained earnings**        **£125,756**

**Total Outturn**                **£419,183**

## **Appendix 2(a)**

### **Summary Position on LGSS Carry Forwards (pre MKC)**

Directorate	Service Area	Title	Total Carry Forward	Re-assigned	2016-17 Actual Drawn Down	Needed 2017-18
			,£000	,£000	,£000	,£000

HR	Learning & Development	Equipping employees to use Next Generation / Smarter Business mobile technology	319	-319	0	0
HR	Learning & Development	Infrastructure investment for the development of the Learning Pool – the online training system for all LGSS customers.	95	0	0	95
BSSC	Programme Management Office	Shared Service Solution	280	0	-280	0
BSSC	Revenue & Benefits	Systems Development	55	-55	0	0
BSSC	Revenue & Benefits	LGSS R&B OBC / new systems development	100	225	0	325
Finance	Strategic Assets	Asset Management Database	58	0	0	58
IT	IT	Contribution to the cost of likely technical refresh / investment costs in relation to the shared IT data centre infrastructure.	156	0	-156	0
BSSC	Customer Engagement & Business Development	To aid in transitioning to the new structure.	34	0	0	34
Cross-Cutting		Smoothing of planned trading income	753	149	-689	213
Cross-Cutting		Redundancy Reserve	175	0	-175	0
<b>Total</b>			<b>2025</b>	<b>0</b>	<b>-1300</b>	<b>725</b>

**Note:**

A provision of £284k was created in 2013-14 for benefits share negotiations. £209k was drawn down from this provision in 2014-15, but there were no draw downs in 2015-16, leaving a current balance of £75k.

**Summary Position on LGSS Carry Forwards (post MKC)**

Directorate	Service Area	Title	Total Carry Forward	Re-assigned	2016-17 Forecast Drawn Down	Needed 2017-18
			£000	£000	£000	£000
Cross Cutting		MKC PDA Savings 2016-17	0	292	0	292

The above balance will be partly used to offset the costs of the re-scheduling of the ERP Gold programme costs.

## **Appendix 2 (b)**

### **Carry Forward Bid requests 2017-18**

Separate document

## **Appendix 3**

### **2016-17 Outturn Detail – Budgets managed by LGSS on behalf of others.**

	Previous Forecast Variance	Gross Exp Budget	External Income Budget	Internal Income Budget	Full Year Budget	Actual to March	Full Year Variance
	£000	£000	£000	£000	£000	£000	£000
<b>Cambridgeshire County Council:</b>							
Insurance	0	-137	0	0	-137	-137	0
External Audit	0	141	0	0	141	95	-46
Members Allowances	-17	1,020	0	0	1,020	976	-45

Finance	0	1,273	-318	0	955	1,256	302
National Management Trainees	0	131	0	0	131	84	-47
Information Technology	242	4,063	-159	-2,041	1,863	1,970	107
<b>Total</b>	<b>225</b>	<b>6,492</b>	<b>-477</b>	<b>-2,041</b>	<b>3,973</b>	<b>4,244</b>	<b>271</b>
<b>Milton Keynes Council:</b>							
Revenue & Benefits	0	0	-1,800	0	-1,800	-1,800	0
Human Resources	74	162	-17	0	145	218	73
Information Technology	-87	750	0	0	750	662	-88
<b>Total</b>	<b>-13</b>	<b>912</b>	<b>-1,817</b>	<b>0</b>	<b>-905</b>	<b>-920</b>	<b>-15</b>
<b>Northampton Borough Council:</b>							
External Audit	0	260	0	0	260	260	0
Policy and Strategy	0	129	0	0	129	129	0
Information Technology	0	1,271	0	0	1,271	1,272	1
Insurance	0	754	0	26	781	903	122
NBC Managed Income	0	0	-2,440	0	-2,440	-2,440	0
<b>Total</b>	<b>0</b>	<b>2,414</b>	<b>-2,440</b>	<b>26</b>	<b>1</b>	<b>124</b>	<b>123</b>
<b>Northamptonshire County Council:</b>							
External Audit	-59	244	0	0	244	185	-59
Pensions costs ( LGSS Law)	0	0	0	0	0	93	93
Policy and Strategy	-99	387	0	-17	370	271	-99
Learning & Development	0	580	0	0	580	580	0
Information Technology	130	8,263	0	-46	8,217	8,347	130
Democratic Services	-31	1,364	0	0	1,364	1,333	-31
Procurement	-62	-200	0	0	-200	-262	-62
<b>Total</b>	<b>-121</b>	<b>10,638</b>	<b>0</b>	<b>-63</b>	<b>10,575</b>	<b>10,547</b>	<b>-28</b>

### **Cambridgeshire County Council**

External Audit costs for 2016-17 and previous financial years were less than anticipated resulting in an underspend of £46k.

There is an underspend of £45k due to a reduced travel costs within Members Allowances in CCC.

The overspend in finance is due to costs of redundancies relating to the Corporate Capacity Review. These have been partly offset by additional rebate income, an improved bad debt provision and reduced banking charges.

There has been vacancies in the Graduate Scheme which has resulted in an underspend of £47k.

The overspend within IT is due to £100k costs of WAN upgrades in libraries and community hubs and £65k revenue costs of new tablets. The final outturn includes £140k funding agreed from CCC corporate budgets for necessary expenditure on IT assets for which there was no budgetary provision.

### **Milton Keynes Council**

There is a £73k overspend within HR managed budgets. This is due to unfunded expenditure of £30k on the ESS/Benefit Suspense budgets and a decision from MKC not to use reserve funding to cover the Trade Union- Co-ordinator overspend.

There is an underspend in IT managed budgets, due to cost avoidance on contracts and additional income achieved within print .

### **Northampton Borough Council**

The insurance costs relate to an 18 month period, NBC will put the necessary adjustment through their accounts to reflect 12 months expenditure.

### **Northamptonshire County Council**

There is an underspend of £59k against the NCC external audit managed budget. This is due to public inspection adverts now being online and no printing costs this year.

NCC are required to pay LGSS for the additional employer contribution costs relating to LGSS Law staff.

There is an underspend of £99k within the Occupational Health managed budget, this is as a result of the new contract and the reducing demand due to vacancy freeze.

There is a £130k overspend within IT managed due to the overlap of line lease contracts.

There is an underspend of £31k within Democratic Services due to reduced training and development costs for Members.

There is an underspend of £62k in NCC procurement due to rebates to service for click travel.

## **Section 3 - LGSS Capital Outturn**

### **Appendix 4**

#### **Approved Capital Programme 2016-17 onwards**

LGSS Jointly funded schemes are:  
Next Generation ERP\* (NCC & CCC)  
Civica ICON # (NCC CCC MKC NBC)

NCC	Expenditure Profile						Funding Profile		
All Figures in £000's Scheme Name	Exp Budget	Prev Year's Exp	Actuals 2016-17	Forecast Future Years	Total Life of Project	Over/ (Under) Spend v Approved Exp	External	Discretionary	Total Funding of Project



Project Angel & NGW IT	<b>5,500</b>	2,553	2,802	152	<b>5,507</b>	7	0	5,500	<b>5,500</b>
Microsoft ESA & ECI 2014-17	<b>1,525</b>	758	508	259	<b>1,525</b>	0	0	1,525	<b>1,525</b>
Next Generation ERP*	<b>1,368</b>	531	14	822	<b>1,367</b>	-1	100	1,268	<b>1,368</b>
Date Centre Refurbishment	<b>994</b>	625	235	134	<b>994</b>	0	94	900	<b>994</b>
Civica ICON #	<b>267</b>	0	221	58	<b>279</b>	12	0	267	<b>267</b>
Other Schemes less than £200k 2016-17	<b>12,202</b>	10,820	728	713	<b>12,261</b>	59	669	11,533	<b>12,202</b>
<b>Total</b>	<b>21,856</b>	<b>15,287</b>	<b>4,508</b>	<b>2,138</b>	<b>21,933</b>	<b>77</b>	<b>863</b>	<b>20,993</b>	<b>21,856</b>

- The IT Infrastructure capital expenditure outturn for 2016-17 stands at £4.51m.

CCC	Expenditure Profile						Funding Profile		
All Figures in £000's	Exp Budget	Prev Year's Exp	Actuals 2016-17	Forecast Future Years	Total Life of Project	Over/ (Under) Spend v Approved Exp	External	Discretionary	Total Funding of Project
Next Generation ERP*	<b>1,428</b>	515	592	321	<b>1,428</b>	0	0	1,428	<b>1,428</b>
<b>Total</b>	<b>1,428</b>	<b>515</b>	<b>592</b>	<b>321</b>	<b>1,428</b>	<b>0</b>	<b>0</b>	<b>1,428</b>	<b>1,428</b>

- Civica ICON is currently being reported as part of a Corporate Scheme called 'Citizen First'.

MKC	Expenditure Profile						Funding Profile		
All Figures in £000's	Exp Budget	Prev Year's Exp	Actuals 2016-17	Forecast Future Years	Total Life of Project	Over/ (Under) Spend v Approved Exp	External	Discretionary	Total Funding of Project
Data Hosting	<b>3,557</b>	199	2,055	1,303	<b>3,557</b>	0	0	3,557	<b>3,557</b>
ERP Gold	<b>1,600</b>	373	1,178	49	<b>1,600</b>	0	0	1,600	<b>1,600</b>
Civica Icon #	<b>150</b>	0	147	3	<b>150</b>	0	0	150	<b>150</b>
<b>Total</b>	<b>5,307</b>	<b>572</b>	<b>3,380</b>	<b>1,355</b>	<b>5,307</b>	<b>0</b>	<b>0</b>	<b>5,307</b>	<b>5,307</b>

- The IT Infrastructure capital expenditure outturn for 2016-17 is £3.380m.