

FINANCE AND PERFORMANCE REPORT – OUTTURN 2014-2015

To: General Purposes Committee

Date: 28th July 2015

From: Director of Customer Service and Transformation
Chief Finance Officer

Electoral division(s): All

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

Purpose: To present to General Purposes Committee (GPC) the Outturn Finance and Performance report for Corporate Services and LGSS Cambridge Office for 2014-15.

The report is presented to provide GPC with an opportunity to comment on the financial and performance outturn position for the Service.

To present to Committee details of the intended uses of Corporate Services carry forward account in 2015-16 and future financial years.

Recommendation: The Committee is asked to:

- a) review, note and comment on the report;
- b) approve the use of the Corporate Services carry forward reserve on projects in 2015-16 and future years as detailed in Section 3.2 of this report.

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1. BACKGROUND

- 1.1 At its meeting in May 2014, the 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. OUTTURN REPORT

- 2.1 Attached as **Appendix A**, is the Outturn Finance and Performance report for 2014-15.
- 2.2 Corporate Services (including LGSS managed and financing costs) underspent on revenue by £250,000, after a number of yearend adjustments had been taken into account (see 2.6 below).
- 2.3 The LGSS Operational budget underspent by £327,000. This element of the budget is monitored by the LGSS Joint Committee and is not the responsibility of General Purposes Committee.
- 2.4 There were seven significant variances by value (over £100,000) for Corporate Services / LGSS Managed at yearend, these were in relation to:
- County Offices overspent by £484,000, this mostly related 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, overspent by £202,000, this reflects the difficulty encountered achieving the £600,000 saving built into the 2014-15 budget; a new contract for mobile phones was put in place late in the financial year, which contributed to the savings target, but the part year saving in 2014-15 was not sufficient to meet the whole ask. There is not expected to be a problem in future years, now that the revised contract is in place;
 - Building Maintenance overspent by £240,000 as a result of the cost of reactive building maintenance work being higher than anticipated when the budget was set;
 - The Authority wide miscellaneous budget overspent by £251,000 as a result of a change in process for evaluating bad debt, that has resulted in a higher corporate provision than in previous years;
 - Communications and Community Engagement underspent by £150,000 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 £732,000 was recorded; and
 - County Farms which underspent by £147,000 as a result of increased rental income following a rent review.
- 2.5 The debt charges and interest budget underspent by £1.962 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 Three yearend adjustments were made to the accounts to create additional capacity in 2015-16, these related to:

- 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.

2.7 Corporate and LGSS Managed underspent on capital by £9.826 million.

2.8 This was the result of significant (by value) 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;
- Optimising IT for Smarter Business;
- Shire Hall Campus;
- Carbon Reduction; and
- Other Schemes.

2.9 In addition at yearend there is one further significant (by value over £500,000) underspend this in relation to IT Infrastructure Investment, where the profile of spend has been impacted by the commencement of an Enterprise Agreement with Microsoft, which has deferred the payment for licences until August 2015.

2.10 Corporate Services / LGSS have eleven performance indicators at yearend one of these had a red status, three were amber with seven green.

2.11 The indicator with a red status related to the “total debt as a percentage of turnover”, which was 13.9% against a target of 10%.

3. CORPORATE SERVICES SERVICE RESERVES

3.1 At the end of 2015-16, there was £1.02 million in the Corporate Services Service carry forward account.

3.2 Corporate Services has developed proposals to use the reserves to fund projects in 2015-16 and future years. These proposals are detailed in the below table.

Operational saving requirement	Area of Service	£'000	Description
New Proposals			
Transformation Support	Customer Service & Transformation (CS&T) Directorate	418	It is proposed to retain the balance of CS&T operational savings in lieu of Business Planning work underway to scope and consult with services regarding the level of core 'corporate' support and transformation support required from CS&T.

Committed Costs			
Carry forward funding for Implementation of new Customer Relationship Management System	Digital Strategy	150	£250k was allocated in 2014/15 to fund implementation of the new Customer Relationship Management System. The system is due to go live shortly and so £150k is required in 2015/16 to complete delivery.
Carry forward funding for Digital-by-Default	Digital Strategy	165	Roll-forward of Business Planning investment to fund delivery of Digital by Default agenda across the Council.
Funding for Service Transformation Team	Service Transformation	256	Second year of funding for the Service Transformation team, as agreed by General Purposes Committee in July 2014.
Digital Delivery Assistant	Digital Strategy	31	Funding for 12 months fixed-term post to support transition arrangements for Cambs.net and help explore future options as detailed in the Customer Service & Transformation consultation response.
Total		1,020	

3.3 Committee is asked to approve these proposals so they can be forwarded to the Chief Finance Officer for agreement.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

4.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

4.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

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

5.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

5.3 Equality and Diversity Implications

There are no significant implications within this category.

5.4 Engagement and Consultation Implications

There are no significant implications within this category.

5.5 Localism and Local Member Involvement

There are no significant implications within this category.

5.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
CS and LGSS Cambridge Office Budgetary Control Reports Performance Management Reports & Corporate Scorecards Capital Monitoring Reports	Room 301 Shire Hall Cambridge