

Corporate Services and LGSS Cambridge Office**Finance and Performance Report – January 2018****1. SUMMARY****1.1 Finance**

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

1.2 Performance Indicators – Current status: (see section 4)

Monthly Indicators	Red	Amber	Green	Total
January (Number of indicators)	2	3	8	13

2. INCOME AND EXPENDITURE**2.1 Overall Position**

¹ The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan for each respective Service.

The adverse position seen overall in this report is subject to action by officers to address. Mitigations identified in corporate areas, but reported outside of this report, include additional income from the County Offices' estate and Business Rates.

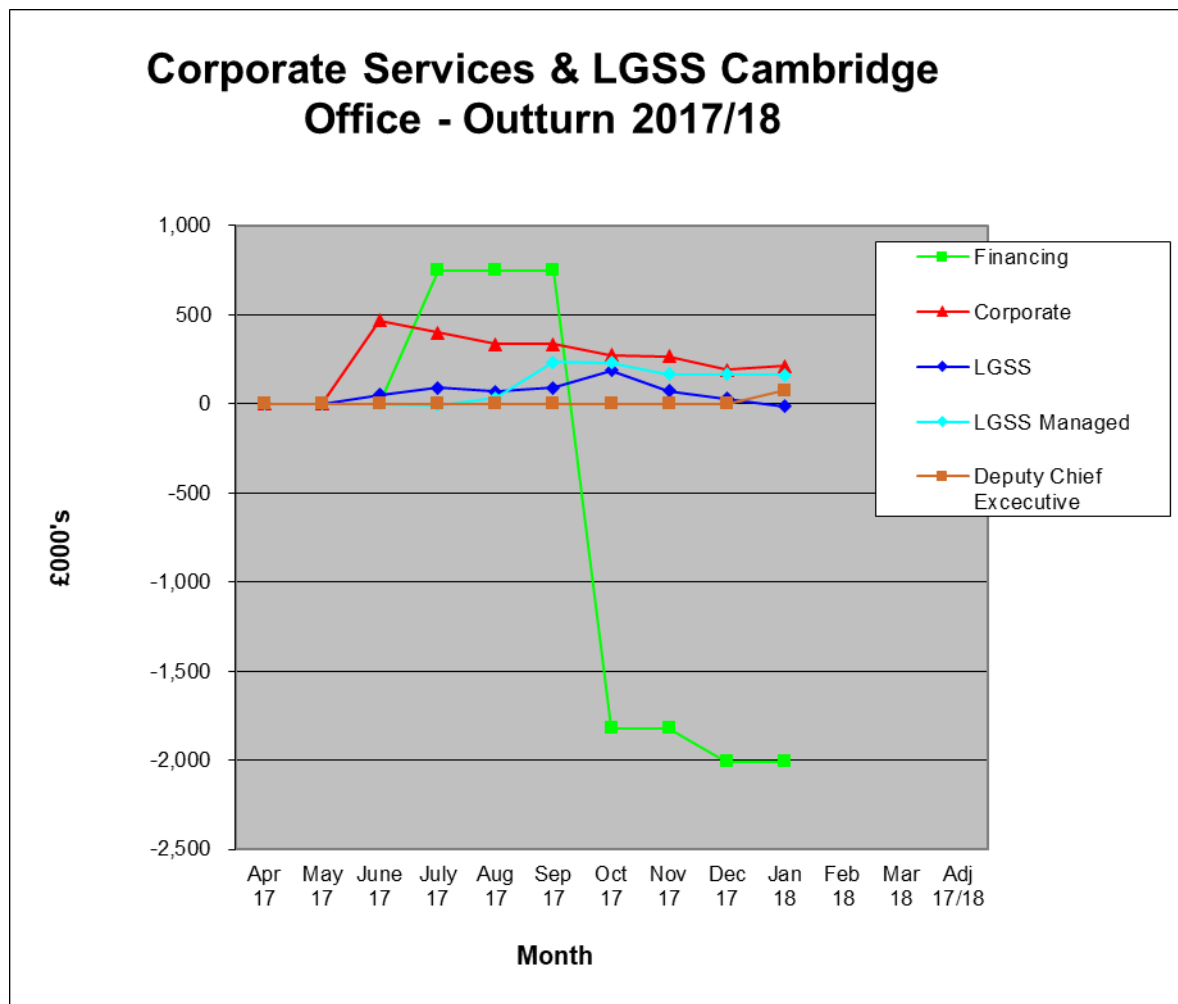
Original Budget as per BP (1)	Directorate	Current Budget	Forecast Variance - Outturn (Dec)	Forecast Variance - Outturn (Jan)	Forecast Variance - Outturn (Jan)	Current Status	DoT
£000		£000	£000	£000	%		
6,914	Corporate and Customer Services	4,485	191	214	5	Amber	↓
223	Deputy Chief Executive	275	0	75	27	Amber	↓
13,626	LGSS Managed	11,691	168	162	1	Amber	↑
22,803	Financing Costs	24,227	-2,006	-2,006	-8	Green	↔
43,566	Sub Total	40,679	-1,647	-1,555			
7,746	LGSS Cambridge Office	9,531	29	-14	0	Green	↑
51,312	Total	50,210	-1,618	-1,568			

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for January 2018 can be found in [CS appendix 1](#).

The service level budgetary control report for LGSS Cambridge Office for January 2018 can be found in [LGSS appendix 1](#)

Further analysis of the results can be found in [CS appendix 2](#) and [LGSS appendix 2](#)

The appendices are published online only and not printed for Committee.



2.2.1 Significant Issues – Corporate and Customer Services

Corporate and Customer Services budgets are currently predicting an overspend of £214k at year-end. This represents an increase of £23k from the overspend position reported last month, and is primarily due to a decrease in the forecast underspend on the Business Intelligence budgets.

There are no exceptions to report this month.

2.2.2 Significant Issues – Deputy Chief Executive

Deputy Chief Executive budgets are currently predicting an overspend of £75k at year-end. This represents an increase from the balanced position which was forecast last month. This is due to an anticipated overspend in the Resources Directorate.

The Resources Directorate is expecting to overspend by £75k at year end due to additional costs from an externally commissioned investigation which is nearing conclusion.

2.2.3 Significant Issues – LGSS Managed

LGSS Managed budgets are currently predicting an overspend of £162k at year-end. This represents an improvement of £6k from the position reported last month. This is due to an expected underspend on members' allowances.

There are no exceptions to report this month.

2.2.4 Significant Issues – Financing Costs

Financing Costs are forecasting an overall underspend of £2.0m at year-end, which is unchanged from the position reported last month.

There are no exceptions to report this month.

2.2.5 Significant Issues – LGSS Cambridge Office

LGSS Cambridge Office is predicting an underspend of £14k at year-end. This represents an improvement of £43k from last month within the Business Services, Systems & Change and IT directorates:

- There are underspends in the Business Services, Systems & Change directorate due to vacancies.
- An overspend previously reported in the IT directorate for service improvement costs is now forecast to be on budget.

Any year-end deficit / surplus is subject to a sharing arrangement with Northamptonshire County Council and Milton Keynes Council and will therefore be split between partner authorities on the basis of net budget, with an equalisation adjustment processed accordingly at year-end. This will be incorporated into the report as outturn figures become available during the course of the year.

There is a forecast deficit of £194k on the consolidated trading activities, which is unchanged from the previous period. This will be largely offset through the LGSS Smoothing Reserve, which has been built up in previous financial years to address potential trading risk.

There are no material exceptions (over £100k) to report for this month.

2.3 Additional Income and Grant Budgeted this Period

(De minimis reporting limit = £30,000)

There were no new items recorded during January 2018.

A full list of additional grant income for Corporate Services and LGSS Managed can be found in [CS appendix 3](#).

A full list of additional grant income for LGSS Cambridge Office can be found in [LGSS appendix 3](#).

2.4 Virements and Transfers to / from Reserves (including Operational Savings Reserve)

(De minimis reporting limit = £30,000)

The following virements have been made this month to reflect changes in responsibilities.

Corporate and Customer Services:

	£	Notes
Transfer of budgets from P&C and P&E to CS	32,370	Reverse salary virements to P&C and P&E
Transfer of budgets from Adults to CS	31,494	Transfer of in-year saving from organisational structure review.
Non material virements (+/- £30k)	0	

A full list of virements made in the year to date for Corporate and Customer Services, LGSS Managed and Financing Costs can be found in [CS appendix 4](#).

A full list of virements made in the year to date for LGSS Cambridge Office can be found in [LGSS appendix 4](#).

3. BALANCE SHEET

3.1 Reserves

A schedule of the Corporate Services and LGSS Managed reserves can be found in [CS appendix 5](#).

A schedule of the LGSS Cambridge Office Reserves can be found in [LGSS appendix 5](#).

3.2 Capital Expenditure and Funding

Expenditure

- Corporate Services and Transformation schemes have a capital budget of £5.6m in 2017/18 and there is £2.4m spend to date. The forecast for net in-year slippage of £185k does not exceed the Capital Programme Variation budget of £279k, resulting in a balanced forecast outturn position. A total scheme overspend of £423k is predicted.

There were no material exceptions to report for January.

- LGSS Managed has a capital budget of £0.9m in 2017/18 and there is expenditure of £259k to date. In-year slippage exceeds the Capital Programme Variation budget of £570k, therefore an underspend of £375k is forecast at year-end. A £495k total scheme variance is forecast.

Cambridgeshire Public Sector Network budget is predicted to underspend by £450k due to a delay in awarding the contract which will now slip into 2018-19. This will require a reduction in prudential borrowing of £450k.

- LGSS Cambridge Office has a capital budget of £0.9m in 2017/18 and there is no spend to date.

The LGSS Cambridge Office capital budget for 2017/18 has increased by £410k. The extended timeline for the Next Generation ERP programme means there will be additional costs of implementation. For both Cambridgeshire and Northamptonshire County Council additional capital costs will continue to be part mitigated by in-year LGSS revenue savings. In November 2017, General Purposes Committee approved a further £410k of capital spend to complete the implementation of the ERP scheme. Estimated outturn costs of £888k are forecast to the end of 2017/18, with an estimate of £30k required in April 2018. This expenditure is to be funded by prudential borrowing.

The forecast for in-year slippage of £30k in 2017/18 exceeds the Capital Programme Variations budget of £20k, therefore an underspend of £10k is forecast at year end.

Funding

- Corporate Services and Transformation schemes have capital funding of £5.6m in 2017/18. The Corporate Services capital programme as a whole is forecasting a balanced outturn position for 2017/18, with the expectation that this funding continues to be required in line with the revised budget proposals. Net predicted in-year underspends of £185k are offset by the Capital Programme Variations budget, leading to a balanced overall position.

There are no new material variances to report for January.

- LGSS Managed has capital funding of £0.9m in 2017/18. The in-year underspend of £945k now exceeds the Capital Programme Variations budget, therefore an underspend of £375k is forecast in 2017/18 and this will reduce the borrowing requirement by £375k.
- LGSS Cambridge Office has capital funding of £0.9m in 2017/18.

As reported above, General Purposes Committee approved £410k additional budget in November 2017 to cover the increased costs of the Next Generation ERP scheme resulting from the extended time line for implementation. This is to be funded by prudential borrowing, leading to an increase in the borrowing requirement.

The in-year underspend of £30k exceeds the Capital Programme Variations budget, therefore an underspend of £10k is forecast in 2017/18, reducing the borrowing requirement by this amount.

- A detailed explanation of the position for Corporate Services and LGSS Managed can be found in [CS appendix 6](#).

A detailed explanation of the position for LGSS Cambridge Office can be found in [LGSS appendix 6](#).

4. PERFORMANCE

- 4.1** The key performance indicators for Corporate and Customer Services, LGSS Managed Services and the LGSS Cambridge Office for January 2018 are set out in [CS Appendix 7](#) and [LGSS Appendix 7](#).

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