

FINANCE AND PERFORMANCE REPORT – MAY 2016

To: **General Purposes Committee**

Meeting Date: **28th July 2016**

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 May 2016 Finance and Performance Report for Corporate Services and LGSS Cambridge Office.**

The report is presented to provide GPC with an opportunity to comment on the projected financial and performance outturn position, as at the end of May 2016.

Recommendation: **The Committee is asked to review, note and comment upon the report.**

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1. BACKGROUND

- 1.1 General Purposes Committee receives the Corporate Services and LGSS Cambridge Office Finance and Performance Report at all of its meetings, where it is 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. MAIN ISSUES

- 2.1 Attached as **Appendix A**, is the May 2016 Finance and Performance report.
- 2.2 At the end of May, Corporate Services (including the LGSS Managed and Financing Costs) is forecasting a year-end overspend on revenue of £1,497k.
- 2.3 The LGSS Operational budget is expected to break-even by year-end. This element of the budget is monitored by the LGSS Joint Committee and is not the responsibility of General Purposes Committee.
- 2.4 There is one significant forecast outturn variances by value (over £100,000) to report for Corporate Services / LGSS Managed.

There is a forecast overspend of £1,501k on Director, Policy and Business Support, which is due to anticipated under-achievement on the Corporate Capacity Review savings included in the Business Plan. This forecast is the worst case scenario, based on an assumption that new structures will not be in place until 1 January 2017. In reality, some changes will occur prior to this point and further work is being undertaken to review spans of control and tiers of management, which could see some further negation of this projection within the current financial year.

- 2.5 Financing Costs are predicted to be on target.
- 2.6 At the end of May, Corporate and LGSS Managed are forecasting that the capital budget will be fully spent in 2016-17.

The capital programme budget incorporates £2.1m funding for schemes carried forward from 2015/16 in Corporate Services and LGSS Managed.

The Renewable Energy Soham scheme has been revised to incorporate increased costs due to currency changes re solar panels (£400k) and additional grid connection costs (£120k).

The Implementing IT Resilience Strategy for Data Centres scheme has been re-phased, resulting in an increase of £500k in the budget for 2016/17. This will not affect the overall scheme cost.

- 2.7 At the end of May, LGSS Operational is forecasting that the capital budget will be fully spent in 2016-17. The capital programme budget incorporates £184k for schemes carried forward from 2015/16 in LGSS Cambridge Office. There are no exceptions to report for May.
- 2.8 In light of the significant slippage experienced in recent years due to deliverability issues with the programme, the Capital Programme Board has recommended that a 'Capital Programme Variations' line be included for each

Service which effectively reduces the programme budget. This has resulted in a reduction of £3,891k in the programme budget for Corporate Services and LGSS Managed and a reduction of £155k in the programme budget for LGSS Cambridge Office, leading to a corresponding reduction in required funding.

- 2.9 Corporate Services / LGSS have eleven performance indicators for which data is available. Eight indicators are currently at green status, and three at amber.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

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

4.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

There are no significant implications within this category.

4.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
There are no source documents for this report	1st Floor, Octagon, Shire Hall, Cambridge