

Corporate Services and LGSS Cambridge Office**Finance and Performance Report – May 2019****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 |
|----------------------------|------------|--------------|--------------|--------------|
| May (Number of indicators) | 1 | 3 | 8 | 12 |

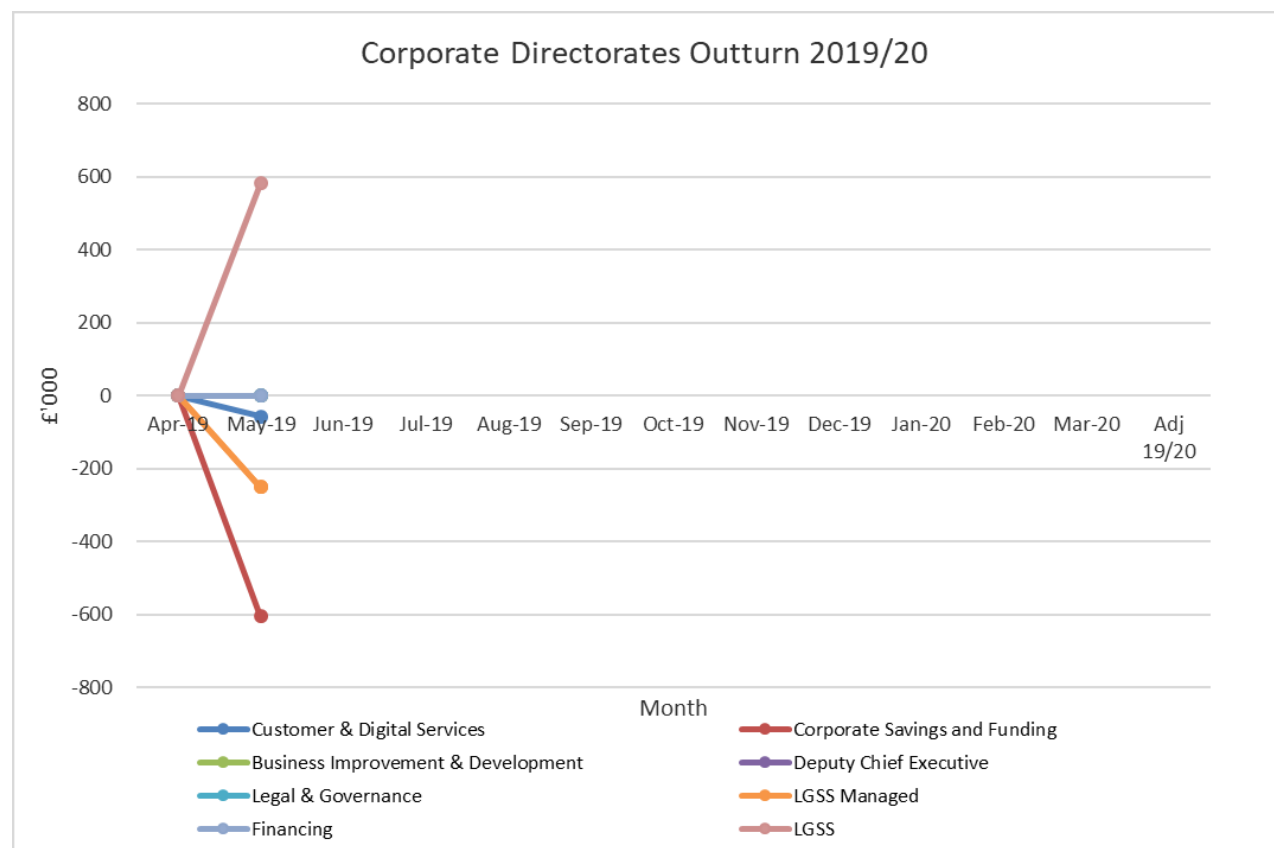
2. INCOME AND EXPENDITURE**2.1 Overall Position**

| Directorate | Budget £'000 | Actual £'000 | Outturn Variance £'000 | Outturn Variance % | Status |
|------------------------------------|-------------------------|-------------------------|---------------------------------------|-----------------------------------|---------------|
| Customer & Digital Services | 7,023 | 1,262 | -57 | -0.8% | Green |
| Corporate Savings & Funding | 969 | 0 | -604 | -62.3% | Green |
| Business Improvement & Development | 936 | 862 | -0 | 0.0% | Green |
| Deputy Chief Executive | 340 | -125 | -0 | 0.0% | Green |
| Legal & Governance | 102 | 28 | 0 | 0.0% | Green |
| Financing Costs | 28,161 | -2,628 | 0 | 0.0% | Green |
| LGSS Managed | 14,457 | 2,194 | -250 | -1.7% | Green |
| Total | 51,988 | 1,593 | -911 | -1.8% | |

The service level budgetary control report for LGSS Cambridge Office for May 2019 can be found in [LGSS appendix 1](#). Pressures and deficits within LGSS Operational budgets are the responsibility of the Joint Committee. Formal risk sharing arrangements are in place such that changes in service or financing impacting one partner are isolated from impacting other partners. In practice, this means that where there is risk (or additional requirements for) in-year savings for back-office services shared with or facing Northamptonshire County Council, these do not impact on the service received by Cambridgeshire County Council (CCC) or impact any overspend to be handled by CCC.

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.



2.1.1 Significant Issues – Customer & Digital Services

Corporate and Customer Services budgets are currently predicting an underspend of £57k. This is mainly due to savings from vacancies in IT & Digital Services.

There are no exceptions to report this month.

2.1.2 Significant Issues – Corporate Savings and Funding

Corporate Savings and Funding budgets are currently predicting an underspend of £604k. This is due to an underspend on Demography reserve and Central Services and Organisation-Wide Risks which is partially offset by an underachievement against the PCC Shared Services savings target.

The Demography Reserve budget is forecasting an underspend of £322k. This budget is expected to not be required in 2019/20 and is being reported as a mitigation to offset pressures.

On the Central Services and Organisation-Wide Risks budget, an underspend of £582k is reported to offset the £582k overspend on LGSS Cambridge Office.

PCC Shared Services has a savings target of £711k in 2019/20; of this £311k has already been identified and it is expected that a further £100k can be made in year. The remaining £300k saving target is not expected to be met in 2019/20.

2.1.3 Significant Issues – Business Improvement & Development

Business Improvement & Development budgets are currently predicting a balanced position.

There are no exceptions to report this month.

2.1.4 Significant Issues – Deputy Chief Executive

Deputy Chief Executive budgets are currently predicting a balanced position.

There are no exceptions to report this month.

2.1.5 Significance Issues- Legal and Governance

The Legal and Governance budget is currently predicting a balanced position.

There are no exceptions to report this month.

2.1.6 Significant Issues – LGSS Managed

LGSS Managed budgets are currently predicting an underspend on £250k. This is due to underspends on IT Managed.

The IT Managed budget is forecast to underspend by £250k. This is due to an in-year saving on laptop replacement, as some of the stock purchased using capital budget will be used in this year.

There are no exceptions to report this month.

2.1.7 Significant Issues – Financing Costs

The Financing Costs budget is currently predicting a balanced position.

There are no exceptions to report this month.

2.1.8 Significant Issues – LGSS Cambridge Office

LGSS Cambridge Office budgets are currently predicting an overspend of £582k.

Of the £582k overspend, £460k relates to a shortfall against the trading target for LGSS. Further trading is not currently being pursued whilst the review of the LGSS operating model is ongoing. In addition, CCC increased the savings target for LGSS by £300k for 2019/20. Savings of £178k have been identified to meet this additional savings target but a balance of £122k of savings remain to be agreed.

Additional Income and Grant Budgeted this Period

(De minimis reporting limit = £30,000)

The following item below the de minimis reporting limit was recorded during May 2019.

Customer & Digital Services:

| Grant | Awarding Body | Amount £'000 |
|--------------------------------|---|-------------------------|
| Non-material grants (+/- £30k) | Improvement & Development Agency for Local Government | 22 |

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](#).

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

(De minimis reporting limit = £30,000)

A full list of Virement and Transfer for Corporate Services and LGSS Managed can be found in [CS appendix 4](#)

A full list of Virement and Transfers 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 schemes had a capital budget of £5.7m in 2019/20 and there is expenditure of £0.5m to date. In-year, a balanced position is forecast. The total scheme forecast is on budget.

There are no exceptions to report this month.

- LGSS Managed had a capital budget of £2.3m in 2019/20 and there is expenditure of £0.2m to date. In-year a balanced position is forecast. The total scheme forecast is on budget.

There are no exceptions to report this month.

Funding

- Corporate Services schemes had capital funding of £5.7m in 2019/20. This includes £1.5m of funding carried forward from 2018/19, which has been reviewed by Capital Programme Board. The Corporate Services capital programme as a whole is forecasting a balanced position.

General Purposes Committee is asked to consider and approve the carry forward of funding from 2018/19 into 2019/20 for the following schemes:

| Scheme | Prudential Borrowing £'000 |
|--|---|
| Essential CCC Business Systems Upgrade | 66 |
| Mosaic | 497 |
| Children's Services IT System | 895 |

In addition to this, £670k of the EastNet capital budget for 2019/20 has been reallocated to other projects, of which £150k has been allocated to Essential CCC Business Systems Upgrade and £520k has been allocated to Mosaic.

- LGSS Managed had capital funding of £2.3m in 2018/19. This includes £0.8m of funding carried forward from 2018/19, which has been reviewed by Capital Programme Board. The LGSS Managed capital programme as a whole is forecasting a balanced position.

| Scheme | Prudential Borrowing £'000 |
|--|---|
| Essential CCC Business Systems Upgrade | 66 |
| Mosaic | 497 |
| Children's Services IT System | 895 |
| EastNet (CPSN Replacement) | -820 |
| Improved audio-visual capabilities for staff meetings | 59 |
| Disaster Recovery facility for critical business systems | 353 |
| Office 365 | 238 |
| IT Infrastructure refresh | 215 |
| Replacement of office networking hardware | 55 |
| Laptop refresh | 224 |
| Libraries IT Network Refresh | 443 |

As reported above, in addition to this, £670k of the EastNet capital budget for 2019/20 has been reallocated to Corporate Services projects.

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

4. PERFORMANCE

- 4.1** The key performance indicators for Corporate and Customer Services and LGSS Managed Services are set out in [CS Appendix 7](#). Key performance indicators for LGSS Cambridge Office are not reported here as the information for these is not yet available.

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