

**From: Nick Dawe, Director Finance and Procurement**

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**Date: 30<sup>th</sup> November 2010**

**To: LGSS Management Board  
LGSS Joint Committee**

**Copy: CCC and NCC Cabinets**

**LOCAL GOVERNMENT SHARED SERVICE FINANCE AND PERFORMANCE REPORT,  
OCTOBER 2010**

**1.0 SUMMARY**

**1.1 Finance**

<b>Previous Status</b>	<b>Measure</b>	<b>Target</b>	<b>Current Status</b>	<b>Section Ref.</b>
N/A	Revenue Position – Income & Expenditure	Balanced year-end position	Green	
N/A	Benefits Realisation	Achieve targets set in business case / IP / MTP	Green	
N/A	Investment Programme	On track - Progress against timelines	Green	
N/A	Capital Programme	On track - Progress against timelines	N/A	

**1.2 Performance Indicators – Predicted Status at year end:**

<b>Measure</b>	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>No Status</b>	<b>Total</b>
Overall LGSS performance	-	-	-	-	-
Finance & Procurement	-	-	-	-	-
Human Resources & Organisational Design	-	-	-	-	-
Operations	-	-	-	-	-
Legal	-	-	-	-	-

Matching performance indicators are to be developed as part of the Service Planning workstream.

## 2.0 REVENUE POSITION – INCOME & EXPENDITURE

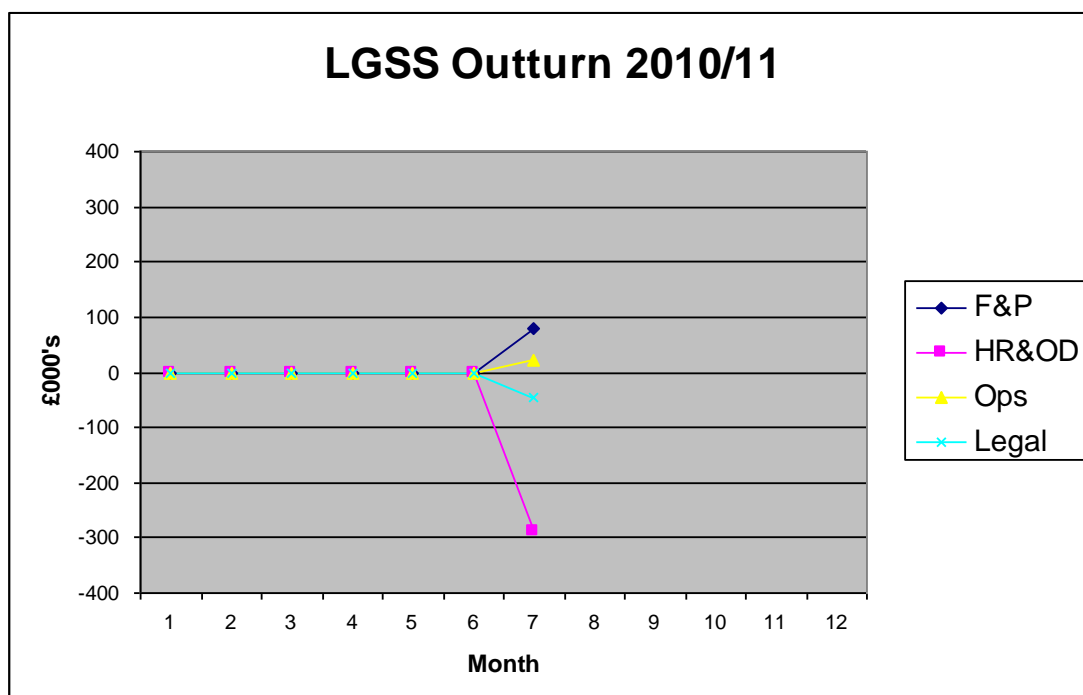
### 2.1 Overall Position

#### Local Government Shared Services Budgetary Control Report 2010/11

The variances to the end of October 2010/11 for the Local Government Shared Services are:

Sep 10 Outturn Forecast			Budget for	Expected to	Actual to	Oct-10		Forecast	
£000	%	Service	2010-11	Oct-10	Oct-10	£000	%	£000	%
			£000	£000	£000				
<b>Finance &amp; Procurement</b>									
-56	-1	Cambridge Office	4,607	2,610	2,478	-132	-5	-171	-4
		Northampton Office	6,294	5,169	4,982	-187	-4	251	4
		<b>Finance &amp; Procurement sub-total</b>	<b>10,900</b>	<b>7,778</b>	<b>7,459</b>	<b>-319</b>	<b>-4</b>	<b>80</b>	<b>1</b>
<b>HR &amp; OD</b>									
14	1	Cambridge Office	2,588	1,467	1,466	-2	0	-28	-1
		Northampton Office	6,067	2,920	2,596	-324	-11	-250	-4
		<b>HR &amp; OD sub-total</b>	<b>8,654</b>	<b>4,387</b>	<b>4,062</b>	<b>-326</b>	<b>-7</b>	<b>-278</b>	<b>-3</b>
<b>Operations</b>									
-7	0	Cambridge Office	3,526	3,494	3,540	46	1	192	5
		Northampton Office	11,565	6,372	6,503	131	2	-171	-1
		<b>Operations sub-total</b>	<b>15,091</b>	<b>9,867</b>	<b>10,043</b>	<b>176</b>	<b>2</b>	<b>21</b>	<b>0</b>
<b>Legal</b>									
0	0	Cambridge Office	-20	25	-17	-42	-167	-45	226
		Northampton Office	-1,091	-301	-152	149	-49	0	0
		<b>Legal sub-total</b>	<b>-1,110</b>	<b>-276</b>	<b>-169</b>	<b>107</b>	<b>-39</b>	<b>-45</b>	<b>4</b>
		<b>LGSS Total</b>	<b>33,535</b>	<b>21,756</b>	<b>21,394</b>	<b>-362</b>	<b>-2</b>	<b>-222</b>	<b>-1</b>

### 2.2 Outturn Position



## **2.3 Significant Issues – Finance & Procurement**

### **2.3.1 Cambridge Office**

- Research and Financial Strategy is currently forecasting an underspend of £85k. This is due to staffing vacancies within Financial Strategy that are not expected to be filled this financial year.

### **2.3.2 Northampton Office**

- Figures currently reported are as in the most recent Monthly Finance Report. This does not reflect day 1 reporting lines. (the impact here is where operational finance and pensions are shown).
- Commentary on significant issues has not yet been included

## **2.4 Significant Issues – Human Resources & Organisational Design**

### **2.4.1 Cambridge Office**

- The transfer of budgets from Corporate Development retained service into LGSS Organisational Development has been delayed by scoping issues. This will be resolved for the November report.

### **2.4.2 Northampton Office**

- Figures currently reported are as in the most recent Monthly Finance Report. This does not reflect day 1 reporting lines. (the impact here is where operational HR and Payroll are shown).
- Commentary on significant issues has not yet been included

## **2.5 Significant Issues – Operations**

### **2.5.1 Cambridge Office**

- The finance transactional teams are reporting a combined underspend of £63k. This is due to part year staffing vacancies within the Revenues team and Revenues IROs team (£40k) and general efficiencies across all teams (£23k).
- The Shared Services Programme team budget is showing an overspend of £262k resulting from delays in achieving targeted operational savings. However, this will be offset by savings elsewhere in LGSS.

### **2.5.2 Northampton Office**

- Figures currently reported are as in the most recent Monthly Finance Report. This does not reflect day 1 reporting lines. (the impact here is where operational Finance and HR and Pensions and Payroll are shown).
- Commentary on significant issues has not yet been included

## **2.6 Significant Issues – Legal**

### **2.6.1 Cambridge Office**

### **2.6.2 Northampton Office**

- Commentary on significant issues has not yet been included

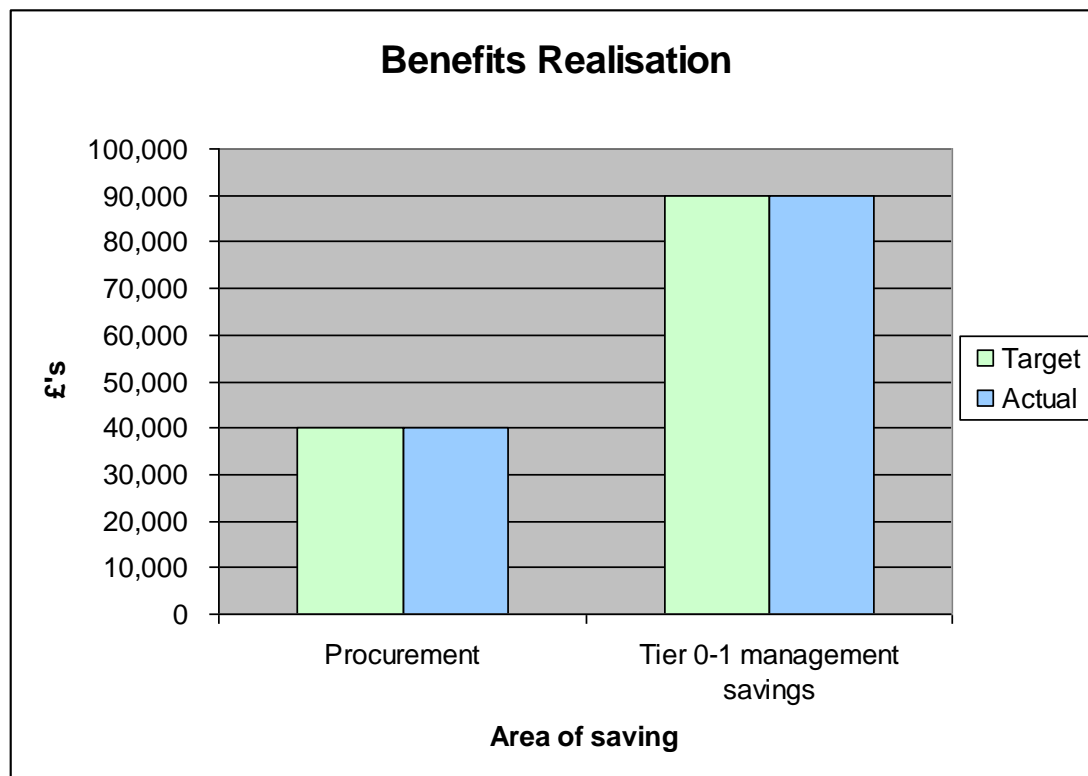
### 3.0 Benefits Realisation 2010/11

Savings identified in the Detailed Business Case are scheduled to be realised within the year of transition. It should be noted that within some authority Tier 0/1 costs have continued beyond the go-live date for LGSS.

More detail needs to be obtained for the next report regarding any savings over and above the Business Case, as well as more detail on the on-going Tier 0/1 expenditure.

Below is a summary of progress against the savings targets for 2010/11:

Alpha & Stretch Targets (£)			Target	Amount Achieved	
Finance	A	Procurement	-40,000	-40,000	A procurement vacancy at Cambridge Office has been held throughout the financial year and the saving has been realised. Further confirmation will be sort to identify if any saving have been made over and above the target
T0/1	A	Tier 0-1 management savings	-90,000	-90,000	The saving in the business case was related to a part year saving from the NCC post of Customer & Community Services, and has been acheived. In addition there was the NCC post of ACE Finance & Commercial while this role was already deleted, the progress of LGSS has help to enable this.
			-130,000	-130,000	



#### 4.0 Investment Programme

The investment costs for 2010/11 identified in the Detailed Business Case are shown in the table below.

Further discussions need to take place with workstream leads and project managers regarding the committed expenditure for the current year.

For example the timing of 5) Scanning Solution and 7) Oracle Hosting Setup Costs, could overlap into next financial year and not all happen in the current year. In addition, there is work happening within the IT department that is linked to 4) Technical Infrastructure.

##### **Business Case Funding 2010/11 (£)**

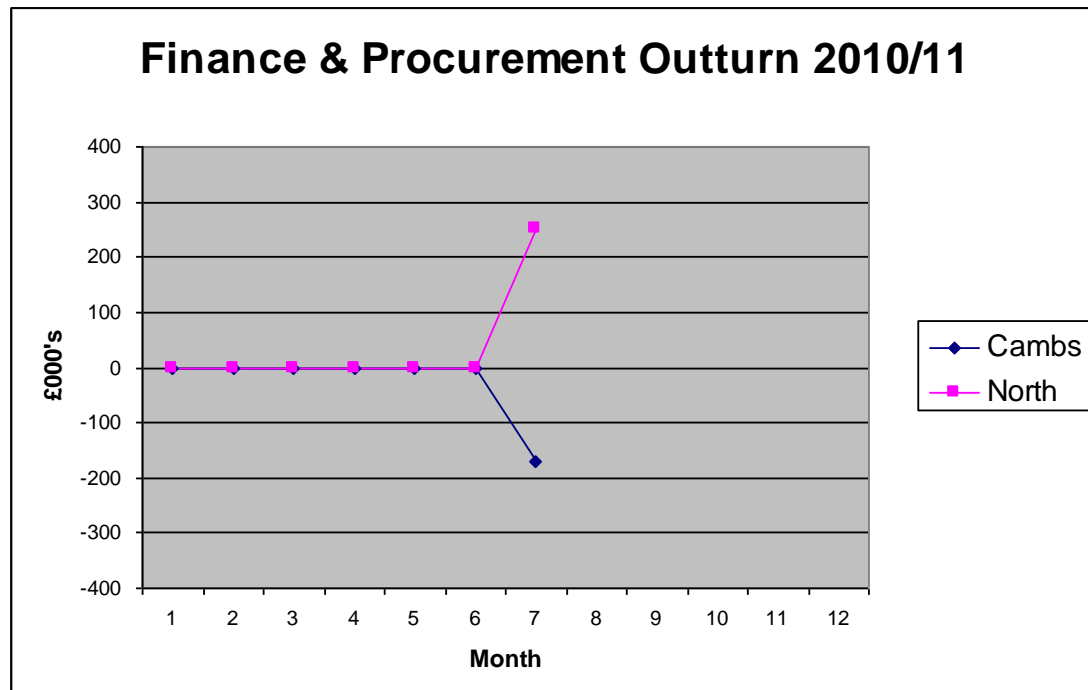
	<b>Budget</b>	<b>Committed</b>	<b>Remaining</b>
<b>1) Programme Team</b>			
Programme Team Costs	48,000	0	48,000
Other general overheads	2,400	0	2,400
Communications	40,000	20,000	20,000
<b>Programme Team Total</b>	<b>90,400</b>	<b>20,000</b>	<b>70,400</b>
<b>2) Consultancy</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>
<b>3) Training</b>			
<b>Training Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4) Technical Infrastructure</b>			
WAN network upgrade installation	21,000	0	21,000
Virtual LAN	40,000	0	40,000
WAN maintenance	27,200	0	27,200
Virtual LAN maintenance	8,000	0	8,000
Annual Costs - Email/Exchange/SharePoint	37,000	0	37,000
Ongoing Scanning Support	7,180	0	7,180
Disaster Recovery - non ERP	10,000	0	10,000
Email/Messaging/SharePoint + 2TB + disk cap	77,500	0	77,500
Disaster Recovery (non EBS - EBS in supcont)	40,000	0	40,000
<b>Technical Infrastructure Total</b>	<b>267,880</b>	<b>0</b>	<b>267,880</b>
<b>5) Scanning Solution</b>	<b>300,000</b>	<b>300,000</b>	<b>0</b>
<b>6) Oracle Hosting Setup costs</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>
<b>7) LGSS Oracle R12 - includes Self-Serv funct</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8) Legal - Lexcel Accreditation</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>9) People Transition</b>			
<b>People Transition Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>10) Contingency</b>			
<b>Contingency Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Business Case Investments 2010/11</b>	<b>958,280</b>	<b>620,000</b>	<b>338,280</b>

## Appendix 1: Finance & Procurement Service Level Budgetary Control Report

The variances to the end of October 2010 for Finance & Procurement are:

Sep 10 Outturn Forecast			Budget for 2010-11	Expected to Oct-10	Actual to Oct-10	Oct-10 Variance		Forecast Outturn	
£000	%	Service	£000	£000	£000	£000	%	£000	%
<b>Finance &amp; Procurement</b>									
<b>Cambridge Office</b>									
0	0	Director of Finance	149	121	127	6	5	0	0
0	0	Audit & Risk Management	371	410	402	-8	-2	-20	-5
0	0	External Audit	298	74	64	-11	-15	0	0
-20	-3	F&P ES, C&AS & CD	665	280	251	-29	-10	-20	-3
14	2	F&P CYPS	928	360	397	37	10	0	0
-50	-5	Research & Financial Strategy	979	618	557	-61	-10	-85	-9
0	0	Procurement	87	51	4	-48	-93	-25	-29
0	0	Performance Management	191	92	86	-6	-6	-21	-11
0	0	Property Commissioning	0	208	191	-16	-8	0	0
0	0	Strategy and Estates	939	395	399	4	1	0	0
-56	-1		4,607	2,610	2,478	-132	-5	-171	-4
<b>Northampton Office</b>									
		Finance & Commercial Management Service	4,697	4,236	4,160	-76	-2	360	8
		Procurement	805	467	432	-35	-8	-41	-5
		Audit & Risk Management	792	465	390	-75	-16	-69	-9
			6,294	5,169	4,982	-187	-4	251	4
<b>Finance &amp; Procurement sub-total</b>			<b>10,900</b>	<b>7,778</b>	<b>7,459</b>	<b>-319</b>	<b>-4</b>	<b>80</b>	<b>1</b>

### Outturn Position



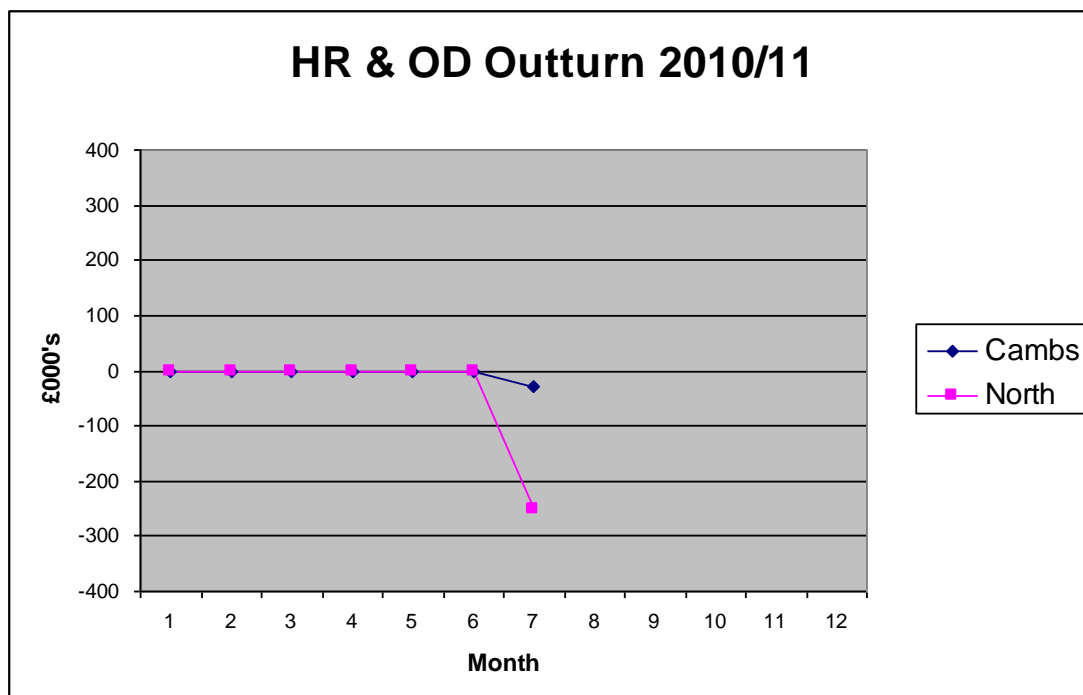
Commentary on Service Budgets					
Service	Budget £000	Variance £000	Variance %	Outturn £000	Outturn %
Commentary to be included in next report					

## Appendix 2: Human Resources & Organisational Design Service Level Budgetary Control Report

The variances to the end of October 2010 for Human Resources & Organisational Design are:

Sep 10 Outturn Forecast			Budget for 2010-11	Expected to Oct-10	Actual to Oct-10	Oct-10 Variance		Forecast Outturn	
£000	%	Service	£000	£000	£000	£000	%	£000	%
<b><u>HR &amp; OD</u></b>									
<b><u>Cambridge Office</u></b>									
10	5	Director of People, Policy & Law	201	154	144	-10	-7	-15	-7
-15	-3	HR - ES, C&AS & CD	563	313	286	-27	-9	-15	-3
-1	0	HR - C&YPS	494	237	235	-2	-1	9	2
20	2	Policy & Business Services	1,330	763	801	38	5	-8	-1
0	0	Organisational Development	0	0	0	0	0	0	0
14	1		2,588	1,467	1,466	-2	0	-28	-1
<b><u>Northampton Office</u></b>									
		Human Resources	6,067	2,920	2,596	-324	-11	-250	-4
			6,067	2,920	2,596	-324	-11	-250	-4
<b>HR &amp; OD sub-total</b>			<b>8,654</b>	<b>4,387</b>	<b>4,062</b>	<b>-326</b>	<b>-7</b>	<b>-278</b>	<b>-3</b>

### Outturn Position



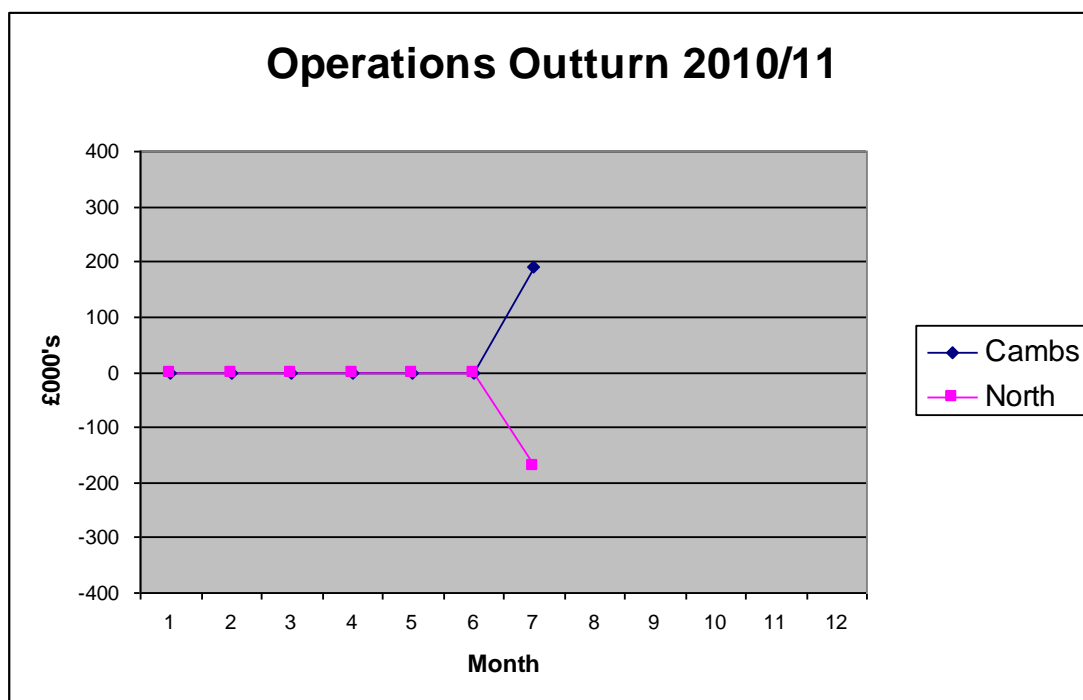
Commentary on Service Budgets					
Service	Budget £000	Variance £000	Variance %	Outturn £000	Outturn %
Commentary to be included in next report					

### Appendix 3: Operations Service Level Budgetary Control Report

The variances to the end of October 2010 for Operations are:

Sep 10 Outturn			Budget for	Expected to	Actual to	Oct-10		Forecast	
Forecast			2010-11	Oct-10	Oct-10	Variance		Outturn	
£000	%	Service	£000	£000	£000	£000	%	£000	%
<u>Operations</u>									
<u>Cambridge Office</u>									
0	0	Pensions Service	0	1,064	1,054	-10	-1	0	0
-7	2	HR Transactions & Payroll	-305	18	2	-16	-91	-7	2
0	0	Finance Transactions	1,748	1,095	1,091	-3	0	-63	-4
0	0	Shared Services Programme	2,084	1,318	1,393	75	6	262	13
-7	0		3,526	3,494	3,540	46	1	192	5
<u>Northampton Office</u>									
		Information Technology	9,021	4,984	4,965	-19	0	-300	-3
		EfoC & Shared Service	2,544	1,388	1,538	150	11	129	5
			11,565	6,372	6,503	131	2	-171	-1
Operations sub-total			15,091	9,867	10,043	176	2	21	0

### Outturn Position



Commentary on Service Budgets					
Service	Budget £000	Variance £000	Variance %	Outturn £000	Outturn %
Commentary to be included in next report					

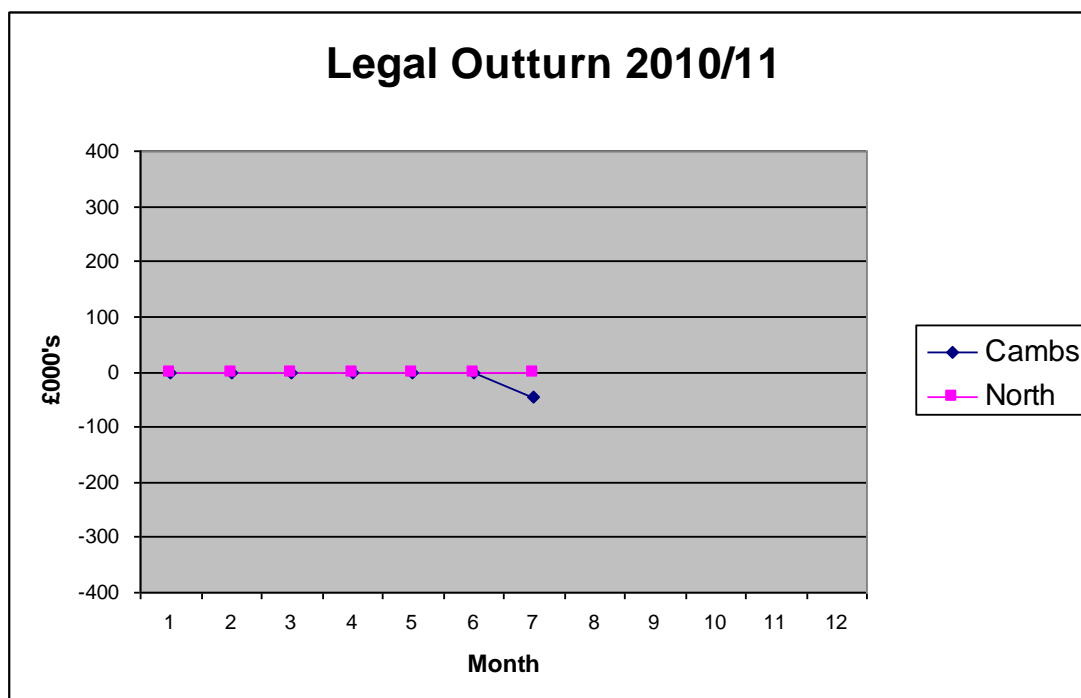


## Appendix 4: Legal Service Level Budgetary Control Report

The variances to the end of October 2010 for Legal are:

Sep 10 Outturn			Budget for	Expected to	Actual to	Oct-10		Forecast	
Forecast			2010-11	Oct-10	Oct-10	Variance		Outturn	
£000	%	Service	£000	£000	£000	£000	%	£000	%
<u>Legal</u>									
<u>Cambridge Office</u>									
0	0	Legal Services	-20	25	-17	-42	-167	-45	-226
0	0		-20	25	-17	-42	-167	-45	226
<u>Northampton Office</u>									
		Legal Services	-1,091	-301	-152	149	-49	0	0
			-1,091	-301	-152	149	-49	0	0
Legal sub-total			-1,110	-276	-169	107	-39	-45	4

### Outturn Position



Commentary on Service Budgets					
Service	Budget £000	Variance £000	Variance %	Outturn £000	Outturn %
Commentary to be included in next report					