

Corporate Services and LGSS Cambridge Office**Finance Monitoring Report – August 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

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

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for August 2019 can be found in [CS appendix 1](#).

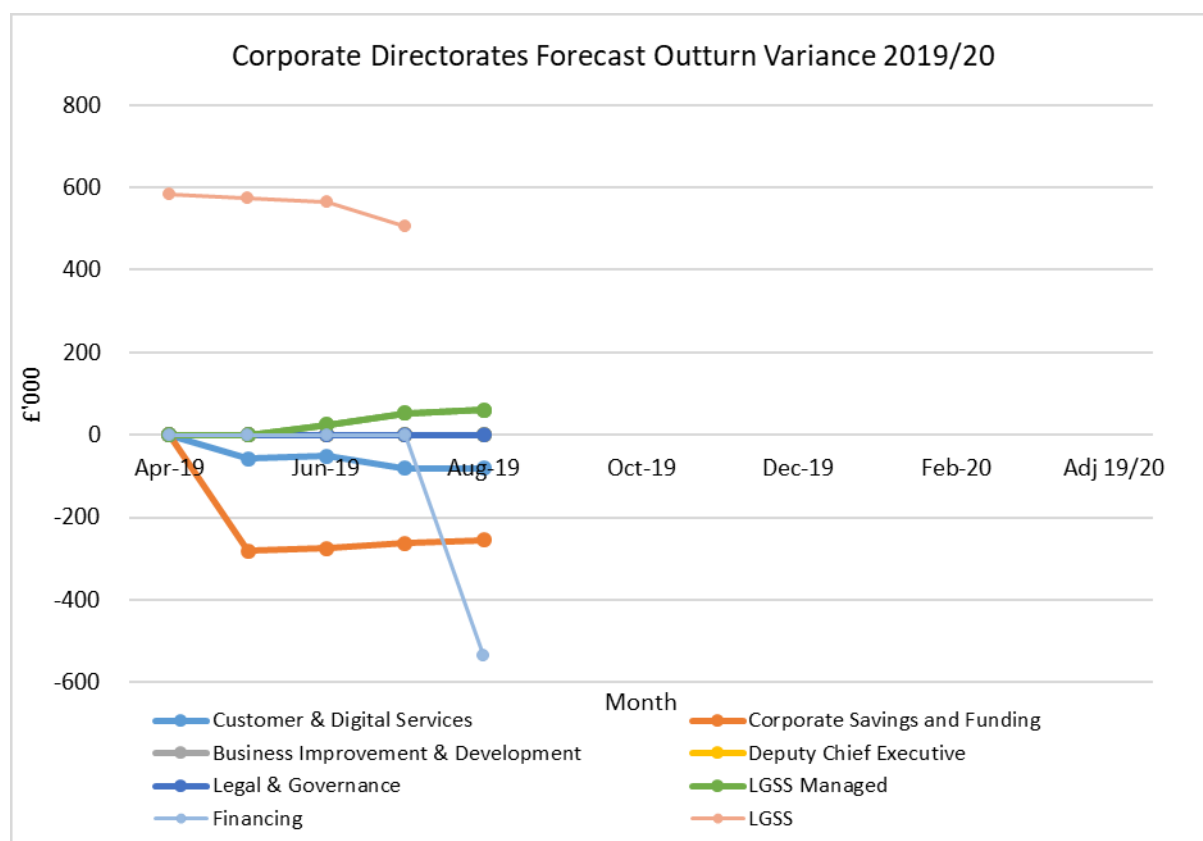
Outturn Variance (previous) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	Outturn Variance %	Status
-81	Customer & Digital Services	6,998	3,471	-81	-1.2%	Green
-263	Corporate Savings & Funding	474	0	-255	-53.8%	Green
0	Business Improvement & Development	1,013	700	-0	0.0%	Green
0	Deputy Chief Executive	508	33	-0	0.0%	Green
0	Legal & Governance	102	58	0	0.0%	Green
0	Financing Costs	27,558	2,653	-534	-1.9%	Green
53	LGSS Managed	14,202	9,771	60	0.4%	Green
-291	Total	50,855	16,686	-809	-1.6%	

The service level budgetary control report for LGSS Cambridge Office for August 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 or Milton Keynes Council, these do not impact on the service received by Cambridgeshire County Council 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 £81k, which is the same as last the last month. This is mainly due to savings from vacancies in the directorate.

There are no new 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 £255k, which is a decrease of £8k from the previous forecast.

The PCC Shared Services savings target is forecast to underachieve by £400k, which is an increase of £100k from the previous forecast. £311k of savings against this target have been identified mainly across Customer & Digital Services. These savings are firm based on indications of funding from Peterborough until year-end. Given lead in times for further shared proposals

and priorities in Peterborough there is expected to be a £400k shortfall on the target.

2.1.3 Significant Issues – Business Improvement & Development

Business Improvement & Development budgets are currently predicting a balanced position, which is the same as the last month.

There are no new exceptions to report this month.

2.1.4 Significant Issues – Deputy Chief Executive

Deputy Chief Executive budgets are currently predicting a balanced position, which is the same as the last month.

There are no new exceptions to report this month.

2.1.5 Significance Issues- Legal and Governance

The Legal and Governance budget is currently predicting a balanced position, which is the same as the last month.

There are no new exceptions to report this month.

2.1.6 Significant Issues – LGSS Managed

LGSS Managed budgets are currently predicting an overspend of 60k, which is an increase of £7k from the previous forecast. This is due to an overspend in IT Managed.

There are no new exceptions to report this month.

2.1.7 Significant Issues – Financing Costs

The Financing Costs budget is currently predicting an underspend of £534k. This is mainly due to savings generated through revenue charge (the Minimum Revenue Charge – MRP).

The Council is required to repay an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision - MRP). Following analysis of capital schemes completed in 2018/19 and how they were funded, the MRP payment for 2019/20 has been recalculated and is forecast to be underspent by £1,031k. Off-setting this, the Interest Payable budget is forecast to overspend by £497k due to refinancing £100m of borrowing at slightly higher rates than originally forecast for 2019-20. These rates, however, are now fixed for up to 50 years at historically very low PWLB rates, providing a long-term benefit of overall lower rates.

2.1.8 Significant Issues – LGSS Cambridge Office

LGSS Cambridge Office budgets are currently predicting an overspend of £505k, which is a decrease of £58k from the previous forecast. This is mainly due to savings from vacancies across LGSS Operational directorates.

There are no new exceptions to report this month.

3. CAPITAL PROGRAMME

3.1 Capital Expenditure and Funding

Expenditure

- Corporate Services and Transformation schemes have a capital budget of £7.5m in 2019/20 and there is expenditure of £1.6m to date. In-year, an underspend of £40k is forecast. The total scheme forecast is on budget.

There are no new material exceptions to report this month.

- LGSS Managed had a capital budget of £2.3m in 2019/20 and there is expenditure of £0.5m to date. In-year, an overspend of £40k is predicted. The total scheme forecast is on budget.

There are no new material exceptions to report this month.

Funding

- There are no new material exceptions to report this month.
- A detailed explanation of the position for Corporate Services and LGSS Managed can be found in [CS appendix 3](#).

4. TECHNICAL NOTE

Technical financial information for corporate directorates covering grants, reserves and budget virements is included as CS Appendix 4.

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