

Service: Corporate Services
 Subject: Finance Monitoring Report – July 2021
 Date: 21 September 2021

Key Indicators

Previous Status	Category	Target	Current Status	Section Ref.
Green	Income and Expenditure	Balanced year end position	Amber	1.1 – 1.3
Green	Capital Programme	Remain within overall resources	Green	2

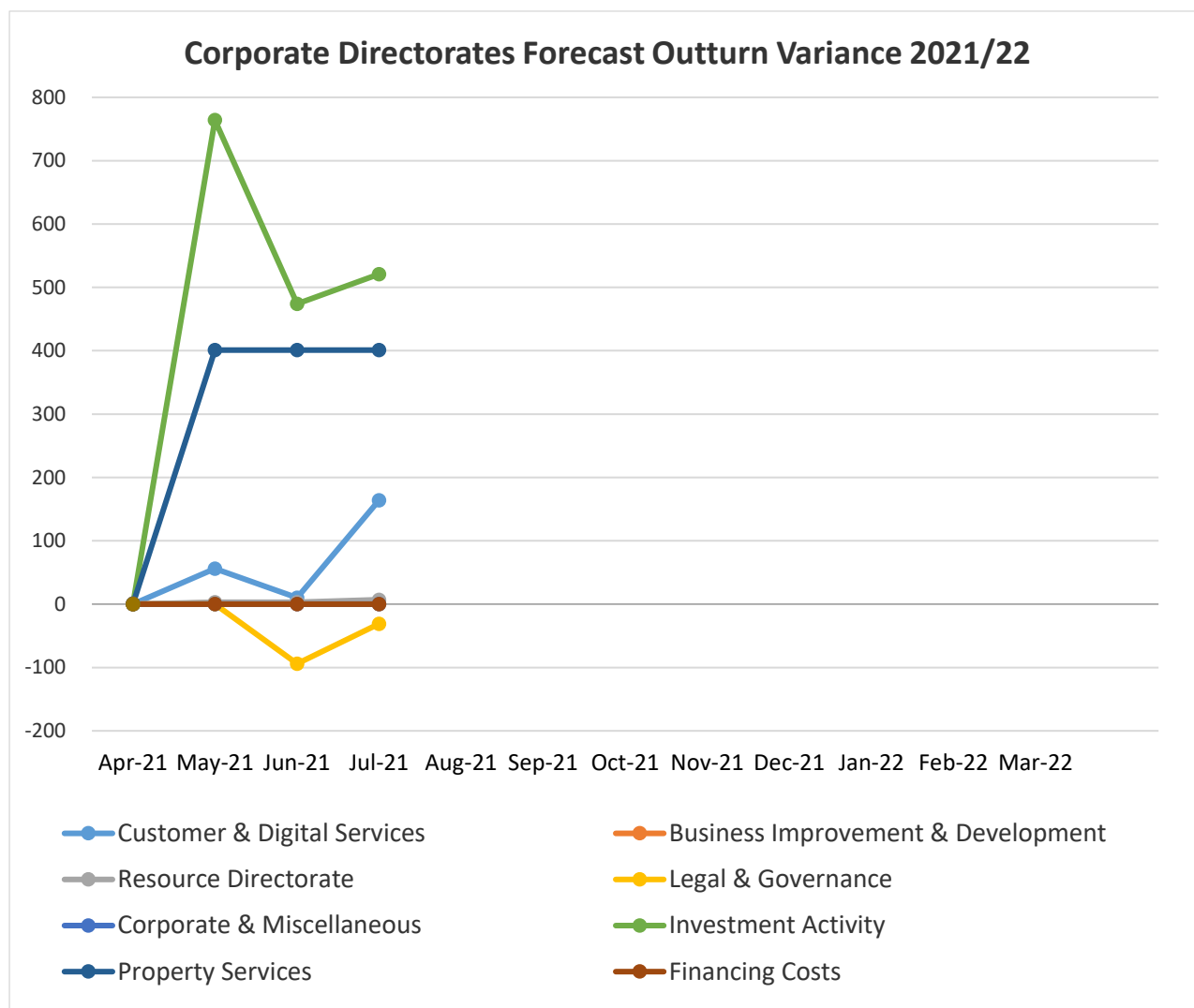
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Appx 5	Technical Appendix	This contains technical financial information for Corporate Services showing: <ul style="list-style-type: none"> Grant income received & service reserves Budget virements into or out of Corporate Services 	17-20

1. Revenue Executive Summary

1.1 Overall Position

Corporate Services & Financing has a budget of £57,595k in 2021/22 and is currently forecasting an overspend of £1,064k.



1.2 Summary of Revenue position by Directorate

The service level budgetary control report for Corporate Services & Financing Costs for the year 2021/22 can be found in [appendix 1](#).

				Outturn Variance (previous) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	Outturn Variance %	Status
10	Customer & Digital Services	16,942	8,580	164					1.0%	Amber
0	Business Improvement & Development	1,656	-1,312	0					0%	Green
3	Resources Directorate	6,986	-300	7					0%	Green
-94	Legal & Governance	2,345	731	-31					-1.3%	Green
0	Corporate & Miscellaneous	6,877	1,310	0					0%	Green
474	Investment Activity	-11,056	-1,197	521					5%	Amber
401	Property Services	2,550	1,663	401					16%	Amber
0	Financing Costs	31,295	2,628	0					0%	Green
795	Total	57,595	12,104	1,064					2%	Amber

Further analysis can be found in [appendix 2](#) for Corporate Services

1.3 Significant Issues

Corporate Services are currently forecasting an overspend of £1,064k an increase of £269k since last month.

Significant issues are detailed below:

Customer & Digital Services

Corporate and Digital Services budgets are currently forecasting an overspend of £164k, an increased forecast overspend of £154k since last month.

This is mainly due to additional pressures of £215k in IT and Digital Services, including the cost of £106k for IT licences and £110k hosting Outsystems a legacy system from LGSS. This is partly mitigated by an increase in staff vacancy savings in Customer Services of £24k and £42k vacancy savings in Human Resources.

Business Improvement & Development

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

There are no exceptions to report this month.

Resources Directorate

Resources Directorate budgets are currently forecasting an overspend of £7k.

There are no exceptions to report this month.

Legal and Governance

Legal and Governance budgets are currently forecasting an underspend of £31k, a decrease of £63k from the previous forecast.

The identified underspend in the Member's Allowances budget is due to changes to their allowance following approval by full Council of the Independent Remuneration Panel's report. This underspend is partly offset by £12k to hire venues and audio-visual equipment for Council meetings in Democratic services.

Corporate & Miscellaneous

Corporate & Miscellaneous budgets are currently forecasting a balanced position.

There are no exceptions to report this month.

Investment Activity

Investment Activity is currently forecasting an overspend of £521k, a change of £47k due to updates to the latest rent forecasts.

There are no exceptions to report this month.

Property Services

Property Services is currently forecasting an overspend of £401k, same as the previous forecast.

There are no exceptions to report this month.

Financing Costs

Financing costs are currently predicting a balanced position.

There are no exceptions to report this month.

Covid 19 – Financial Impact

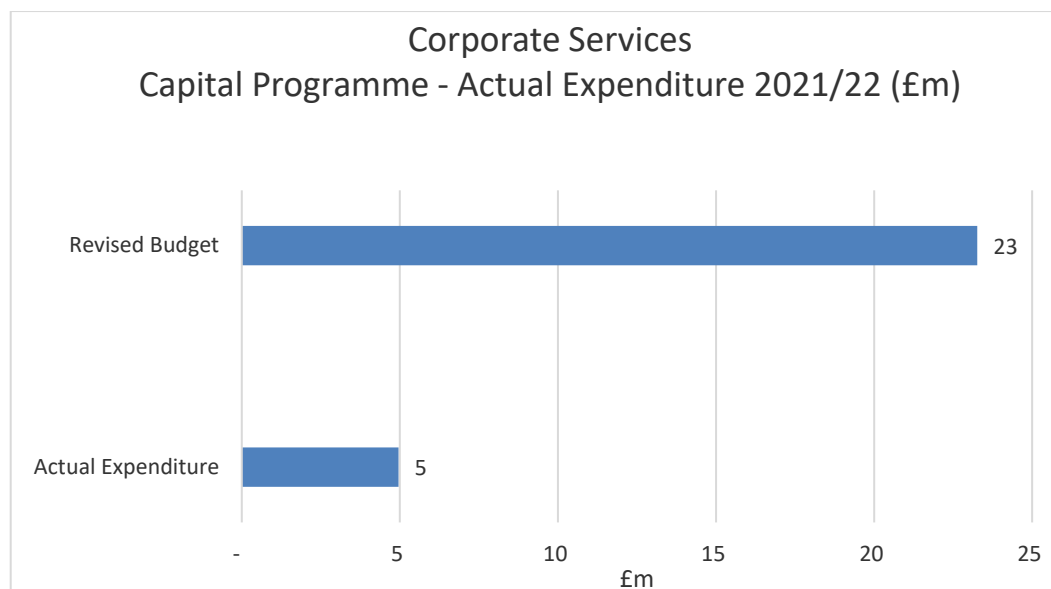
Financial costs associated with managing the implications of the Coronavirus pandemic, including any loss of income:

Service Area	Details	Estimated cost 2021/22 £000	July 2021 impact £000
IT – continued remote working	Remote working continues as per govt. guidance	378	126
Postage	Postage directly related to Covid-19	4	1
Temporary mortuary	Site cost for Provision of Body Storage	30	16
Communications-Test and Trace	Staff and Advertising costs towards Test and Trace Service	130	44
Information Management	Cambs 2020 programme removal costs – Delays due to Covid-19 pandemic	50	20
Member's Allowance	Hire of External Venues for Council AGM	8	7
Elections	25% uplift in costs expected for the election	161	0
Council Tax	Income saving rephased due to pressures on the District Council's Revenue & Benefits teams impacting timeline for project mobilisation	650	217
Cromwell Leisure	We anticipate that in the current climate, two of the restaurant units will generate minimal income during 2021-22 and the cinema is facing further challenges	395	106
County Farms	Reduction in income from new investments & a small decline on existing income	205	0
Pools Property Fund Investment	Expecting the risk of further challenges ahead a forecast of 5% income reduction is likely.	21	0
Property Services	Health and Safety supplies, cleaning, water testing, additional resource.	30	16
Brunswick House	A reduction in the occupancy levels since it is expected that some students will stay at home and opt for online learning and a drop in international student numbers is expected.	648	265

2. Capital Executive Summary

2.1 Expenditure

Corporate Services has a capital budget of £23,266k and expenditure to date of £4,957k in 2021/22.



There are no exceptions to report this month.

Please note the variations budget has been updated to reflect the recent changes to the hierarchy, resulting in a lower figure and therefore increasing the overall budget from £15m to £23m.

Details of the capital variances and funding can be found in [appendix 3](#)

2.2 Funding

Corporate Services has a capital budget of £15m in 2021/22. This includes £5m of funding carried forward from 2020/21.

3. Savings Tracker Summary

The savings tracker is produced quarterly. The Q1 table can be found in [appendix 4](#)

4. Technical Notes

A technical financial appendix has been included as [appendix 5](#) for Corporate Services.

This appendix covers:

- Grants that have been received by the service, and where these have been more or less than expected

- Budget movements (virements) into or out of corporate services from other services (but not within corporate services), to show why the budget might be different from that agreed by Full Council
- Service reserves – funds held for specific purposes that may be drawn down in-year or carried-forward – including use of funds and forecast draw-down.

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Appendix 1 – Corporate Services Level Financial Information

Previous Forecast Outturn Variance £000's	Service	Budget 2021/22 £000's	Actual July 2021 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
Customer & Digital Services					
30	Director, Customer & Digital Services	415	52	30	7%
0	Chief Executive	171	-5	3	2%
17	Communication and Information	737	336	17	2%
-67	Customer Services	2,034	974	-91	-4%
0	IT & Digital Service	2,499	1,881	215	8%
0	IT Managed	7,197	4,175	-3	0%
0	Elections	170	14	0	0%
3	Human Resources	1,622	526	-42	-3%
0	Health, Safety & Wellbeing	181	21	0	0%
26	Learning & Development	1,916	607	34	2%
10	Customer & Digital Services Total	16,942	8,580	164	1%
Business Improvement & Development					
2	Policy, Design and Delivery	613	-1,833	1	0%
-1	Business Intelligence	1,043	521	-1	0%
0	Business Improvement & Development Total	1,656	-1,312	0	0%
Resources Directorate					
0	Resources Directorate	374	120	0	0%
3	Professional Finance	1,835	891	7	0%
0	Procurement	613	221	0	0%
0	CCC Finance Operations	288	87	-2	-1%
0	Shared Finance Operations	484	347	0	0%
0	Insurance	2,229	145	0	0%
0	External Audit	75	-170	0	0%
0	Shared Services	1,088	-1,940	1	0%
3	Resources Directorate Total	6,986	-300	7	0%
Legal & Governance					
0	Legal & Governance Services	103	48	0	0%
-2	Information Management	875	290	0	0%
0	Democratic & Member Services	326	79	12	4%
-92	Members' Allowances	1,041	315	-43	-4%
-94	Legal & Governance Total	2,345	731	-31	-1%
Corporate & Miscellaneous					
0	Central Services and Organisation-Wide Risks	3,989	0	0	0%
0	Investment in Social Care Capacity	1,300	0	0	0%
0	Subscriptions	110	32	0	0%
0	Authority-wide Miscellaneous	48	-151	0	0%
0	Transformation Fund	1,429	1,429	0	0%
0	Corporate & Miscellaneous Total	6,877	1,310	0	0%
Investment Activity					
474	Property Investments	-3,544	-128	521	15%
0	Shareholder Company Dividends & Fees	-491	16	0	0%
0	Housing Investment (This Land Company)	-6,063	-710	0	0%
0	Contract Efficiencies & Other Income	-201	-0	0	0%
0	Collective Investment Funds	-544	11	0	0%
0	Investments	26	86	0	0%
0	Renewable Energy Investments	-239	-473	0	0%
474	Commercial Activity Total	-11,056	-1,197	521	5%
Property Services					
400	Facilities Management	5,174	1,763	400	8%
0	Property Services	799	314	0	0%
1	Property Compliance	204	-275	1	0%
0	County Farms	-4,329	138	-0	0%
1	Strategic Assets	703	-277	1	0%

Previous Forecast Outturn Variance £000's	Service	Budget 2021/22 £000's	Actual July 2021 £000's	Forecast Outturn Variance £000's	Forecast Outturn Variance %
401	Property Services Total	2,550	1,663	401	16%
	Financing Costs				
0	Debt Charges and Interest	31,295	2,628	0	0%
0	Financing Costs Total	31,295	2,628	0	0%
795	Total	57,595	12,104	1,064	2%

Appendix 2 – Service Commentaries on the Outturn Position

Narrative is given below where there is an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater for a service area.

Director, Customer & Digital Services

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
415	30	7%

Director, Customer & Digital Services is forecasting an overspend of £30k. This is mainly due to statutory duty for providing the temporary Mortuary facility due to Covid-19.

Customer Services

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
2,034	-91	-4%

Customer Services is currently forecasting an underspend of £91k due to staff vacancies.

IT & Digital Services

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
2,499	215	8%

IT & Digital Services is currently forecasting an overspend of £215k due to an additional pressure of £215k in IT and Digital Services for the cost of £106k for IT licences and £110k hosting Outsystems, a legacy system from LGSS.

Human Resources

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
1,622	-42	-3%

Human Resources is currently forecasting an underspend of £42k due to vacancy savings.

Democratic & Member Services

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
326	12	4%

Democratic & Member Services are currently forecasting an overspend of £12k due to the need to hire venues and audio-visual equipment for Council meetings since the Government is not extending the virtual meetings regulations and New Shire Hall is not yet available.

Member's Allowance

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
1,041	-43	-4%

Member's Allowance are currently predicting an underspend of £43k. This is due to changes to Members' Allowances following approval by full Council of the Independent Remuneration Panel's report.

Property Investments

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
-3,544	521	15%

Investment Activity are currently predicting an overspend of £521k. This is due to the reduction in rental income anticipated from the leisure property and the student accommodation property as a result of the impact of the pandemic on income streams. The shortfall is higher than expected at budget setting creating a pressure in year of £457k. The income from office/research, retail and manufacturing properties are expected to be impaired by £64k.

Collective Investment Funds

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
-544	0	0%

The Collective Investment Fund budget was forecasting a £290k shortfall in returns on investment. There is an overall reduction in the anticipated value of the returns from 5.7% to 2.9% reflecting the environmental, social and governance factors used in selecting an appropriate investment fund. The decision was made to reduce the income budget to reflect the current return in investment.

Property Services

Current Budget for 2021/22 £'000	Outturn £'000	Outturn %
5,174	400	8%

Property Services budgets are currently predicting an overspend of £400k. This is the estimated pressure expected due to the continued increase in the cost of maintaining libraries, and other corporate properties.

Appendix 3 – Capital Position

3.1 Capital Expenditure 2021/22

Total Scheme Revised Budget £000	Original 2021/22 Budget as per BP £000	Scheme	Revised Budget for 2021/22 £000	Actual Spend 2021/22 £000	Forecast Spend - Outturn £000	Forecast Variance 2021/22 £000
		Corporate Services and Transformation				
750	150	Essential CCC Business Systems Upgrade	183	74	183	-
8,382	1,682	Capitalisation of Transformation Team	1,682	-	1,682	-
5,408	2,440	Data Centre Relocation	2,909	177	2,909	-
3,259	1,554	IT Strategy - Infrastructure & Corporate Systems	280	-	280	-
		IT Strategy - Microsoft	100	147	100	-
		IT Strategy - Data	120	12	120	-
		IT Strategy - Business Systems	940	140	940	-
-	135	IT Infrastructure refresh	144	22	144	-
		Investments				
152,395	6,321	Housing Schemes	6,674	8	50	(6,624)
1,600	200	Development Funding	388	79	388	-
		Property Services				
7,163	600	Building Maintenance	1,907	882	1,907	-
5,518	1,663	Investment in the CCC asset portfolio	2,779	682	2,779	-
		Strategic Assets				
3,814	25	Lower Portland Farm	75	-	75	-
900	100	Local Plans Representations	100	5	100	-
2,700	300	County Farms Investment	300	(10)	300	-
1,981	1,484	Community Hubs - East Barnwell	1,552	18	1,552	-
18,737	6,279	Shire Hall Relocation	7,329	2,532	7,329	-
-	-	Arbury Road Site	150	-	150	-
500	-	Mill Rd - Former Library	489	243	489	-
213,107	22,933		28,101	4,957	21,477	(6,624)
1,472	785	Capitalisation of Interest Budget	785	-	785	-
(24,260)	(13,757)	Capital Programme Variations Budget	(5,620)	-	-	5,620
190,319	9,961	TOTAL	23,266	4,957	22,262	(1,004)

3.2 Capital Funding 2021/22

Original 2021/22 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2021/22 £000	Forecast Spend £000	Variance £000
1,645	Capital Receipts	1,345	1,682	337
1,590	Other Contributions	1,740	150	(1,590)
260	Developer Contributions	260	260	-
14,959	Prudential Borrowing	19,921	20,170	249
18,454	TOTAL	23,266	22,262	(1,004)

3.3 Corporate Services Capital Variation 2021/22

Service	Capital Programme Variations Budget £'000	Outturn Variance £'000	Capital Programme Variations Budget Used £'000	Capital Programme Variations Budget Used %	Revised Outturn Variance £'000
Corporate Services	(5,620)	(6,624)	5,620	100%	(1,004)

3.4 Service Commentaries on the Capital Position

The schemes with significant variances (>£250k) either due to changes in phasing or changes in overall scheme costs can be found in the following table:

Housing Schemes

Revised Budget for 2021/22 £'000	Forecast Spend - Outturn (July) £'000	Forecast Spend - Outturn Variance (July) £'000	Variance Last Month (June) £'000	Movement £'000	Breakdown of Variance: Underspend/ pressure £'000	Breakdown of Variance: Rephasing £'000
6,674	50	-6,624	-6,624	0	0	-6,624

Housing Schemes capital scheme budget is forecasting an in-year underspend of £6,624. This Land's cashflow position is such that they do not currently require any further loan financing, the next loan request is expected in mid-2022.

Appendix 4 – Quarter 1 Savings Tracker

Reference	Title	Description	Q1	Q2	Q3	Q4	Forecast Saving 21-22	Variance from Plan £000	Saving complete?	% Variance	Forecast Commentary	RAG
C/R.6.103	External Auditor fee	Saving to be achieved from reduction in expenditure on External Audit, as per fees set by Public Sector Audit Appointments	-3	-4	-4	-4	-15	0	No	0		Green
C/R.6.104	Reduction in staff mileage	A reduction in staff travel is expected to continue.	-300	-264			-564	0	No	0	Q1 saving achieved.	Green
C/R.6.105	Customer Services	Trends over recent years have determined a reduction of £85k is achievable. This reduction will be delivered by removing 3 vacant posts.	-85				-85	0	Yes	0	Vacant posts removed.	Green
F/R.6.003	Babbage House closure	The lease on Babbage House is due to end in 2020-21 and will not be renewed.	-198				-198	0	Yes	0	Lease has ended.	Green
F/R.6.109	Cambs 2020 Operational Savings	Savings to the running costs of corporate buildings because of the Cambs 2020 programme.	0	0	0	0	0	605	No	100	The savings from Shire Hall will not be achieved until such time as the sale is complete.	Black
F/R.7.106	Utilisation/ commercialisation of physical assets	Carry-forward saving - unachieved in 20/21. One Public Estate	0	0	0	0	0	36	No	100	There has been no development in this area.	Black
F/R.7.110	Return on Commercial Property Investments	The Council is developing a portfolio of commercial property investments. This is	-26	-26	-26	-27	-105	0	No	0		Green

Reference	Title	Description	Q1	Q2	Q3	Q4	Forecast Saving 21-22	Variance from Plan £000	Saving complete?	% Variance	Forecast Commentary	RAG
	(Carry-forward saving - unachieved in 20/21)	the rental income generated from the lease.										
F/R.7.127	County Farms - Commercial uses	Conversion of barns on the County Farms Estate for non-agricultural commercial uses, including storage and distribution.	-11	-11	-11	-12	-45	0	No	0		Green
F/R.7.131	Commercial Income	Commercial return from the Council's Commercial Strategy, to be generated by the newly developed Commercial Team.	0	0	0	0	0	232	No	100	Saving not achieved. However, as part of the budget rebasing exercise approved by S&R at the July 2021 meeting this pressure is now removed	Black
F/R.7.140	Tesco - Income Generation	Estimated annual rent increase.	0	0	0	-77	-77	0	No	0		Green
F/R.7.141	Evolution Business Park - Income Generation	Estimated annual rent increase.	-3	-3	-3	-3	-12	0	No	0		Green
F/R.7.142	Kingsbridge - Income Generation	Estimated annual rent increase.	-3	-3	-3	-2	-11	0	No	0		Green

Reference	Title	Description	Q1	Q2	Q3	Q4	Forecast Saving 21-22	Variance from Plan £000	Saving complete?	% Variance	Forecast Commentary	RAG
F/R.7.143	Brunswick House - Income Generation	Estimated annual rent increase.	0	0	0	0	0	66	No	100		Black
F/R.7.144	County Farms	Increase in rental income for the county farms estate.	0	0	-20	-20	-40	0	No	0		Green
G/R.6.003	MRP: Accountable Body (effect of capital swaps)	As Accountable Body the Council incurs certain administrative costs in undertaking this role. However, it also holds the cash on an interim basis pending utilisation by those parties. The Council maximises the use of these resources whilst not detrimentally affecting those resources. This is only possible where the body or partnership does not use the funds that have been awarded in the financial year in which they are provided. This is an adverse effect; it is the reversal of savings made in previous years as the cash received in prior years is utilised by the parties for whom we hold the funds and can no longer be used to offset borrowing requirements	-88	-89	-89	-89	-355	0	No	0		Green

Appendix 5 – Technical Note

5.1 Grant Income Analysis

Grant	Awarding Body	Expected Amount £'000
Skills for Care	ASYE Children	44
Skills for Care	ASYE Adults	20
ARU from Education Support Grant	SW Student Placement	87
Non-material grants (+/- £30k)	New Burdens: Data Transparency Funding	13
Total Grant Funding 2021/22		164

5.2 Virements and Budget Reconciliation

Customer & Digital Services

Budgets and movements	£000	Notes
Budget as per Business Plan	17,708	
Redundancy, Pensions & Injury	-846	Transferred to P&C
IT and Digital Services	46	Transferred from P&C: Baseline adjustment for Total Mobile
Non-material virements (+/- £30k)	7	April
Non-material virements (+/- £30k)	29	May
Non-material virements (+/- £30k)	21	June
Non-material virements (+/- £30k)	-23	July
Current Budget 2021/22	16,942	

Business Improvement & Development

Budgets and movements	£000	Notes
Budget as per Business Plan	1,449	
Policy, Design and Delivery	209	Transferring Investment team budget to new service area
Non-material virements (+/- £30k)	-2	
Current Budget 2021/22	1,656	

Resources Directorate

Budgets and movements	£000	Notes
Budget as per Business Plan	6,995	
Non-material virements (+/- £30k)	-9	
Current Budget 2021/22	6,986	

Legal & Governance

Budgets and movements	£000	Notes
Budget as per Business Plan	2,302	
Information Management	56	From Central Services and Organisation-Wide Risks to cover the costs of extra resources
Non-material virements (+/- £30k)	-13	
Current Budget 2021/22	2,345	

Corporate & Miscellaneous

Budgets and movements	£000	Notes
Budget as per Business Plan	6,680	
Central Services Organisation-Wide Risks	-56	To cover the costs of extra resources in Information Management
Central Services Organisation-Wide Risks	288	
Non-material virements (+/- £30k)	-29	
Non-material virements (+/- £30k)	-6	
Current Budget 2021/22	6,877	

Investment Activity

Budgets and movements	£000	Notes
Budget as per Business Plan	-11,518	
Investments	-209	Transferring budget to new service area
Collective Investment Funds	435	Baseline adjustments approved in July
Investments	235	Baseline adjustments approved in July
Non-material virements (+/- £30k)	0	
Current Budget 2021/22	-11,056	

Property Services

Budgets and movements	£000	Notes
Budget as per Business Plan	2,551	
Non-material virements (+/- £30k)	-1	
Current Budget 2021/22	2,550	

Financing Costs

Budgets and movements	£000	Notes
Budget as per Business Plan	31,295	
Non-material virements (+/- £30k)	0	
Current Budget 2021/22	31,295	

5.3 Reserves Schedule

Corporate Services Reserves

Fund Description	Balance at 01 April 2021 £'000	Movements in 2021/22 £'000	Balance as 31 July 2021 £'000	Forecast Balance at 31 March 2022 £'000	Notes
Other Earmarked Funds					
Election Processes	37	0	37	37	1
City Deal - NHB funding	2,455	0	2,455	2,000	2
CCC Finance Office	58	0	58	58	3
Records Management	50	-19	31	0	4
subtotal	2,600	-19	2,580	2,095	
Other Earmarked Funds					
CPSN Partnership Funds	98	0	98	98	
subtotal	98	0	98	98	
Short Term Provisions					
Insurance Short-term Provision	911	0	911	911	
Insurance MMI Provision	1,182	0	1,182	1,182	
subtotal	2,093	0	2,093	2,093	
Long Term Provisions					
Insurance Long-term Provision	3,613	0	3,613	3,613	
subtotal	3,613	0	3,613	3,613	
Other Earmarked Funds					
North Cambridge Academy site demolition costs	686	0	686	400	5
Shire Hall Relocation	483	0	483	225	6
subtotal	1,169	0	1,169	625	
Capital Reserves					
General Capital Receipts	10,861	1,151	12,012	0	7
subtotal	10,861	1,151	12,012	0	
TOTAL	20,433	1,131	21,565	8,524	

(+) positive figures represent surplus funds

(-) negative figures represent deficit funds

Notes

1. Election budget to be transferred to reserve
2. New Homes Bonus funding - Greater Cambridge Partnership
3. Recharged costs for CCC Investigation
4. Earmarked reserved for Records Management
5. Rental income from Bellerbys buildings on the North Cambridge Academy site is being held to offset demolition costs when the lease expires in 2021
6. Shire Hall relocation costs were previously part of the central contingency reserve but are now shown separately
7. General Capital Receipts received during 2021/22 will be used to fund the capital programme at year-end, and This Land Capital Receipts will be used for Commercial Investment