

CORPORATE SERVICES AND LGSS CAMBRIDGE OFFICE
FINANCE AND PERFORMANCE REPORT – MARCH 2015

To: **General Purposes Committee**

Meeting Date: **19th May 2015**

From: **Chief Finance Officer**

Electoral division(s): **All**

Forward Plan ref: **N/A** *Key decision:* **No**

Purpose: **To present to General Purposes Committee (GPC) the March 2015 Finance and Performance report for Corporate Services and LGSS Cambridge Office. The report is presented to provide GPC with an opportunity to comment on the projected financial and performance outturn position, as at the end of March 2015.**

Recommendation: **The Committee is asked to review, note and comment upon the report.**

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1. BACKGROUND

- 1.1 At its meeting in May 2014, Committee was informed that it will receive the Corporate Services and LGSS Cambridge Office Finance and Performance Report at its future meetings, where it will be asked to both comment on the report and potentially approve recommendations, to ensure that the budgets and performance indicators for which the Committee has responsibility, remain on target.

2. MAIN ISSUES

- 2.1 Attached as **Appendix A**, is the March 2015 Finance and Performance report. **This is not the yearend position**, but the position at the end of March before accruals and other yearend transactions are posted. Committee will receive a report detailing the final yearend position at its July meeting.
- 2.2 At the end of March, Corporate Services (including the LGSS managed) was forecasting a yearend underspend on revenue of £657,000.
- 2.3 The LGSS Operational budget was reporting a yearend forecast underspend of £282,000. This element of the budget is monitored by the LGSS Joint Committee and is not the responsibility of General Purposes Committee.
- 2.4 There are six significant forecast outturn variances by value (over £100,000) being reported for Corporate Services / LGSS Managed, these are in relation to:
- County Offices where a £461,000 overspend is being forecast (this mostly relates to a saving built into the 2013-14 budget associated with the closure of further properties on the County's estate);
 - the IT Managed budget, where the yearend overspend is forecast to be £287,000 (this reflects the difficulty being encountered achieving the £600,000 saving built into the 2014-15 budget; a new contract for mobile phones has been arranged, which is expected to reduce this overspend but at the point of writing, the part year saving for 2014-15 remains unclear and therefore the worst case scenario is presented);
 - Building Maintenance where a £292,000 overspend is being forecast (as a result of the cost of reactive building maintenance work being higher than anticipated when the budget was set).
 - Communications and Community Engagement where a £176,000 underspend is being predicted as a result of salary savings, higher income levels than budgeted and general efficiencies;
 - The Transformation Fund where as a result of less costs than provided for, for Section 188 redundancies, an underspend of £800,000 is being forecast; and
 - The Authority wide miscellaneous budget, where an underspend of £371,000 is forecast as a result of unidentified income, this being mainly written-back cheques, and greater pensions contributions than required.
- 2.5 The debt charges and interest budget is currently predicting a yearend underspend of £1.965 million, as a result of cash balances being higher than anticipated during the year and a one-off interest payment in relation to delayed Section 106 payments.

- 2.6 At the end of March, Corporate and LGSS Managed was forecasting a yearend underspend on capital of £9.314 million.
- 2.7 This was the result of significant (by value) forecast underspends on a number of projects. Many of these have been reported in previous reports and include:
- the East Barnwell Community Hub;
 - the Making Assets Count (MAC) Market Towns Project,
 - the Trumpington Land Option,
 - County Farms viability,
 - the Sawston Community Hub and
 - Optimising IT for Smarter Business.
- 2.8 In addition this month, significant (by value) underspends are being reported on the following projects:
- Shire Hall Campus;
 - Carbon Reduction; and
 - Other Schemes.
- 2.9 Corporate Services / LGSS have eleven performance indicators, of these one is currently at red status, three are amber with seven green.
- 2.10 The indicator currently with a red status relates to the “total debt as a percentage of turnover”, which is currently 13.9% against a target of 10%.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

This report sets out details of the overall financial position for Corporate Services / LGSS and this Committee.

4.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

There are no significant implications within this category.

4.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
CS and LGSS Cambridge Office Budgetary Control Report (March 2015) Performance Management Report & Corporate Scorecard (March 2015) Capital Monitoring Report (March 2015)	Room 301 Shire Hall Cambridge