

**Corporate Services and LGSS Cambridge Office****Finance and Performance Report – August 2017****1. SUMMARY****1.1 Finance**

Previous Status	Category	Target	Current Status	Section Ref.
N/A	Income and Expenditure	Balanced year end position	Amber	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
August (Number of indicators)	1	4	7	12

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

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. Budgets relating to Commercial and Investment Committee have been disaggregated from these figures.

*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.*

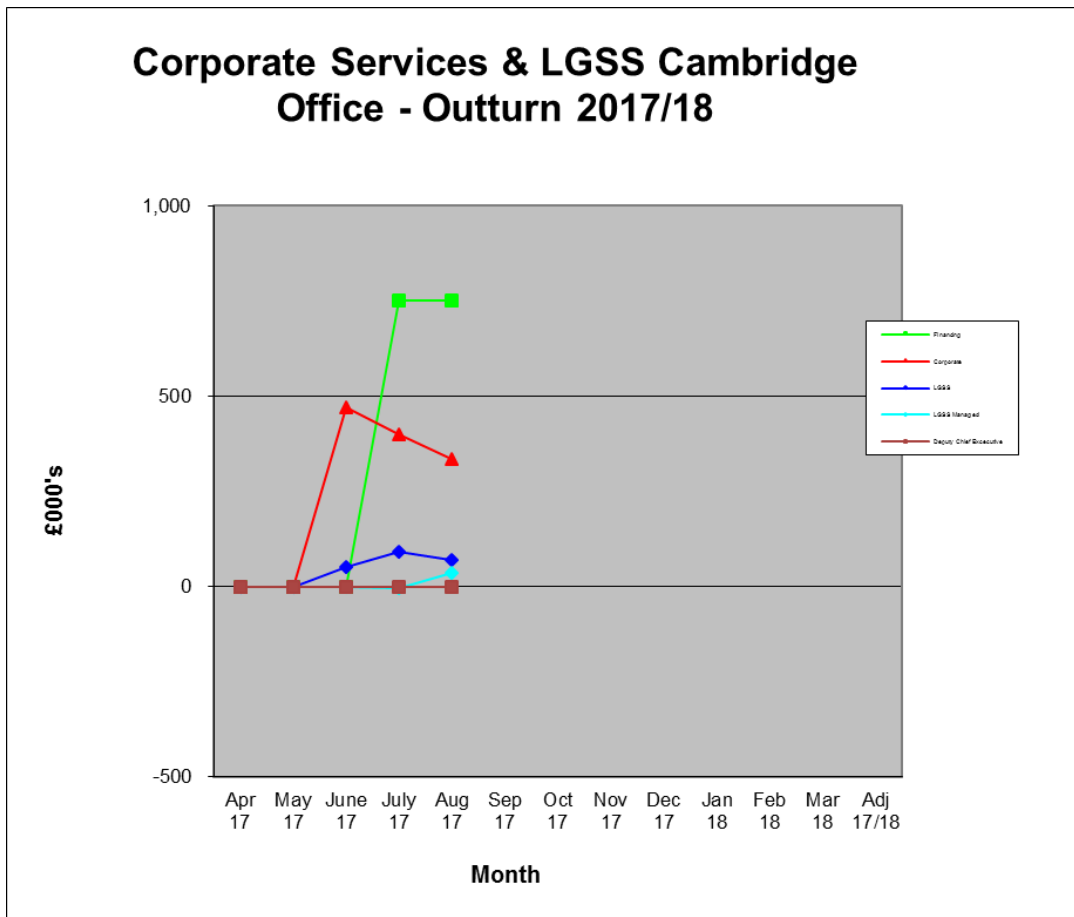
Original Budget as per BP (1)	Directorate	Current Budget	Forecast Variance - Outturn (July)	Forecast Variance - Outturn (August)	Forecast Variance - Outturn (August)	Current Status	DoT
£000		£000	£000	£000	%		
6,914	Corporate and Customer Services	6,085	400	336	6	Amber	↑
223	Deputy Chief Executive	275	0	0	0	Green	↔
13,626	LGSS Managed	13,560	-5	34	0	Amber	↓
22,803	Financing Costs	22,803	750	750	3	Amber	↔
<b>43,566</b>	<b>Sub Total</b>	<b>42,724</b>	<b>1,145</b>	<b>1,120</b>			
7,746	LGSS Cambridge Office	9,420	90	70	1	Amber	↑
<b>51,312</b>	<b>Total</b>	<b>52,144</b>	<b>1,235</b>	<b>1,190</b>			

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for August 2017 can be found in [CS appendix 1](#).

The service level budgetary control report for LGSS Cambridge Office for August 2017 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 £336k at year-end, which is an improvement of £64k on the position reported last month. This is due to the following new variance:

- The Strengthening Communities budget is predicted to underspend by £50k due to staff vacancies.

Further mitigations are being sought so that this position continues to improve.

There are no material exceptions to report this month.

### 2.2.2 Significant Issues – Deputy Chief Executive

Deputy Chief Executive budgets are forecast to be in balance at year-end.

There are no exceptions to report this month.

### **2.2.3 Significant Issues – LGSS Managed**

LGSS Managed budgets are currently predicted to be overspent by £34k at year-end, an adverse change of £39k from the position reported last month. This is due to the following new variances:

- There is a predicted overspend of £68k on IT Managed budgets as a result of increased contract costs due to inflation on contract renewal.
- This is offset by a forecast underspend on OWD Managed budgets due to the temporary secondment of a Graduate Trainee to the Combined Authority.

There are no material exceptions to report this month.

### **2.2.4 Significant Issues – Financing Costs**

As reported last month, Financing Costs budgets are recording a pressure of £750k in 2017-18 following the re-phasing of expected income streams from The Housing Investment Company.

There are no new exceptions to report for this month.

### **2.2.5 Significant Issues – LGSS Cambridge Office**

LGSS Cambridge Office is predicting an overspend of £70k at year-end, which is an improvement of £20k from last month.

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 £217k on the consolidated trading activities. This will be 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)

The following items above the de minimis reporting limit were recorded during August 2017.

#### Corporate and Customer Services:

Grant	Awarding Body	Expected Amount £
SCS Arts Alive		93,271
SCS Librarian Theatre Tour		51,446
Non-material grants (+/- £30k)		0

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 from CS to LGSS Cambridge and P&C	-142,000	Transfer of Welfare Benefits team
Non material virements (+/- £30k)	0	

#### Deputy Chief Executive:

	£	Notes
Transfer from LGSS Cambridge to Deputy Chief Executive	38,804	Staffing budget transfer from Learning Directorate to Transformation Team
Non material virements (+/- £30k)	0	

### **LGSS Cambridge Office:**

	<b>£</b>	<b>Notes</b>
Transfer from LGSS Cambridge to Deputy Chief Executive	-38,804	Staffing budget transfer from Learning Directorate to Transformation Team
Transfer from CS to LGSS Cambridge and P&C	62,000	Transfer of Welfare Benefits staff
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 £5.9m in 2017/18 and there is £181k spend to date. The forecast for net in-year slippage of £516k exceeds the Capital Programme Variation budget of £279k, resulting in a favourable forecast outturn variance of £237k.

The Corporate Services capital budget has increased by £2.6m due to the transfer of the Mosaic Project. The scheme was formerly under the remit of People and Communities, and is funded by borrowing. Following a review of the scheme, it is expected that the final cost of the scheme will be within budget.

There were no new exceptions to report for August.

- LGSS Managed has a capital budget of £0.85m in 2017/18 and there is expenditure of £34k to date. A balanced position is currently forecast at year-end and a nil total scheme variance is forecast.

There were no new exceptions to report for August.

- LGSS Cambridge Office has a capital budget of £0.5m in 2017/18 and there is no spend to date. The capital scheme budgets are predicted to be in balance at year-end and total scheme variances of £0k are forecast across the programme.

The Next Generation ERP capital budget has been increased to £0.5m in 2017/18 and £1.615m total scheme budget. This follows approval at GPC in July of £187k additional capital budget to meet increased costs of Agresso implementation. A number of factors have resulted in the need to employ additional external IT resource over a longer period than originally planned; these included the extended timetable, increased complexity as a result of implementing across three partners, and responding to changes in NCC organisational structures. There have also been some additional IT software and infrastructure costs incurred in respect of Biztalk and MOVEit software, in order to meet all of the application interfacing commitments. The additional capital costs will be fully mitigated by in-year LGSS revenue savings post implementation.

### Funding

- Corporate Services and Transformation schemes have capital funding of £6.7m in 2017/18. This transfer of the Mosaic project budget of £2.6m has resulted in an increase in the borrowing requirement of this amount.

As reported above, there is a predicted in-year underspend of £516k for 2017/18. This is offset by the Capital Programme Variation budget, resulting in a net reduction of £237k in the borrowing requirement for 2017/18.

- LGSS Managed has capital funding of £0.85m in 2017/18.

A balanced programme budget is forecast, and the current expectation is that this funding continues to be required in line with the revised budget proposals.

- LGSS Cambridge Office has capital funding of 0.5m in 2017/18.

As reported above, the budget for Next Generation ERP has increased by £187k, resulting in an increased borrowing requirement of this amount. A balanced budget is forecast, and the current expectation is that this funding continues to be required in line with the revised budget proposals.

- 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 August 2017 are set out in [CS Appendix 7](#) and [LGSS Appendix 7](#). There are a total of 22 indicators 14 of which have data available. 7 indicators are currently at green, 4 at amber and 1 at red status. There are 2 indicators with no target set. 8 indicators are in development, 5 of which are annual indicators. One of the indicators in development is a satisfaction indicator for work undertaken by the new corporate directorate. Work to complete all the definitions and data collection mechanisms for the new performance indicators is ongoing.

#### **APPENDICES**

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