

**Corporate Services and LGSS Cambridge Office**

**Finance and Performance Report – Outturn 2014/15**

**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**

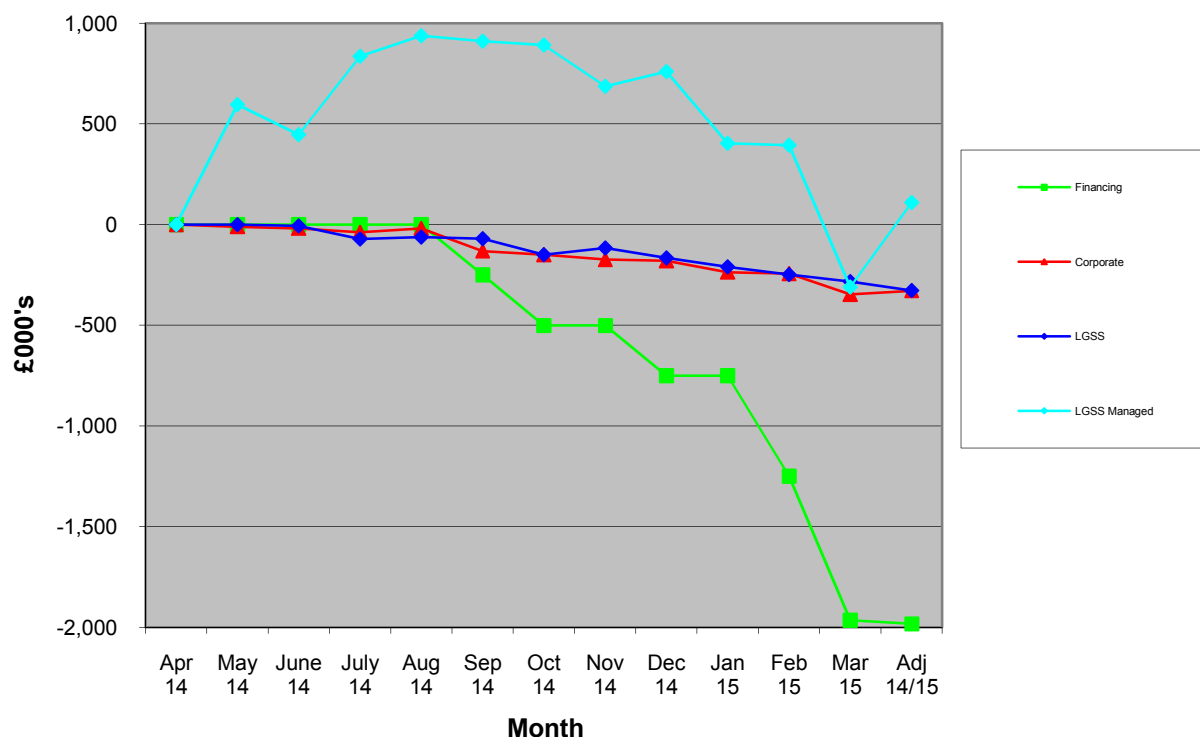
<b>Forecast Variance - Outturn (Mar) £000</b>	<b>Directorate</b>	<b>Current Budget for 2014/15 £000</b>	<b>Actual for 2014/15 £000</b>	<b>Variance 2014/15 £000</b>	<b>Variance 2014/15 %</b>
-347	Corporate Services	3,577	3,249	-328	-9
-310	LGSS Managed	-1,957	-1,847	110	6
-1,965	Financing Costs	34,151	32,169	-1,982	-6
0	Year-end Adjustments	0	1,949	1,949	0
<b>-2,622</b>	<b>Sub Total</b>	<b>35,771</b>	<b>35,520</b>	<b>-250</b>	
-282	LGSS Cambridge Office	12	-315	-327	-2,696
<b>-2,904</b>	<b>Total</b>	<b>35,783</b>	<b>35,206</b>	<b>-577</b>	

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for year-end 2014/15 can be found in [CS appendix 1](#).

The service level budgetary control report for LGSS Cambridge Office for year-end 2014/15 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

- The overall position for Corporate Services for 2014/15 was an underspend of £328k.
- There were no new exceptions to report at year-end.

### 2.2.2 Significant Issues – LGSS Managed

- The overall position for LGSS Managed for 2014/15 was an overspend of £110k.
- County Farms generated an additional surplus of £147k due to an increase in rent following completion of 60 rent reviews. In addition, five holdings were successfully let at higher rent levels than anticipated. Planned maintenance also increased, but at a slower pace than the increase in income.
- The Authority-wide Miscellaneous budget had an overspend of £251k. This represented an increase of £622k from the March reported figure, reflecting the following year-end adjustments:
  - The Council's central provision for bad debt was increased by £506k; and

- Net balances of £116k were written-back from a number of redundant balance sheet accounts.

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

- The overall position for Financing Costs for 2014/15 was an underspend of £1.982 million.
- There were no new exceptions to report at year-end.

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

- General Purposes Committee will be asked to approve the following year-end adjustments as part of the Integrated Resources and Performance Report. These adjustments have been included in the reported figures.
  - A reserve to the value of £893k to mitigate against potential contract disputes;
  - A reserve to the value of £56k in respect of back-scanning work; and
  - A reserve to the value of £1.0m in respect of anticipated costs associated with the implementation of the new Operating Model for Business Planning.

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

- The overall position for LGSS Cambridge Office for 2014/15 was an underspend of £327k 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 £54k outturn equalisation payment from CCC to NCC.
- HR Policy and Strategy had an underspend of £114k resulting from in-year vacancy management (£55k); additional income generated from traded work with maintained schools and academies (£58k) and other general efficiencies (£1k).
- The Legal Team struggled to achieve its budgeted surplus in 2014/15. Over the past four years the team has made significant increases in productivity, but further improvements in 2014-15 proved harder to achieve. Work is ongoing to seek additional efficiencies through better use of technology, but this was hampered in year by a number of factors. This, coupled with the loss of significant fee earning through other staffing circumstances, resulted in an overspend of £134k.

### 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 have been made this month:

#### Corporate Services:

	£	Notes
Virement from Corporate Services to reserves	-150,000	Corporate Services Operational Savings Transfer – Customer Relationship Management System unspent funding
Virement from Corporate Services to reserves	-165,000	Corporate Services Operational Savings Transfer - Digital by Default unspent funding
Virement from Corporate Services to CFA and ETE	-2,733,520	Corporate Allocations 2014/15*

#### LGSS Managed:

	£	Notes
Virement from LGSS Managed to CFA and ETE	-9,464,570	Corporate Allocations 2014/15*

#### LGSS Cambridge Office:

	£	Notes
Virement from reserves to LGSS Cambridge Office	66,553	LGSS Operational Savings - Redundancy & Pensions capital costs
Virement from LGSS Cambridge Office to CFA and ETE	-10,657,340	Corporate Allocations 2014/15*

\*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 £185k in 2014/15, with spend during the year of £99k. This equated to an overall programme underspend of £86k 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 £13.4m in 2014/15, with spend during the year of £3.6m. This equated to an overall programme underspend of £9.7m for the year, and the total scheme variances amounted to £8.7m underspend across the programme.

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

- LGSS Cambridge Office had a capital budget of £412k in 2014/15, with spend during the year of £203k. This equated to an overall programme underspend of £209k 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

- Corporate Services had budgeted capital funding of £185k in 2014/15. As reported above, the Corporate Services budget had an underspend of £86k, which resulted in a reduced requirement for funding of this amount.
- LGSS Managed had budgeted capital funding of £13.3m in 2014/15. As reported above, the LGSS Managed budget had an underspend of £9.7m, which resulted in a reduced requirement for funding of this amount.
- LGSS Cambridge Office had budgeted capital funding of £412k in 2014/15. As reported above, the LGSS Cambridge Office budget had an underspend of £209k, which resulted 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 Closedown 2014/15 for Corporate Services, LGSS Managed and Financing Costs were as follows:

Forecast Variance - Outturn (Mar) £000	Service	Current Budget for 2014/15 £000	Actual for 2014/15 £000	Variance £000	%
<u>Corporate Services</u>					
-41	Corporate Director	-2,315	-2,358	-43	2
-85	Business Transformation	2,694	2,608	-86	-3
-34	Chief Executive's Office	430	392	-38	-9
-176	Communications & Community Engagement	1,910	1,760	-150	-8
0	Elections	204	204	0	0
-11	Redundancy, Pensions & Injury	945	934	-11	-1
0	Grant Income	-292	-292	0	0
<b>-347</b>		<b>3,577</b>	<b>3,249</b>	<b>-328</b>	<b>-9</b>
<u>LGSS Managed</u>					
292	Building Maintenance	204	443	240	118
-20	County Farms	-2,770	-2,918	-147	-5
461	County Offices	6,546	7,030	484	7
-82	Effective Property Asset Management	275	217	-58	-21
0	External Audit	169	170	0	0
0	Insurance	-516	-516	0	0
287	IT Managed	1,801	2,003	202	11
-60	Members' Allowances	1,004	941	-63	-6
0	OWD Managed	125	93	-32	-26
-16	Subscriptions	135	100	-34	-26
-800	Transformation Fund	1,000	268	-732	-73
-371	Authority-wide Miscellaneous	-9,829	-9,577	251	3
0	Grant Income	-100	-100	0	0
<b>-310</b>		<b>-1,957</b>	<b>-1,847</b>	<b>110</b>	<b>6</b>
<u>Financing Costs</u>					
-1,965	Debt Charges and Interest	34,151	32,169	-1,982	-6
0	Year-end Adjustments	0	1,949	1,949	0
<b>-2,622</b>	<b>CORPORATE SERVICES TOTAL</b>	<b>35,771</b>	<b>35,520</b>	<b>-250</b>	<b>-1</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	-92	-92	0	0
0	Other Corporate Services Grants	-29	-29	0	0
<b>0</b>		<b>-392</b>	<b>-392</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	Actual £'000	Variance £'000 %	
<b>Communications &amp; Community Engagement</b>	1,910	1,760	-150	-8%
Communications and Community Engagement had an underspend of £150k. This was due to salary savings across the Service (-£52k), general efficiencies (-£55k), and income levels being greater than costs in the Research Team (-£85k). The underspend was partially offset by creation of a provision in relation to the sewerage compound at Earith Bridge travellers site (+£43k).				
<b>Building Maintenance</b>	204	443	+240	+118%
Reactive building maintenance spend across the property portfolio exceeded budget in 2014/15 by £240k. Property Operations identified an under-accrual in relation to 2013/14 works that contributed towards the overspend.				
<b>County Farms</b>	-2,770	-2,918	-147	-5%
County Farms generated an additional surplus of £147k due to an increase in rent following completion of 60 rent reviews. In addition, five holdings were successfully let at higher rent levels than anticipated. Planned maintenance also increased, but at a slower pace than the increase in incomes				
<b>County Offices</b>	6,546	7,030	+484	+7%
County Offices had an overspend of £484k. 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 2014/15. Savings of £120k were achieved during the year, resulting from the part-year closure of Dryden House and Castle Court. In addition, there was a one-off windfall from Libraries' rates rebates (£150k) and savings of £43k on utilities across the portfolio. These in-year savings were partly offset by an accrual of £200k in respect of Dryden House dilapidations.				
<b>IT Managed</b>	1,801	2,003	+202	+11%
<p>The 2014/15 Business Plan included a £600k savings target against IT Managed budgets. IT Services have delivered £398k 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>The recent renewal of the mobile telephony contract will produce significant savings towards the outstanding target in future years. Centralisation of the budgets will only be implemented in 2015/16, and as such the part-year savings applicable to 2014/15 accrued to service budgets rather than this budget.</p>				

Service	Current Budget £'000	Actual £'000	Variance	
			£'000	%
<b>Transformation Fund</b>	1,000	268	-732	-73%
The Transformation Fund incurred £1.094 million of costs as a result of Section 188 redundancies in 2014/15, resulting in an underspend of £732k.				
<b>Authority-wide Miscellaneous</b>	-9,829	-8,684	+251k	+3%
<p>The Authority-wide Miscellaneous budget had an overspend of £251k. This represented an increase of £622k from the March reported figure, reflecting the following year-end adjustments:</p> <ul style="list-style-type: none"> <li>• The Council's central provision for bad debt was increased by £506k; and</li> <li>• Net balances of £116k were written-back from a number of redundant balance sheet accounts.</li> </ul>				
<b>Debt Charges &amp; Interest</b>	34,151	32,169	-1,982	-6%
<p>Financing Costs had an underspend of £1.982 million on the debt charges budget. Of this, £1.33 million was largely due to the decision to delay long term borrowing until 2015-16 and instead utilise cash balances, which resulted in a favourable variance for interest payable. In addition we experienced higher than forecast levels of cash balances throughout the year, so consequently interest receivable was also greater than originally budgeted. An underspend on the Minimum Revenue Provision also contributed significantly, as a result of lower than expected levels of prudential borrowing in previous years. 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, increasing the 2014/15 underspend.</p>				
<b>Year-end Adjustments</b>	0	1,949	+1,949	0%
<p>General Purposes Committee will be asked to approve the following year-end adjustments as part of the Integrated Resources and Performance Report. These adjustments have been included in the reported figures:</p> <ul style="list-style-type: none"> <li>• A reserve to the value of £893k to mitigate against potential contract disputes;</li> <li>• A reserve to the value of £56k in respect of back-scanning work; and</li> <li>• A reserve to the value of £1.0m in respect of anticipated costs associated with the implementation of the new Operating Model for Business Planning.</li> </ul>				

### 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	92**
Non-material grants (+/- £30k)	Various	29
<b>Total Grants 2014/15</b>		<b>392</b>

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

\*\* The Release of Data & Breakthrough Fund grant award was £122k. Of this amount, £92k was applied to fund revenue activity in 2014/15. The unapplied funding will be carried forward and it is expected that £10k will be applied in 2015/16, with the balance of unused funding being returned.

## 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	
Corporate Services Operational Savings Transfer – Customer Relationship Management System unspent funding	-150	
Corporate Services Operational Savings Transfer - Digital by Default unspent funding	-165	
Corporate Services Corporate Allocations	-2,734	
Non-material virements (+/- £30k)	65	
<b>Current Budget 2014/15</b>	<b>3,577</b>	

**LGSS Managed:**

	<b>£000</b>	<b>Notes</b>
<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	
LGSS Managed Corporate Allocations	-9,464	
Non-material virements (+/- £30k)	38	
<b>Current Budget 2014/15</b>	<b>-1,957</b>	

**Financing Costs:**

	<b>£000</b>	<b>Notes</b>
<b>Budget as per Business Plan</b>	<b>34,142</b>	
Non-material virements (+/- £30k)	9	
<b>Current Budget 2014/15</b>	<b>34,151</b>	

## CS APPENDIX 5 – Reserve Schedule

### 1. Corporate Services Reserves

Fund Description	Balance at 31 March	Movements in 2014-15	Balance at 31/03/15	Notes
	£'000	£'000	£'000	
<b><u>General Reserve</u></b>				
Corporate Services Carry-forward	1,314	-295	1,020	1
subtotal	1,314	-295	1,020	
<b><u>Equipment Reserves</u></b>				
Postal Service	50	0	50	
subtotal	50	0	50	
<b><u>Other Earmarked Funds</u></b>				
Travellers Support Officer	50	-5	45	
Shape Your Place - Fenland Grant	0	18	18	2
Green Spaces	0	10	10	3
Election Processes	0	180	180	4
Cambs & Peterborough Resilience Forum	13	-13	0	
EDRM Project	274	0	274	
subtotal	336	191	527	
<b><u>Short Term Provisions</u></b>				
Transforming Cambridgeshire	1,000	0	1,000	
Earith Bridge Travellers Site	0	43	43	
subtotal	1,000	43	1,043	
<b>TOTAL</b>	<b>2,701</b>	<b>-61</b>	<b>2,640</b>	

#### Notes

- 1 The year-end position reflects the Corporate Services underspend of £328k and £692k unused operational savings which will need to be carried forward to 2015/16. Details on operational savings allocated in 2014/15 can be found in CS Appendix 4.
- 2 The unapplied balance of the Fenland Social Media Cohesion grant was transferred to earmarked reserves at year end. It is expected this will be applied during 2015/16.
- 3 The unapplied balance of Heritage Lottery Funding for the Cambridgeshire Local Nature Partnership was transferred to earmarked reserves at year end. It is expected this will be applied during 2015/16.
- 4 The underspend on the Elections budget was transferred to the earmarked reserve. This is to ensure that sufficient funding is available for the 4-yearly County Council election.



## 2. LGSS Managed Reserves

Fund Description	Balance at 31 March 2014	Movements in 2014-15	Balance at 31/03/15	Notes
	£'000	£'000	£'000	
<b>Equipment Reserves</b>				
Corporate Infrastructure Replacement & Renewals	79	83	162	
Corporate ICT Assets	475	0	475	
Corporate Telephony	5	0	5	
subtotal	559	83	642	
<b>Other Earmarked Funds</b>				
Manor school site demolition costs	0	139	139	1
CPSN Partnership Funds	0	59	59	
subtotal	0	198	198	
<b>Short Term Provisions</b>				
Carbon Trading Provision	459	-459	0	2
Insurance Short-term Provision	1,180	0	1,180	
External Audit Costs	0	154	154	
Insurance MMI Provision	400	-368	32	
Back-scanning Reserve	0	56	56	
Contracts General Reserve	0	893	893	3
Operating Model Reserve	0	1,000	1,000	4
Redundancy Provision	826	-826	0	5
subtotal	2,866	451	3,316	
<b>Long Term Provisions</b>				
Insurance Long-term Provision	4,718	0	4,718	
subtotal	4,718	0	4,718	
<b>SUBTOTAL</b>	<b>8,143</b>	<b>731</b>	<b>8,874</b>	
<b>Capital Reserves</b>				
P&P Commissioning (Property)	472	0	472	
Blackwell Travellers Site	9	0	9	
subtotal	481	0	481	
<b>TOTAL</b>	<b>8,624</b>	<b>731</b>	<b>9,355</b>	

### Notes

- 1 Rental income from Bellerbys buildings on Manor School site being held to offset demolition costs when the lease expires in 2021.
- 2 A specific provision was created in lieu of carbon trading credits to be purchased for 2013/14 and was drawn-down during 2014/15.
- 3 A proposed contracts general reserve was created, as reported in Section 2.2.4.
- 4 A proposed reserve was created in respect of future costs associated with the implementation of the Operating Model for Business Planning, as reported in Section 2.2.4.
- 5 The specific provision for Section 188 redundancy costs was drawn-down to cover costs incurred in 2014/15.

## 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 2014/15 £000	Variance 2014/15 £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
	<b>Corporate Services</b>					
	- Electronic Record Management	155	99	(56)	300	-
	- Other Schemes	30	-	(30)	40	-
		<b>185</b>	<b>99</b>	<b>(86)</b>	<b>340</b>	<b>-</b>
	<b>LGSS Managed</b>					
1,110	EPAM - Shire Hall Campus	1,101	399	(702)	6,824	-
	- EPAM - Fenland	130	(110)	(240)	6,596	(1,145)
804	EPAM - Local Plans Representations	814	470	(344)	1,548	-
1,000	EPAM - County Farms Viability	1,009	422	(587)	8,031	-
600	EPAM - Building Maintenance	600	599	(1)	8,567	-
625	EPAM - Sawston Community Hub	625	39	(586)	1,250	-
1,150	EPAM - East Barnwell Community Hub	1,200	31	(1,169)	2,350	-
232	EPAM - Other Committed Projects	456	289	(167)	2,043	(431)
600	EPAM - Renewable Energy Soham	600	111	(489)	10,245	-
300	EPAM - Housing Provision on CCC Portfolio	300	133	(167)	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	(1,124)	1,673	(652)
1,100	Optimising IT for Smarter Business Working	1,100	299	(801)	2,100	-
600	IT Infrastructure Investment	988	230	(758)	2,400	-
	- Cambridgeshire Public Sector Network	411	222	(189)	5,554	-
	- Microsoft Enterprise Agreement	-	402	402	1,500	-
590	Other Schemes	848	54	(794)	2,368	(298)
<b>12,206</b>		<b>13,350</b>	<b>3,610</b>	<b>(9,740)</b>	<b>90,124</b>	<b>(8,697)</b>
<b>12,206</b>	<b>TOTAL</b>	<b>13,535</b>	<b>3,709</b>	<b>(9,826)</b>	<b>90,464</b>	<b>(8,697)</b>

The EPAM – Shire Hall Campus scheme had an in-year underspend of £0.7m. This was 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 was still to be completed at year-end. A reduction in the estimated cost of final retention payments increased the total scheme underspend, reported as £0.9m in 2013/14, to £1.1m.

The EPAM – County Farms Viability scheme had an in-year underspend of £0.6m. Delays in recruiting resource to support the scheme, coupled with reduced interest from tenants to undertake building improvement works, resulted in fewer business cases coming forward against the available funding during 2014/15.

The EPAM – Sawston Community Hub scheme had an in-year underspend of £0.6m. The slippage was due to an 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 had an in-year underspend of £1.2m due to an 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, the project will be incorporated within the wider City Deal schemes under the Economy, Transport and Environment capital programme.

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

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

The Optimising IT for Smarter Business Working scheme had an in-year underspend of £0.8m. This reflected 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 had 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 were 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	Actual Funding 2014/15 £000	Actual Funding Variance 2014/15 £000
	<b>Corporate Services</b>			
-	Capital Receipts *	-	99	99
-	Prudential Borrowing	185	0	(185)
-		<b>185</b>	<b>99</b>	<b>(86)</b>
	<b>LGSS Managed</b>			
4,669	Capital Receipts	4,669	3,610	(1,059)
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>3,610</b>	<b>(9,740)</b>
<b>12,206</b>	<b>TOTAL</b>	<b>13,535</b>	<b>3,709</b>	<b>(9,826)</b>
	- Capital Receipts - Application to other Services **	-	1,510	1,510

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

\*\* Excess capital receipts achieved by LGSS Managed were applied to Children, Families and Adults Services to reduce prudential borrowing requirements.

The level of capital receipts achieved in 2014/15 exceeded the 2014/15 Business Plan expectation of £4.7m by £0.7m, of which £0.27m was applied to Corporate Services and LGSS Cambridge Office schemes, and £1.5m was applied to Children, Families and Adults Services. This resulted in a reduction in prudential borrowing in 2014/15. General Purposes Committee will be asked to approve the change from the Business Plan expectation as part of the outturn Integrated Resources and Performance Report.

The inclusion of the EPAM – Trumpington Option Land scheme within the City Deal schemes 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 reduced by £7.7m.

## LGSS APPENDIX 1 – Service Level Budgetary Control Report

The variances to the end of Closedown 2014/15 for LGSS Cambridge Office were as follows:

Forecast Variance - Outturn (Mar)		Current Budget for 2014/15	Actual for 2014/15	Variance	
£000	Service	£000	£000	£000	%
<b><u>LGSS Cambridge Office</u></b>					
<b><u>Central Management</u></b>					
-33	Service Assurance	351	317	-34	-10
198	Trading	-8,239	-8,050	189	2
157	LGSS Equalisation	-403	-349	54	0
0	Grant Income	-350	-350	0	0
<b>322</b>		<b>-8,642</b>	<b>-8,432</b>	<b>210</b>	<b>2</b>
<b><u>Finance</u></b>					
-33	Chief Finance Officer	-9,555	-9,593	-37	0
-16	Strategic Finance	30	14	-16	-54
-75	Strategic Assets	915	837	-78	-9
6	CF, ETE, CS & LGSS Finance	679	668	-11	-2
-78	CFA Finance	1,319	1,239	-81	-6
0	Pensions Service	0	0	0	0
<b>-196</b>		<b>-6,612</b>	<b>-6,836</b>	<b>-223</b>	<b>3</b>
<b><u>People, Transformation &amp; Transactional</u></b>					
-145	HR Business Partners	1,230	1,088	-142	-12
-40	HR Policy & Strategy	407	293	-114	-28
0	LGSS Programme Team	1,942	1,943	1	0
0	Organisational & Workforce Development	467	469	2	0
0	Revenues and Benefits	2,266	2,266	0	0
0	Transactional Services	1,655	1,736	81	5
<b>-185</b>		<b>7,967</b>	<b>7,795</b>	<b>-172</b>	<b>-2</b>
<b><u>Law, Property &amp; Governance</u></b>					
-45	Audit & Risk Management	888	849	-39	-4
-139	Democratic & Scrutiny Services	499	350	-149	-30
75	Legal Services	-375	-241	134	36
-25	Procurement	339	314	-26	-8
-30	Property Operations & Delivery	932	926	-6	-1
<b>-164</b>		<b>2,283</b>	<b>2,197</b>	<b>-86</b>	<b>-4</b>
<b>-59</b>	<b><u>IT Services</u></b>	<b>5,016</b>	<b>4,961</b>	<b>-54</b>	<b>-1</b>
<b>-282</b>	<b>Total LGSS Cambridge Office</b>	<b>12</b>	<b>-315</b>	<b>-327</b>	<b>-2696</b>
<b><u>MEMORANDUM - Grant Income</u></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	Actual £'000	Variance £'000      %	
<b>Trading</b>	-8,306	-8,050	+189	+2%
There was a shortfall of £189k on the trading position which related to the requirement for additional trading activity in 2014/15. This pressure was mitigated within LGSS by operational underspends.				
<b>HR Business Partners</b>	1,230	1,088	-142	-12%
There was an underspend of £145k on the HR Business Partners budget. One-off income opportunities were realised with various customers, the additional work having been absorbed within existing operations. In addition, a number of vacancies were held within the People Service providing further in-year savings.				
<b>HR Policy &amp; Strategy</b>	407	293	-114	-28%
HR Policy and Strategy had an underspend of £114k as a result of; in-year vacancy management (£55k); additional income generated from traded work with maintained schools and academies (£58k) and other general efficiencies (£1k).				
<b>Democratic &amp; Scrutiny Services</b>	499	350	-149	-30%
Democratic & Scrutiny Services had an underspend of £149k. £69k of this related to staff turnover, with other general office underspends of £24k also contributing to the overall position. In addition, staff savings identified for 2015/16 were achieved early, resulting in a further underspend of £56k.				
<b>Legal Services</b>	-375	-241	+134	+36%
The Legal Team struggled to achieve its budgeted surplus in 2014/15. Over the past four years the team has made significant increases in productivity, but further improvements in 2014-15 proved harder to achieve. Work is ongoing to seek additional efficiencies through better use of technology, but was hampered in year by a number of factors. This, coupled with the loss of significant fee earning through other staffing circumstances, resulted in an overspend of £134k.				

### 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	
LGSS Operational Savings - Redundancy & Pensions capital costs	67	
LGSS Cambridge Office Corporate Allocations	-10,657	
Non-material virements (+/- £30k)	22	
<b>Current Budget 2014/15</b>	<b>12</b>	



## LGSS APPENDIX 5 – Reserve Schedule

Fund Description	Balance at 31 March 2014	Movements in 2014-15	Balance at 31/03/15	Notes
	£'000	£'000	£'000	
<b><u>General Reserve</u></b>				
LGSS Cambridge Office Carry-forward	1,116	-113	1,003	1
subtotal	1,116	-113	1,003	
<b><u>Equipment Reserves</u></b>				
Legal Services	85	-85	0	
subtotal	85	-85	0	
<b><u>Other Earmarked Funds</u></b>				
Counter Fraud Initiative	0	130	130	2
subtotal	0	130	130	
<b>SUBTOTAL</b>	<b>1,201</b>	<b>-67</b>	<b>1,134</b>	
<b><u>Capital Reserves</u></b>				
Legal Services	30	-30	0	
subtotal	30	-30	0	
<b>TOTAL</b>	<b>1,231</b>	<b>-97</b>	<b>1,134</b>	

### Notes

- 1 The year-end position reflects the LGSS Cambridge Office underspend of £327k and £676k unused operational savings which will need to be carried forward to 2015/16. Details on operational savings allocated in 2014/15 can be found in LGSS Appendix 4.
- 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 – 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 2014/15 £000	Variance 2014/15 £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
-	R12 Convergence	382	173	(209)	600	-
-	Other Schemes	30	30	-	30	-
-	<b>TOTAL</b>	<b>412</b>	<b>203</b>	<b>(209)</b>	<b>630</b>	<b>-</b>

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	Actual Funding 2014/15 £000	Actual Funding Variance 2014/15 £000
-	Capital Receipts *	-	173	173
-	Other Contributions	30	30	-
-	Prudential Borrowing	382	0	(382)
-	<b>TOTAL</b>	<b>412</b>	<b>203</b>	<b>(209)</b>

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

There are no previous exceptions to report.