

Service	Corporate Services, LGSS Managed and LGSS Cambridge Office
Subject	Finance Monitoring Report – January 2020

Appendix A

KEY INDICATORS

Previous Status	Category	Target	Current Status	Section Ref.
N/A	Income and Expenditure	Balanced year end position	Green	2.1 – 2.4
N/A	Capital Programme	Remain within overall resources	Green	3.2

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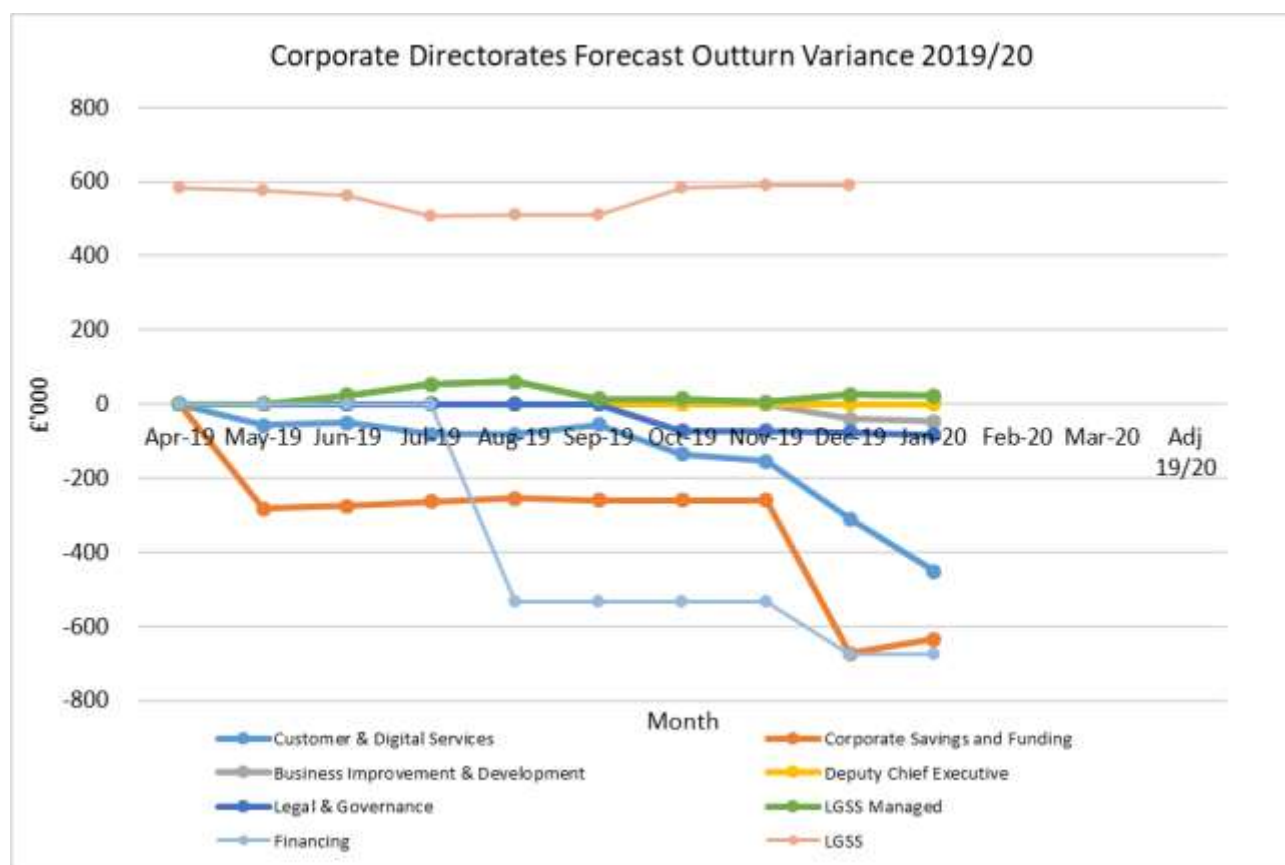
Section	Item	Description	Page
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Appx 2	Service Commentaries	Detailed notes on financial position of services that are predicting not to achieve their budget	9-10
Appx 3	Capital Position	This will contain more detailed information about Corporate Services and LGSS Managed' Capital programme, including funding sources and variances from planned spend.	11-13
Appx 4	Savings Tracker*	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the business plan.	14-15
Appx 5	Technical Appendix*	Twice yearly, this will contain technical financial information for Corporate Services and LGSS managed showing: <ul style="list-style-type: none"> • Grant income received • Budget virements into or out of Corporate Services • Service reserves 	16-20
Appx 6	Service Level Financial information	Detailed financial table for LGSS Cambridge Office	21
Appx 7	Service commentaries	Detailed notes on financial position of LGSS Cambridge Office that are predicting not to achieve their budget	22

Appx 8	Technical Appendix*	This will contain technical financial information for LGSS Cambridge Office: <ul style="list-style-type: none"> • Grant income received • Budget virements into or out of LGSS Cambridge Office • Service reserves 	23
*These appendices are not included each month as the information does not change as regularly			

1. Revenue Executive Summary

1.1 Overall Position

Corporate Services, Financing costs and LGSS Managed is forecasting an underspend of £1,873k at the end of January, an increase of £122k since December.



1.2 Summary of Revenue position by Directorate

Outturn Variance (previous) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	Outturn Variance %
-310	Customer & Digital Services	6,802	5,287	-452	-6.6%
-673	Corporate Savings & Funding	758	0	-635	-83.8%
-41	Business Improvement & Development	969	1,644	-48	-5.0%
0	Deputy Chief Executive	2,139	1,615	-0	0.0%
-76	Legal & Governance	1,532	1,202	-83	-5.4%
-677	Financing Costs	27,558	10,750	-677	-2.5%
26	LGSS Managed	10,916	8,295	22	0.2%
-1,751	Total	50,675	28,794	-1,873	-3.7%

The service level budgetary control report for Corporate Services, Financing Costs and LGSS Managed for January 2020 can be found in [appendix 1](#).

The service level budgetary control report for LGSS Cambridge Office for December 2019 can be found in [appendix 6](#). Pressures and deficits within LGSS Operational budgets are the responsibility of the Joint Committee. Formal risk sharing arrangements are in place such that changes in service or financing impacting one partner are isolated from impacting other partners. In practice, this means that where there is risk (or additional requirements for) in-year savings for back-office services shared with or facing Northamptonshire County Council or Milton Keynes Council, these do not impact on the service received by Cambridgeshire County Council or impact any overspend to be handled by CCC.

Further analysis can be found in [appendix 2](#) for Corporate Services and [appendix 7](#) for LGSS Cambridge Office.

1.3 Significant Issues

At the end of 2020, the overall Corporate Services and LGSS Managed forecast position is an underspend of £1,873, around 4% of budget

Significant issues are detailed below:

Customer & Digital Services

Corporate and Customer Services budgets are currently predicting an underspend of £452k, which is an increase of £142k from the previous forecast. This is mainly due to a further increase of forecast underspend in Customer Services and IT & Digital Services, due to staff vacancies, changes in income of £138k, and an underspend of £11k on software expenditure..

Corporate Savings and Funding

Corporate Savings and Funding budgets are currently predicting an underspend of £123k, which is an increase of £38k from the previous forecast. This is due to an increase of forecast underspend in Central Services and Organisation-Wide Risks.

The favourable variance in this area is principally the result of:

- £589k – to offset the pressure reported by the LGSS Cambridge office. As anticipated during business planning, previous savings plans related to further growth of LGSS have not been delivered – the LGSS model is currently subject to review, with a several services repatriated to CCC and other areas under consideration.
- £427k – to offset the pressure reported against shared services with Peterborough City Council, as described in [appendix 2](#)

This budgetary provision was made during business planning to offset the risks on shared services in particular, although in actuality it has transpired that the costs of LGSS disaggregation and risks are lower this year than expected during budgeting, whereas the overspend on PCC shared services is greater than expected.

Business Improvement & Development

Business Improvement & Development budgets are currently predicting an underspend of £48k. This is due to additional income in Business Intelligence and BID Director and Business Support.

There are no new material exceptions to report this month.

Resources Directorate

Resources Directorate budgets are currently predicting a balanced position, which is the same as the last month.

There are no new material exceptions to report this month.

Legal and Governance

The Legal and Governance budget is currently predicting an underspend of £83k, which is an increase of £7k from previous forecast.

There are no new material exceptions to report this month.

LGSS Managed

LGSS Managed budgets are currently predicting an overspend of £22k, which is a decrease of £4k from previous forecast.

There are no new material exceptions to report this month.

Financing Costs

The Financing Costs budget is currently predicting an underspend of £677k. This is mainly due to changes following updates to the Debt charges model and additional income from a Section 106 contribution.

There are no new material exceptions to report this month.

LGSS Cambridge Office

LGSS Cambridge Office budgets are currently predicting an overspend of £589k, which is the same as last month.

There are no new material exceptions to report this month.

2. Capital Executive summary

2019/20 In Year Pressures/Slippage

At the end of January 2020 the capital programme forecast position is an underspend of £562k.

Corporate Services and Transformation schemes have a capital budget of £7.8m in 2019/20 and there is expenditure of £4.7m to date. The total scheme forecast is on budget. The total scheme forecast is expected to underspend by £90k.

LGSS Managed has a capital budget of £3.239m in 2019/20 and there is expenditure of £3.1m to date. The total scheme forecast is expected to underspend by £472k.

There is one new material exceptions to report this month:

IT Strategy

The Programme Manager for the IT Strategy was appointed in quarter 3. The key activities during this period was to establish the workstreams, projects, reporting and governance to support the delivery of the IT Strategy. A detailed resource plan has been developed, including the apportionment of costs between PCC and CCC.

The IT Strategy has a capital budget of £1.3m, in 19/20 the scheme is forecast to underspend by £1,188k this financial year due to slippage in the start date for projects within the Office 365 workstream.

Details of the currently forecasted capital variances and funding can be found in [appendix 3](#).

3. Savings Tracker Summary

The savings tracker is produced quarterly, and the latest savings tracker can be found in [appendix 4](#).

4. Technical Notes

On a biannual basis, a technical financial appendix will be included as [appendix 5](#) for Corporate Services and [appendix 8](#) for LGSS Cambridge office.

This appendix will cover:

- Grants that have been received by the service, and where these have been more or less than expected
- Budget movements (virements) into or out of corporate services and LGSS Managed from other services (but not within corporate services and LGSS Managed), to show why the budget might be different from that agreed by Full Council
- Service reserves – funds held for specific purposes that may be drawn down in-year or carried-forward – including use of funds and forecast draw-down.

The appendices to this report can be viewed in the [online](#) version of the report.