

Service	Corporate Services, LGSS Managed and LGSS Cambridge Office
Subject	Finance Monitoring Report – Final Report 2019-20
Date	

KEY INDICATORS

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

CONTENTS

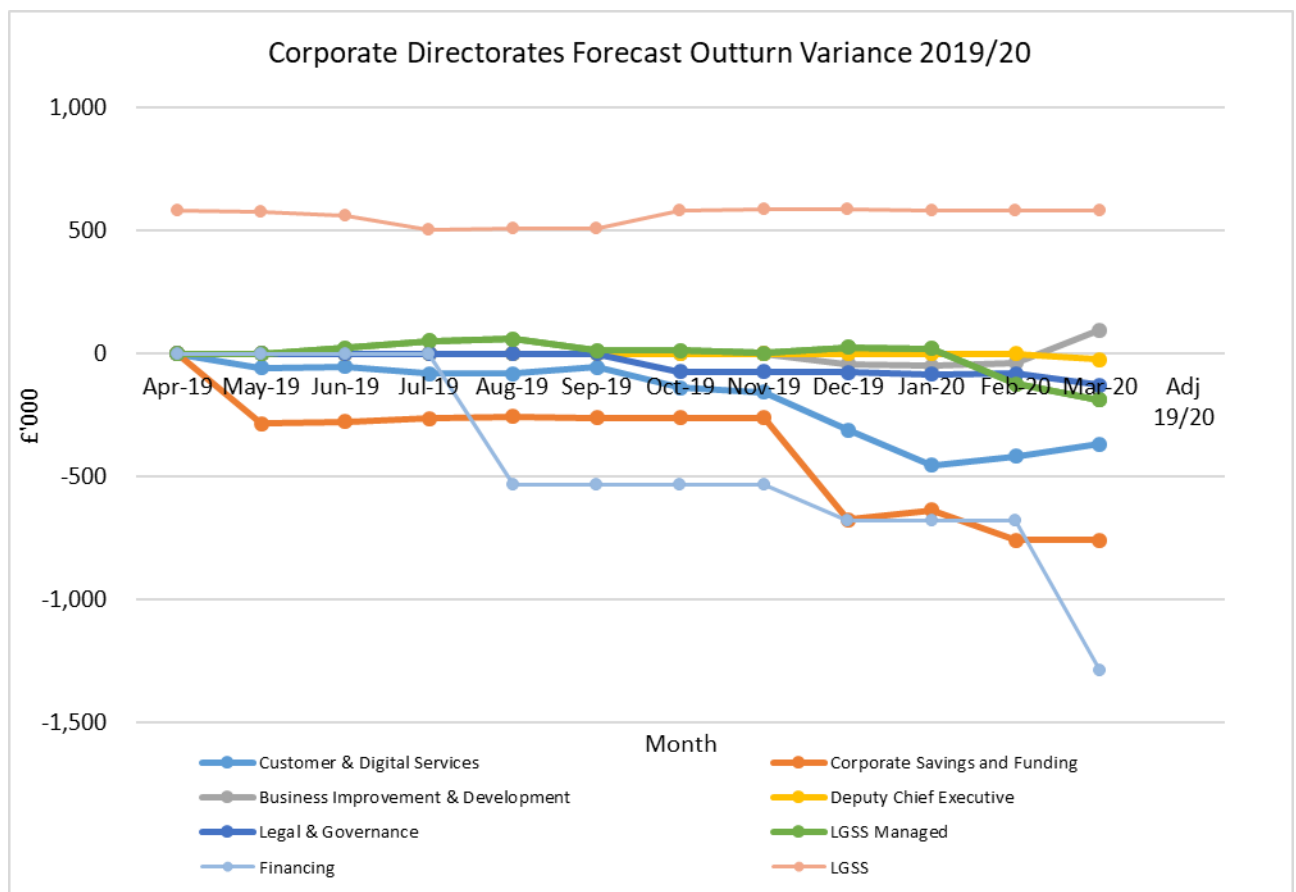
Section	Item	Description	Page
1	Revenue Executive Summary	High level summary of information: By Directorate Narrative on key issues in revenue financial position	2-6
2	Capital Executive Summary	Summary of the position of the Capital programme within Corporate Services and LGSS Managed	7-8
3	Savings Tracker Summary	Summary of the latest position on delivery of savings	7-8
4	Technical Note	Explanation of technical items that are included in some reports	7-8
Appx 1	Service Level Financial Information	Detailed financial tables for Corporate Services and LGSS Managed	9-10
Appx 2	Service Commentaries	Detailed notes on financial position of services that are predicting not to achieve their budget	11-13
Appx 3	Capital Position	This contains more detailed information about Corporate Services and LGSS Managed' Capital programme, including funding sources and variances from planned spend.	14-17
Appx 4	Savings Tracker*	Each quarter, the Council's savings tracker is produced to give an update of the position of savings agreed in the business plan.	18-19
Appx 5	Technical Appendix*	Twice yearly, this contains technical financial information for Corporate Services and LGSS managed showing: <ul style="list-style-type: none"> • Grant income received • Budget virements into or out of Corporate Services • Service reserves 	20-24
Appx 6	Service Level Financial	Detailed financial table for LGSS Cambridge Office	25

	information		
Appx 7	Service commentaries	Detailed notes on financial position of LGSS Cambridge Office that are predicting not to achieve their budget	26
Appx 8	Technical Appendix*	This contains technical financial information for LGSS Cambridge Office: <ul style="list-style-type: none"> • Grant income received • Budget virements into or out of LGSS Cambridge Office • Service reserves 	27
*These appendices are not included each month as the information does not change as regularly			

1. Revenue Executive Summary

1.1 Overall Position

Corporate Services, Financing costs and LGSS Managed has an underspend of £2,647k in 2019/20, an increase of £558k since February.



1.2 Summary of Revenue position by Directorate

Outturn Variance (previous) £'000	Directorate	Budget £'000	Actual £'000	Outturn Variance £'000	Outturn Variance %	Status
-416	Customer & Digital Services	6,812	6,445	-367	-5.4%	Green
-758	Corporate Savings & Funding	758	0	-758	-100.0%	Green
-36	Business Improvement & Development	969	1,066	97	10.0%	Amber
0	Resources Directorate	2,139	2,117	-22	-1.0%	Green
-80	Legal & Governance	1,532	1,406	-126	-8.2%	Green
-677	Financing Costs	27,558	26,273	-1,285	-4.7%	Green
-122	LGSS Managed	10,916	10,729	-187	-1.7%	Green
-2,089	Total	50,685	48,038	-2,647	-5.2%	

The service level budgetary control report for Corporate Services, Financing Costs and LGSS Managed for year-end 2019-20 can be found in [appendix 1](#).

The service level budgetary control report for LGSS Cambridge Office for year-end 2019/20 can be found in [appendix 6](#). 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 can be found in [appendix 2](#) for Corporate Services and [appendix 7](#) for LGSS Cambridge Office.

1.3 Significant Issues

At year end 2019/20, the overall Corporate Services and LGSS Managed forecast position is an underspend of £2,647k around 5% of the budget.

Significant issues are detailed below:

Customer & Digital Services

The overall position of Corporate and Digital Services budgets in 2019/20 was an underspend of £367k, which is a decrease of £49k from the figure reported in February. This is mainly due to an increase of forecast overspend in IT & Digital Services and information Management.

The final position for the IT & Digital Services was an underspend of £99k, which is a decrease of £50k from the forecast due to a decrease in income.

Corporate Savings and Funding

The overall position for Corporate Savings and Funding budgets for 2019/20 is a year-end underspend of £758k, same as the forecast.

Corporate Savings and Funding budgets of £1,223k favourable variance is principally the result:

- £582k – to offset the pressure reported by the LGSS Cambridge office. As anticipated during business planning, previous savings plans related to further growth of LGSS have not been delivered – the LGSS model is currently subject to review, with a several services repatriated to CCC and other areas under consideration.
- £427k – to offset the pressure reported against shared services with Peterborough City Council, as described in [appendix 2](#)

This budgetary provision was made during business planning to offset the risks on shared services in particular, although in actuality it has transpired that the costs of LGSS disaggregation and risks are lower this year than expected during budgeting, whereas the overspend on PCC shared services is greater than expected.

Business Improvement & Development

The overall position for Business Improvement & Development budgets in 2019/20 is an overspend of £97k, which is a decrease of £133k from the forecast. This is mainly due to an overspend in the Transformation Team for revenue expenditure that is not related to capital receipts or approved transformation projects.

Resources Directorate

The overall position for Resources Directorate budgets in 2019/20 was an year-end underspend of £22k, which is an additional underspend of £22k from the figure reported in February.

There are no new material exceptions to report this month.

Legal and Governance

The overall position for Legal and Governance budgets in 2019/20 was a year-end underspend of £126k, which is an increase of £46k from the figure reported in February. This is mainly due to increased underspend in Member's allowance.

There are no new material exceptions to report this month.

LGSS Managed

The overall position for LGSS Managed budgets in 2019/20 was a year-end underspend of £187k, an increase of £65k from the forecast. This is mainly due to additional underspend in IT managed, being offset by Authority-wide Miscellaneous.

The final overall position for the IT managed is an underspend of £344k, which is an increase of £157k from the forecast. The underspend is mainly due to the reduced requirement for IT equipment expenditure in revenue this year £437k, a reduction in MFD expenses £152k, due to the leases on the Print Estate ending and spending £123k less on the Microsoft ESA budget, which reflects that the O365 licences have only just been required. This will increase next year.

However, some of this underspend has been offset by increased costs for Universal Systems, with the need to buy Firmstep e-Forms £192k. The Mobile Phone expenditure increased due to un-funded connections for CCC £140k and that a Stock Certificate was not registered. The EastNet budget was also £50k overspent due to the cross over in the old & new contracts.

Financing Costs

The overall position for the Financing Costs budget in 2019/20 was a year-end underspend of 1,285k, an increase of £608k from the forecast. This is mainly due to changes following updates to the Debt charges model and additional income from a Section 106 contribution.

LGSS Cambridge Office

LGSS Cambridge Office finished the year with an overspend of £582k, same as the forecast.

The year-end deficit/surplus is subject to a sharing arrangement with Northamptonshire County council and Milton Keynes Council and was therefore split between partner authorities according to an agreed protocol, with an equalisation adjustment processed accordingly at year-end.

During 2019-20, LGSS Operations accounted for £32.7k in expenditure via the imprest payroll advances account. This is a catch-up correction to this account to reflect adjustments in 2013-15. A detailed review has recently been undertaken by LGSS Finance, which recognised transactions had been omitted in the years to which they related. The imprest account is no longer in use and so this issue will not recur.

2. Capital Executive summary

Corporate Services and Transformation schemes have a capital budget of £7.8m in 2019/20 and there is expenditure at year end of £6.3m. The total capital budget is underspent by £1.5m.

LGSS Managed has a capital budget of £4.8m in 2019/20 and there is expenditure at year end of £4.1m. The total capital budget is underspent by £678k.

There are three new material exceptions to report this month.

Mosaic

The Mosaic IT project has a budget of £1,117k, and there is expenditure at year end of £761k, an underspend of £356k. The required resources planned to deliver the programme were in fact less than planned. This isn't just external consultants (which is the bulk of cost), but less backfill on full time posts assisting with the project. This information will aid our future budget planning for similar projects.

Children's Service IT System

This project has a budget of £2,130k and recorded an in-year underspend of £465k. £100k will be required to finish the project in 2020/21 for two final consultants to finish their work, and data migration clean up with Capita data.

Capitalisation of Transformation Team

The amount of funding required from capital receipts for Transformation work in 2019/20 is £1,793k, which means an underspend on staff this year of £389k.

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

3. Savings Tracker Summary

The savings tracker is produced quarterly, and the latest savings tracker can be found in [appendix 4](#).

4. Technical Notes

On a biannual basis, a technical financial appendix has been included as [appendix 5](#) for Corporate Services and [appendix 8](#) for LGSS Cambridge office.

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 and LGSS Managed from other services (but not within corporate services and LGSS Managed), 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.

APPENDIX 1 – CS Service Level Financial Information

Forecast Outturn Variance (February)		Budget 2019/20	Actual Close 2019/20	Variance	
£000's		£000's	£000's	£000's	%
Customer & Digital Services					
-45	Director, Customer & Digital Services	403	342	-60	-15%
1	Chief Executive	127	124	-3	-3%
-60	Communication and Information	713	656	-57	-8%
-241	Customer Services	1,977	1,727	-250	-13%
10	Information Management	523	555	32	6%
-149	IT & Digital Service	2,047	1,948	-99	-5%
0	Elections	165	165	-0	0%
68	Redundancy, Pensions & Injury	856	927	70	8%
-416	Customer & Digital Services Total	6,812	6,445	-367	-5%
Corporate Savings & Funding					
-0	Demography Reserve	0	0	0	0%
-1,223	Central Services and Organisation-Wide Risks	1,223	0	-1,223	-100%
427	PCC Shared Services	-427	0	427	100%
38	Automation	-38	0	38	100%
-758	Corporate Savings & Funding Total	758	0	-758	-100%
Business Improvement & Development					
-8	Transformation Team	166	309	142	86%
-28	Business Intelligence	803	758	-45	-6%
-36	Business Improvement & Development Total	969	1,066	97	10%
Resources Directorate					
-0	Resources Directorate	508	440	-68	-13%
0	Professional Finance	1,631	1,677	46	3%
-0	Resources Directorate Total	2,139	2,117	-22	-1%
Legal & Governance					
-26	Legal & Governance Services	111	75	-36	-32%
-54	Democratic & Member Services	367	311	-56	-15%
0	Members' Allowances	1,053	1,020	-34	-3%
-80	Legal & Governance Total	1,532	1,406	-126	-8%
LGSS Managed					
-0	External Audit	90	87	-3	-3%
0	Insurance	-94	-94	-0	0%
-187	IT Managed	4,121	3,777	-344	-8%
-34	OWD Managed	177	144	-33	-18%
0	Subscriptions	110	110	0	0%
51	Authority-wide Miscellaneous	48	191	143	298%
26	HR Managed	36	64	27	75%
22	Corporate Redundancies	0	22	22	0%
0	Transformation Fund	6,428	6,428	0	0%
-122	LGSS Managed Total	10,916	10,729	-187	-2%

Financing Costs

-677	Debt Charges and Interest	27,558	26,273	-1,285	-5%
-677	Financing Costs Total	27,558	26,273	-1,285	-5%
-2,089	Total	50,685	48,038	-2,647	-5%

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.

Service	Budget 2019/20 £'000	Actual £'000	Outturn Variance	
			£'000	%
Customer Services	1,977	1,727	-250	-13%
<p>The final position on the Customer services was an underspend of £250k. This is mainly due to team holding several vacancies during the year. There has been a number of recruitment campaigns throughout the year, but new staff have not kept pace with leavers. Recruitment campaigns have been managed in accordance with service peaks and management capacity to supervise groups of probationers.</p> <p>In addition, there has been an increase of forecast underspend in Salary Sacrifice and Blue Badge income, offset by workstation refurbishment, overtime and training costs.</p>				
IT & Digital Services	2,047	1,948	-99	-5%
<p>The final position for the IT & Digital Services budget was an underspend of £99k. This is due to posts being held vacant pending the outcome of the LGSS repatriation and the ending of the SERCO IT Contract. Recently the number of trainers available has been increased and it is planned to recruit to a 3rd Business Systems Team Manager post for Children's social care systems.</p> <p>Software charge have increased for One Vision & IT licences £76k, however, as a result of the system replacement work for Liquidlogic (Children's Service IT) and Mosaic the cost as reduced by £87k. Income of £53k was not received which reduced the outturn at year end.</p>				
Demography Reserve	0	0	0	0%
<p>The Demography Reserve budget £322k was not required. It was agreed by General Purposes Committee in July 2019 that this budget would be moved to mitigate pressures elsewhere, and therefore both the budget and the forecast outturn variance have reduced to zero.</p>				

Service	Budget 2019/20 £'000	Actual £'000	Outturn Variance	
			£'000	%
Central Services and Organisation-Wide Risks	1,223	0	-1,223	100%
<p>The final position for the Central Services and Organisation-Wide risks was an underspend of £1,223k. The favourable variance in this area is principally the result of:</p> <p>£582k – to offset the pressure reported by the LGSS Cambridge office. As anticipated during business planning, previous savings plans related to further growth of LGSS have not been delivered – the LGSS model is currently subject to review, with a several services repatriated to CCC and other areas under consideration.</p> <p>£427k – to offset the pressure reported against shared services with Peterborough City Council, described under the next note in this appendix.</p> <p>The underspend in this area has increased from January, following a review of commitments across CCC. This budgetary provision was made during business planning to offset the risks on shared services in particular, although in actuality it has transpired that the costs of LGSS disaggregation and risks are lower this year than expected during budgeting, whereas the overspend on PCC shared services is greater than expected.</p>				
PCC Shared Services	-427	0	427	100%
<p>PCC Shared Services had a savings target of £711k in 2019/20; of this £284k has been identified and the budget allocated. £427k of this savings target was not met in 2019/20.</p>				
Transformation Team	166	309	142	86%
<p>The final position for the Transformation Team budget was an overspend of £142k. This is due to revenue expenditure for staffing, training and external expenses that are not related to capital receipts or approved transformation projects.</p>				
IT Managed	4,121	3,777	-344	-8%
<p>The final position of the IT Managed budget was an underspend of £344k.</p> <p>It was agreed by General Purposes Committee in July that £250k of this budget would move to mitigate pressures elsewhere, and therefore both the budget and the forecast outturn variance have reduced by £250k.</p>				

Service	Budget 2019/20 £'000	Actual £'000	Outturn Variance	
			£'000	%
<p>The underspend in this area has increased due to the reduced requirement for IT expenditure in revenue this year, reduction in MFD and Office 365 costs, offset by an overspend for Mobile Phones, EastNet and Universal Systems, with the need to buy Firmstep e-Forms.</p>				
Authority-wide Miscellaneous	48	191	143	298%
<p>The final position for Authority-wide Miscellaneous budget was an overspend of £137k. The reason being an adjustment for the bad debt provision in 2019/20.</p>				
Debt Charges and Interest	27,558	26,273	-1,285	-5%
<p>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 the year-end position is an underspend of £1,196k. In addition to this the Interest Receivable budget underspent by £168k; this is due to an investment of £100m in Certificate of deposits, and the utilisation of other Money Market Funds and a Call Account that attracted higher interest rates during the year. There were also additional investments in CCLA property fund and Diversified Income Fund towards the end of the year. The Interest Payable budget underspent by £566k; the final capital spend was significantly lower at year-end than previously forecast, and combined with lower interest rates, this resulted in a lower year-end interest payable final position. The Interest Payable underspend was offset by a £670k overspend on the capitalisation of Interest budget; as lower capital spend and lower interest rates resulted in lower interest costs being charged to schemes; consequently there was a smaller recharge back to the financing costs budget. Finally, additional income from a S106 contribution has been received in order to off-set costs of prudential borrowing.</p>				

APPENDIX 3 – Capital Position

3.1 Capital Expenditure

Corporate Services & LGSS Managed Capital Programme 2019/20					
Total Scheme Revised Budget £000	Original 2019/20 Budget as per BP £000	Scheme	Revised Budget for 2019/20 £000	Actual Spend 2019/20 £000	Actual Variance 2019/20 £000
600	-	Corporate Services and Transformation			
		Essential CCC Business Systems Upgrade	216	182	(34)
3,620	-	Mosaic	1,117	761	(356)
3,546	575	Citizen First, Digital First	575	473	(102)
6,228	1,036	Capitalisation of Redundancies	1,036	732	(304)
9,396	2,182	Capitalisation of Transformation Team	2,182	1,793	(389)
2,653	1,235	Children's Services IT System	2,130	1,665	(465)
400	-	Data Centre Relocation	400	204	(196)
1,338	-	IT Strategy	1,338	66	(1,272)
300	-	Third Party Loans	300	300	-
-	-	Capitalisation of Interest Budget	-	130	130
(3,004)	(1,571)	Capital Programme Variations Budget	(1,431)	-	1431
	3,457		7,863	6,307	(1,556)
		LGSS Managed			
3,569	2,485	EastNet (CPSN Replacement)	3,493	3,220	(273)
97	-	Improved audio-visual capabilities for staff meetings	59	1	(58)
458	-	Disaster Recovery facility for critical business systems	353	212	(141)
251	-	Office 365	238	76	(162)
660	165	IT Infrastructure refresh	380	158	(222)
354	177	Replacement of office networking hardware	232	-	(232)
225	-	Laptop refresh	224	151	(73)
495	-	Libraries IT Network Refresh	443	341	(102)
(585)	-	Capital Programme Variations Budget	(585)	-	585
5,524	2,827		4,837	4,159	(678)
30,601	6,284	TOTAL	12,700	10,466	(2,234)

Capital Funding

Original 2019/20 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2019/20 £000	Actual Spend £000	Actual Variance £000
3,218	Corporate Services and Transformation	3,326	2,633	(693)
131	Capital Receipts	4,537	3,674	(863)
3,349	Prudential Borrowing	7,863	6,307	(1,556)
	LGSS Managed			
-	Grant Funding	171	171	-
-	Other Contributions	1,339	1,339	-
-	Revenue Contributions	88	88	-
2,827	Prudential Borrowing	2,239	2,561	(678)
2,827		4,837	4,159	(678)
6,176	TOTAL	12,700	10,466	(2,234)

Reported Exceptions

Revised Budget for 2019/20	Actual Spend for 2019/20	2019/20 Variance	Breakdown of Variance	
			Underspend/ Overspend	Rephasing
£'000	£'000	£'000	£'000	£'000
Data Centre Relocation				
400	204	-196	-	-196
<p>Capital funding of £400k in 2019/20 for the Data Centre Relocation was approved by General Purposes Committee in May 2019. This has increased the prudential borrowing requirement by that amount.</p> <p>The final spend was slightly less than the previously reported expenditure required in this financial year.</p>				
IT Strategy				
1,338	66	-1,272	-	-1272
<p>Capital funding of £1.3m in 2019/20 for the IT and Digital Strategy was approved by General Purposes Committee in July 2019. In 19/20 the scheme has underspent by £1,272k due to slippage in the start date for projects within the Office 365 workstream. This has reduced the prudential borrowing requirement this year by that amount.</p> <p>The Programme Manager for the IT Strategy was appointed in quarter 3. The key activities</p>				

Revised Budget for 2019/20	Actual Spend for 2019/20	2019/20 Variance	Breakdown of Variance	
			Underspend/ Overspend	Rephasing
£'000	£'000	£'000	£'000	£'000
during this period was to establish the workstreams, projects, reporting and governance to support the delivery of the new IT Strategy. A detailed resource plan has been developed, including the apportionment of costs between PCC and CCC.				
Third Party Loans				
300	300	-	-	-
In March 2019 GPC approved capital expenditure of £300k for a loan to Viva Arts for capital expenditure on the Soham Mill project which is now complete. This has increased the Prudential Borrowing requirement by £300k.				
IT Infrastructure Refresh				
380	158	-222	-	-222
The IT Infrastructure Refresh project has spent £158k this year. This budget has been rephased to address anticipated requirements for IT Infrastructure in future years. This has reduced the prudential borrowing requirement in year by £222k.				
EastNet (CPSN Replacement)				
3,493	3,220	-273	-	-273
The EastNet project has spent £3.2m this year. The in-year underspend of -£273k will be required next year to finish the scheme. The budget has been revised to include a grant contribution £171k and £1,427 from local authorities received.				
As reported to GPC in January, in the November Integrated Finance Monitoring Report, we are approximately 60% of the way through the installation of new Eastnet circuits across the partnership. All 'central services' (WiFi, Firewalls, Domain Name System) have been completed and we are pushing to have the final circuits migrated to Eastnet by the Spring 2020. This therefore represents a rephasing of the capital scheme.				
Office 365				
238	76	-162	-162	-
The Office 365 budget has spent £76k, the scheme has underspent by -£162k due to delays. This work will continue next year as part of the budget agreed for the IT Strategy.				
Mosaic				
1,117	761	-356	-356	-
The Mosaic IT project has a budget of £1,117k, and there is expenditure at year end of £761k, an underspend of £356k. The required resources planned to deliver the programme were in				

Revised Budget for 2019/20	Actual Spend for 2019/20	2019/20 Variance	Breakdown of Variance	
			Underspend/ Overspend	Rephasing
£'000	£'000	£'000	£'000	£'000
fact less than planned. This isn't just external consultants (which is the bulk of cost), but less backfill on full time posts assisting with the project. This information will aid our future budget planning for similar projects.				
Children's Service IT System				
2,130	1,665	-465	-365	-100
This project has a budget of £2,130k and recorded an in-year underspend of £465k. £100k will be required to finish the project in 2020/21 for two final consultants to finish their work, and data migration clean up with Capita data				
Capitalisation of Transformation Team				
2,182	1,793	-389	-389	-
In 2019/20 the scheme has spent £1,793k on transformation work, which means we have used £389k less capital receipt this year.				
Capitalisation of Redundancies				
1,036	732	-304	-304	-
An in year underspend of £304k is being reported at year end, due to a lower spend on redundancies in 2019/20.				

Corporate Services & LGSS Managed Capital Variation

2019/20					
Service	Capital Programme Variations Budget £'000	Outturn Variance 2019/20 £'000	Capital Programme Variations Budget Used £'000	Capital Programme Variations Budget Used %	Revised Outturn Variance (2019/20) £'000
Corporate Services & Transformation	-1,431	-2,987	-1,431	100%	-1,556
LGSS Managed	-585	-1,263	-585	100%	-678

APPENDIX 4 – Savings tracker Q4

Reference	Title	Service	Committee	Original Saving 19 20	Current Forecast Phasing Q1	Current Forecast Phasing Q2	Current Forecast Phasing Q3	Current Forecast Phasing Q4	Forecast Saving 19 20	Variance from Plan £000	% Variance	RAG
C/R.6.101	Sharing with other Councils	CS	GPC	-500	0	0	-73	0	-73	427	85.40	Red
C/R.6.106	Reduction in costs on Redundancy, Pensions & Injury budget	CS	GPC	-10	0	0	0	0	0	10	100.00	Black
C/R.7.101	BP 19/20 - Council Tax: Increasing Contributions	CS	GPC	-200	0	0	0	0	0	200	100.00	Black
D/R.6.999	LGSS operational savings	LGSS	GPC	-159	0	0	0	0	-159	0	0.00	Green

Reference	Title	Service	Committee	Original Saving 19 20	Current Forecast Phasing Q1	Current Forecast Phasing Q2	Current Forecast Phasing Q3	Current Forecast Phasing Q4	Forecast Saving 19 20	Variance from Plan £000	% Variance	RAG
D/R.6.999	LGSS trading savings	LGSS	GPC	-460	0	0	0	0	0	460	100.00	Black
D/R.6.999	LGSS additional savings	LGSS	GPC	-300	0	0	0	0	-178	122	40.67	Amber
G/R.6.004	Capitalisation of interest on borrowing	CS	GPC	11	0	0	0	0	0	11	100	Black

APPENDIX 5 – Technical Note

5.1 Grant Income Analysis

The tables below outline the additional grant income, which is not built into base budgets.

Customer & Digital Services:

Grant	Awarding Body	Expected Amount £'000
Grants as per Business Plan		0
Non-material grants (+/- £30k)	New Burdens: Data Transparency Funding	13
Total Grant Funding 2019/20		13

5.2. Virements and Budget Reconciliation

Corporate Services:

	£000	Notes
Budget as per Business Plan	8,753	
Director, Customer & Digital Services	-1,499	Moved to Central Service Risks as a budget build adjustment
Director, Customer & Digital Services	-430	Moved to Authority-wide Miscellaneous, Budget Build Correction – Impact of Local Government Pay offer on CCC Employee Costs
Director, Customer & Digital Services	200	19/20 Council tax income generation proposal to precept income codes
Director, Customer & Digital Services	-75	Contribution to PCC Shared Services savings from Shared Director
Director, Customer & Digital Services	-53	Contribution to PCC Shared Services savings from Shared Emergency Management team
Communication and Information	-44	Contribution to PCC Shared Services savings from Shared Head of Service
IT & Digital Services	-46	Contribution to PCC Shared Services savings from Shared Head of Service
IT & Digital Services	10	Moved from LGSS for member of staff

Non-material virements (+/- £30k)	-4	
Current Budget 2019/20	6,812	

Corporate Savings & Funding:

	£000	Notes
Budget as per Business Plan	-499	
Demography Reserve	-322	Temporary virement to mitigate in-year pressures elsewhere.
Central Services and Organisation-Wide Risks	1,499	Moved from Director, Customer & Digital Services as a budget build adjustment
Central Services and Organisation-Wide Risks	-58	To cover remaining savings target on Traded Services Central that is not expected to be met
Central Services and Organisation-Wide Risks	-30	To fund additional costs in P&C Legal.
Commercial approach to contract management	49	Income target moved to commercial & Investment
Central Services Risks	-173	Temporary virement to cover one-off costs on the Finance budget in 2019/20
PCC Shared Services	262	Contribution to PCC Shared Services Savings from Shared posts in Corporate services and BID
Non-material virements (+/- £30k)	30	
Current Budget 2019/20	758	

Business Improvement & Development:

	£000	Notes
Budget as per Business Plan	935	
Business Intelligence	47	Moved from LGSS - Information Technology Services
Business Intelligence	-44	Contribution to PCC Shared Services savings from Shared Head of Service
Non-material virements (+/- £30k)	31	
Current Budget 2019/20	969	

Resources Directorate:

	£000	Notes
Budget as per Business Plan	328	
Resources Directorate	173	Temporary virement from Central Services Risks to cover one-off costs in 2019/20

Professional Finance	1,631	Repatriation of Professional Finance service from LGSS to CCC
Non-material virements (+/- £30k)	7	
Current Budget 2019/20	2,139	

Legal & Governance:

	£000	Notes
Budget as per Business Plan	102	
Democratic & Member Services	385	Repatriation of Democratic & Member Services from LGSS to CCC
Member's Allowance	1,053	Transfer of responsibility from LGSS managed to Legal & Governance
Non-material virements (+/- £30k)	-8	
Current Budget 2019/20	1,532	

LGSS Managed:

	£000	Notes
Budget as per Business Plan	14,048	
IT Managed	-250	Temporary virement to mitigate in-year pressures elsewhere
Authority-wide Miscellaneous	430	Moved from Director, Customer & Digital Services, Budget Build Correction – Impact of Local Government Pay offer on CCC Employee Costs
Member's Allowance	-1,053	Transfer of responsibility from LGSS managed to Legal & Governance
Insurance	-2,233	Transfer to C&I, P&C and P&E for 2019-20 Insurance Recharges match funding
Non-material virements (+/- £30k)	-26	
Current Budget 2019/20	10,916	

Financing Costs:

	£000	Notes
Budget as per Business Plan	28,161	
Debt Charges and Interest	-603	Transfer budget for debt charges relating to Triangle Solar Farm to the Solar Farm budget.
Non-material virements (+/- £30k)	0	
Current Budget 2019/20	27,558	

5.3 Reserves Schedule

Corporate Services Reserves

Fund Description	Balance at 01 April 2019	Movements in 2019/20	Balance at 31 March 2020	Notes
	£'000	£'000	£'000	
<u>Equipment Reserves</u>				
Postal Service	3	0	3	1
subtotal	3	0	3	
<u>Other Earmarked Funds</u>				
Shape Your Place - Fenland Grant	10	0	10	
Election Processes	152	160	312	2
City Deal - NHB funding	2,987	1,811	4,798	3
CCC Finance Office	44	14	58	4
Records Management	0	192	192	5
subtotal	3,193	2,177	5,370	
TOTAL	3,196	2,177	5,373	

(+) positive figures represent surplus funds.

(-) negative figures represent deficit funds.

Notes

- 1 Remaining Postal Service equipment reserve
- 2 Election budget to be transferred to reserve in 2019-20
- 3 New Homes Bonus funding - Greater Cambridge Partnership
- 4 Recharged costs for CCC Investigation
- 5 Earmarked reserved for Records Management, approved by GPC in July 2019

LGSS Managed Reserves

Fund Description	Balance at 01 April 2019	Movements in 2019/20	Balance at 31 March 2020	Notes
	£'000	£'000	£'000	
<u>Other Earmarked Funds</u>				
CPSN Partnership Funds	63	0	63	
subtotal	63	0	63	
<u>Short Term Provisions</u>				
Insurance Short-term Provision	911	0	911	
Insurance MMI Provision	1,182	0	1,182	
Contracts General Reserve	0	0	0	
subtotal	2,093	0	2,093	
<u>Long Term Provisions</u>				
Insurance Long-term Provision	3,613	0	3,613	
subtotal	3,613	0	3,613	
TOTAL	5,769	0	5,769	

(+) positive figures represent surplus funds.

(-) negative figures represent deficit funds.

APPENDIX 6 – LGSS Service Level Budgetary Control Report

LGSS Cambridge Office Service Level Finance & Performance Report Finance & Performance Report for LGSS Operational - Year End 2019/20

Forecast Outturn Variance (February) £000's		Budget 2019/20 £000's	Actual Year End 2020 £000's	Outturn Variance £000's	%
	LGSS Operational				
-90	Finance Services	2,135	3,359	-131	-6%
-239	Human Resources	2,733	2,856	-222	-8%
-26	Information Technology	3,286	5,808	-308	-9%
-38	Managing Director & Support	182	346	-45	-25%
-393	LGSS Operational Total	8,336	12,368	-706	-8%
	Trading Contracts				
0	Central Management	-635	0	0	0%
-65	Trading contracts	-1,016	-4,966	-91	9%
	Shortfall on CC Savings				
582	Target	-582	11	582	0%
517	Trading Contracts Total	-2,233	-4,954	491	-22%
124	Total	6,103	7,414	-215	-4%

APPENDIX 7 – Service Commentary 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.

Service	Budget 2019/20	Outturn Variance	
	£'000	£'000	%
Shortfall on CCC Savings Target	6,093	582	9.55%

The overall position for LGSS office was an overspend of £582k, same as the forecast. This was a shortfall on a £919k savings target asked of LGSS by CCC for 2019-20. Some savings were identified and agreed but the remainder has been put on hold pending the outcomes of the review of the LGSS operating model. The overspend position has been agreed with the CCC s151 officer.

APPENDIX 8 – Technical Note

5.1 Grant Income Analysis

There is no additional grant income in 2019-20, other than what is built into the base budget.

5.2 Virements and Budget Reconciliation

	£'000	Notes
Budget as per Business Plan	8,161	
Information Technology	-47	Transfer to Business Intelligence
Financial Services	-1631	Repatriation of Professional Finance teams to CCC
Information Technology	-25	Repatriation of Democratic Services teams to CCC
Managing Director & Support	-360	Repatriation of Democratic Services teams to CCC
Information Technology	-10	Transfer of Budget for IT post now in CCC
Non-material virements (+/- £30k)	5	
Current Budget 2019/20	6,093	

5.3 Reserve Schedule

	Balance at 01 April 2019	Movements in 2019/20	Balance at 31 March 2020	Notes
	£'000	£'000	£'000	
General Reserve				
LGSS Cambridge Office Carry-forward	112	713	825	
subtotal	112	713	825	
TOTAL	112	-26	825	

(+) positive figures represent surplus funds.

(-) negative figures represent deficit funds.