

**LOCAL GOVERNMENT SHARED SERVICES (LGSS) UPDATE, FINANCE AND PERFORMANCE REPORT – FEBRUARY 2011**

*To:* **Cabinet**

*Date:* **5<sup>th</sup> April 2011**

*From:* **LGSS Director: Finance**

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

*Forward Plan ref:* **N/A**

*Key decision:* **No**

*Purpose:*

- **To review the monthly financial performance, progress and success of the LGSS arrangement with Northamptonshire County Council.**

*Recommendation:* **Members are asked to:**

- a) **Note the contents of the attached report (Appendix 1) covering the period to the end of February 2011 of the Local Government Shared Service (LGSS) operation.**
- b) **Note that key performance measures are still being formalised.**

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## **1. BACKGROUND**

- 1.1** The LGSS initiative between Northamptonshire and Cambridgeshire County Council came into operation as planned on the 1st October 2010.
- 1.2** To ensure that this initiative progresses to plan and delivers the financial and operational benefits required by the Authority it was agreed that monthly progress reports will be submitted to Cabinet.
- 1.3** This full report covering the period to the end of January 2011 is attached (**Appendix 1**) for information and consideration.

## **2. PROGRESS REPORT**

- 2.1 Operation of LGSS.** LGSS operated as planned from 1st October. All Director appointments have been made and interim arrangements have been confirmed in respect of the Managing Director position. Feedback and comments on the consultation on restructure within LGSS is due to close on 24<sup>th</sup> March 2011 and responses to the consultation shall be published on that day for further feedback. The consultation sub-group will re-convene on the 1<sup>st</sup> April 2011 to consider additional feedback received up to that date and determine whether the consultation can close.
- 2.2 Financial Performance of LGSS.** Although LGSS has only operated from 1st October for reasons of operational simplicity and financial discipline, LGSS has taken over responsibility for the financial position of in scope corporate services up and until 30th September. Overall the LGSS partnership is reporting outturn underspend of £1.1 million to the end of the financial year. The joint finance and procurement directorate outturn is -£358k underspent. The joint HR & OD directorate outturn is -£527k underspent. The joint Operations directorate outturn is -£660k underspent. The joint Legal directorate outturn is +£414k overspent. See full report for further detail.
- 2.3 Operational Performance of LGSS.** No operational issue or problems have arisen from 1st October. Prompt payment, aged debtor, system availability and other metrics remain at or above target save for the asset sale target. The asset sale target is behind plan as a result of the Authority decision to retain certain school sites in Cambridgeshire to meet current and future need, these sites previously having been identified for disposal. Both Authorities have led the way in early publication of £500 plus spending. New performance measures are being designed by the directorates in LGSS for reporting from April 2011, in line with the LGSS strategic plan.
- 2.4 Savings and Benefits Delivery.** LGSS savings come from a multiplicity of sources in the current and future years, these sources being detailed in the Business Case. In terms of LGSS Management Team appointments and associated secretarial support, the target saving will be delivered (and further savings will accrue as a result of not filling the Managing Director role in the short to medium term. Savings on the IT hosting contract have also exceeded plan. See full report for further detail.

### **3. SIGNIFICANT IMPLICATIONS**

#### **3.1 Resources and Performance**

- There is no implication on the net savings figure for the LGSS Business Case proposed by Cabinet on the 5<sup>th</sup> July and agreed by Council on the 20<sup>th</sup> July.

#### **3.2 Statutory Requirements and Partnership Working**

- The proposed adjustments do not impact on the partnership with Northamptonshire County Council.

#### **3.3 Access and Inclusion**

There are no significant implications for any of the headings within this category.

#### **3.4 Engagement and Consultation**

There are no significant implications for any of the headings within this category.

<b>Source Documents</b>	<b>Location</b>
LGSS Business Case	Room 112, Shire Hall, Cambridge