

**Corporate Services and LGSS Cambridge Office****Finance and Performance Report – Outturn 2017/18****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

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

<sup>1</sup> The budget figures in this table are net, with the 'Original Budget as per BP' representing the Net Budget column in Table 1 of the Business Plan for each respective Service.

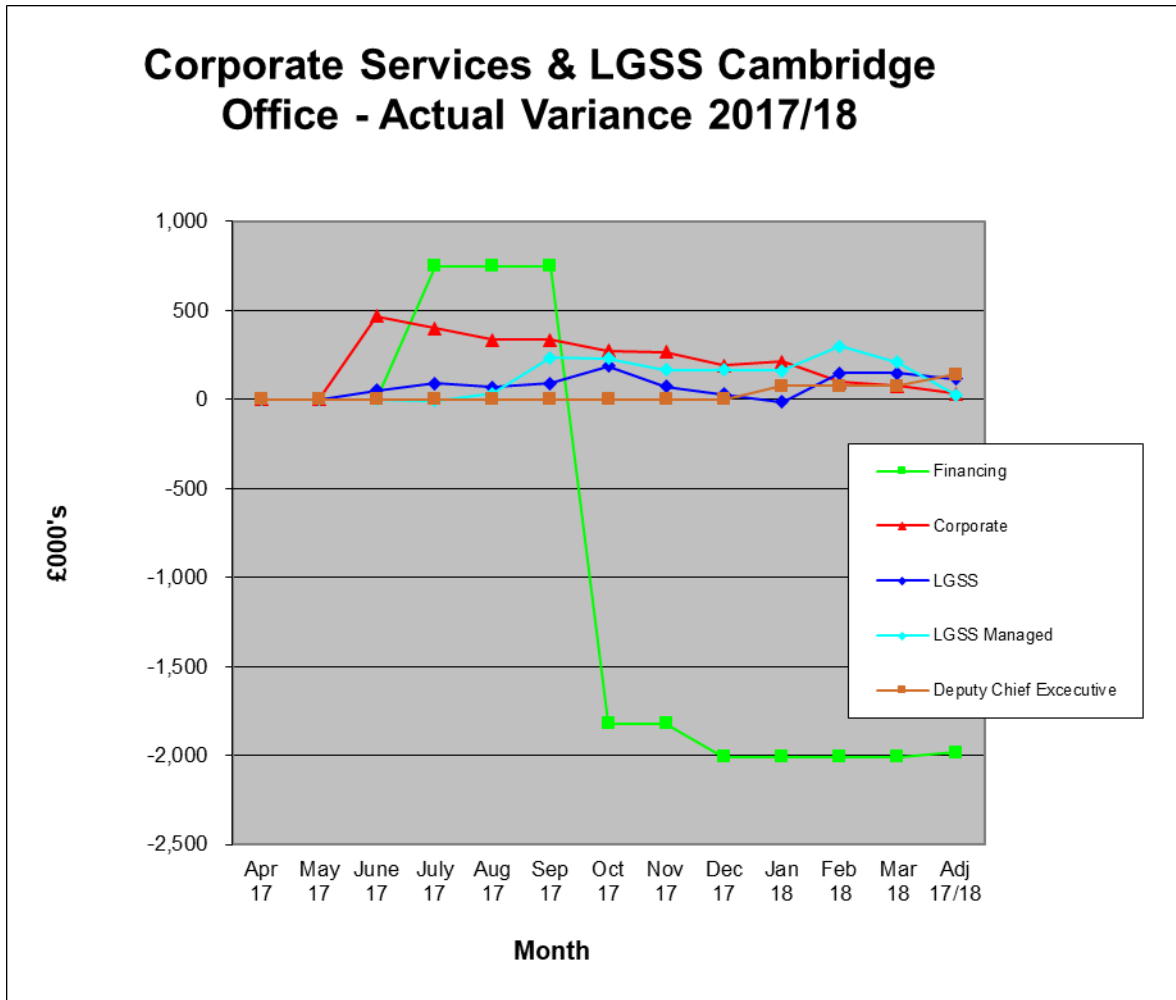
Original Budget as per BP (1)	Directorate	Current Budget	Forecast Variance - Outturn (Feb)	Actual Variance - Outturn (Mar)	Actual Variance - Outturn (Mar)	Current Status	DoT
£000		£000	£000	£000	%		
6,914	Corporate and Customer Services	4,518	99	34	1	Amber	↑
223	Deputy Chief Executive	275	75	141	51	Amber	↓
13,626	LGSS Managed	11,582	300	25	0	Amber	↑
22,803	Financing Costs	24,227	-2,006	-1,981	-8	Green	↑
<b>43,566</b>	<b>Sub Total</b>	<b>40,602</b>	<b>-1,532</b>	<b>-1,781</b>			
7,746	LGSS Cambridge Office	9,472	150	116	1	Amber	↑
<b>51,312</b>	<b>Total</b>	<b>50,074</b>	<b>-1,382</b>	<b>-1,665</b>			

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs as at the end of 2017/18 can be found in [CS appendix 1](#).

The service level budgetary control report for LGSS Cambridge Office as at the end of 2017/18 can be found in [LGSS appendix 1](#)

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.*



### **2.2.1 Significant Issues – Corporate and Customer Services**

The overall position for Corporate and Customer Services budgets in 2017/18 was a year-end overspend of £34k, a decrease of £65k from the figure reported in February. This is mainly due to additional underspends identified in the IT and Digital service.

There were no exceptions to report during the closedown period.

### **2.2.2 Significant Issues – Deputy Chief Executive**

The overall position for Deputy Chief Executive budgets in 2017/18 was a year-end overspend of £141k, an increase of £66k from the figure reported in February. This is due to staff costs in Transformation which could not be funded by flexible use of capital receipts therefore being paid from base budget.

There were no exceptions to report during the closedown period.

### **2.2.3 Significant Issues – LGSS Managed**

The overall position of LGSS Managed budgets in 2017/18 was an overspend of £23k. This is a decrease of £277k from the figure reported in February.

There was an underspend of £157k on Insurance budgets at year end. This is due to savings made from new contract arrangements.

### **2.2.4 Significant Issues – Financing Costs**

Financing Costs were underspent by £2.0m at year-end, which is a decrease of £25k from the position reported in February.

There are no exceptions to report this month.

### **2.2.5 Significant Issues – LGSS Cambridge Office**

The final position for LGSS Cambridge Office budgets in 2017/18 was an overspend of £116k. This represents a decrease of £34k from the figure reported at the end of February.

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 on the basis of net budget, with an equalisation adjustment processed accordingly at year-end.

## 2.3 Additional Income and Grant Budgeted this Period

### (De minimis reporting limit = £30,000)

There were no items above the de minimis reporting limit recorded during March and the closedown period.

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](#).

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

### (De minimis reporting limit = £30,000)

The following virements have been made this month to reflect changes in responsibilities.

#### Corporate and Customer Services:

	£	Notes
Transfer Strengthening Communities salary saving to CS	32,500	Retain saving in Corporate Services
Non material virements (+/- £30k)	0	

A full list of virements made in the year for Corporate and Customer Services, LGSS Managed and Financing Costs can be found in [CS appendix 4](#).

A full list of virements made in the year 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 and Transformation schemes had a capital budget of £5.6m in 2017/18 and there was £5.2m spend at year end. In-year slippage of £690k exceeded the Capital Programme Variations budget, resulting in an underspend in year of £407k.

The Mosaic scheme had an in-year underspend of £956k. This is due to activity that was expected in 2017/18 actually taking place in 2018/19.

- LGSS Managed has a capital budget of £0.9m in 2017/18 and there was expenditure of £259k at year end. In-year slippage exceeded the Capital Programme Variation budget of £570k, resulting in an underspend of £511k at year-end. A £495k total scheme variance is forecast.

The increase in underspend compared to what was reported in February is mainly due to the budget for Improved Audio Visual Capabilities for Staff Meetings not being used in 2017/18.

- LGSS Cambridge Office had a capital budget of £0.9m in 2017/18 and there was £0.8m expenditure at year end. In-year slippage exceeded the Capital Programme Variation budget, resulting in an underspend of £92k at year-end.

The LGSS Cambridge Office capital budget for 2017/18 increased by £410k during the year. The extended timeline for the Next Generation ERP programme means there will be additional costs of implementation. For both Cambridgeshire and Northamptonshire County Council additional capital costs were part mitigated by in-year LGSS revenue savings. In November 2017, General Purposes Committee approved a further £410k of capital spend to complete the implementation of the ERP scheme.

## Funding

- Corporate Services and Transformation schemes had capital funding of £5.6m in 2017/18. As reported above, the Corporate Services budget was underspent by £407k, which resulted in a reduced funding requirement of this amount.
- LGSS Managed had capital funding of £0.9m in 2017/18. As reported above, the LGSS Managed budget was underspent by £511k, which resulted in a reduced funding requirement of this amount.
- LGSS Cambridge Office had capital funding of £0.9m in 2017/18.

As reported above, General Purposes Committee approved £410k additional budget in November 2017 to cover the increased costs of the Next Generation ERP scheme resulting from the extended time line for implementation. This is to be funded by prudential borrowing, leading to an increase in the borrowing requirement.

The LGSS Cambridge Office budget underspent by £92k in 2017/18, which resulted in a reduced funding requirement of this amount.

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

A detailed explanation of the position for LGSS Cambridge Office can be found in [LGSS appendix 6](#).

## **4. PERFORMANCE**

- 4.1 The key performance indicators for Corporate and Customer Services, LGSS Managed Services and the LGSS Cambridge Office for March 2018 are set out in [CS Appendix 7](#) and [LGSS Appendix 7](#).

## CS APPENDIX 1 – Corporate Service Level Budgetary Control Report

The final variances as at the end of the 2017/18 financial year for Corporate and Customer Services, Chief Executive, LGSS Managed and Financing Costs were as follows:

Original Budget as per BP £000	Service	Current Budget for 2017/18 £000	Forecast Variance - Outturn (Feb) £000	Actual Variance 2017/18 £000	Actual Variance 2017/18 %
<u>Corporate &amp; Customer Services</u>					
1,611	Director, Corporate & Customer Services	691	-69	-77	-11
1,157	Business Intelligence	1,210	-62	-23	-2
197	Chief Executive	197	-79	-78	-39
949	Communications & Information	718	-45	-37	-5
1,323	Customer Services	1,209	-67	-76	-6
3,405	Demography	322	-73	-73	-23
382	IT and Digital Service	1,934	0	-139	-7
165	Elections	165	0	0	0
0	Strengthening Communities	33	-30	-28	-85
-303	Citizen First, Digital First	-182	54	56	-31
-500	Commercial approach to contract management	-500	470	470	-94
-956	Corporate Capacity Review	-1,113	0	0	0
-1,312	Organisational Structure Review	-942	0	0	0
898	Redundancy, Pensions & Injury	876	0	57	7
-101	Grant Income	-101	0	-19	18
<b>6,914</b>		<b>4,518</b>	<b>99</b>	<b>34</b>	<b>1</b>
<u>Deputy Chief Executive</u>					
0	Resources Directorate	143	75	37	26
223	Transformation Team	132	0	103	78
<b>223</b>		<b>275</b>	<b>75</b>	<b>141</b>	<b>51</b>
<u>LGSS Managed</u>					
141	External Audit	141	0	-8	-6
2,074	Insurance	-105	-60	-157	150
2,353	IT Managed	2,285	508	371	16
1,030	Members' Allowances	1,032	-5	-51	-5
167	OWD Managed	168	-40	-41	-24
129	Subscriptions	108	0	2	2
-52	Authority-wide Miscellaneous	170	-102	-91	-53
0	Corporate Redundancies	0	0	0	0
7,884	Transformation Fund	7,884	0	0	0
-100	Grant Income	-100	0	0	0
<b>13,626</b>		<b>11,582</b>	<b>300</b>	<b>25</b>	<b>0</b>
<u>Financing Costs</u>					
22,803	Debt Charges and Interest	24,227	-2,006	-1,981	-8
<b>43,566</b>	<b>CORPORATE SERVICES TOTAL</b>	<b>40,602</b>	<b>-1,532</b>	<b>-1,781</b>	<b>-4</b>
<b>MEMORANDUM - Grant Income</b>					
-101	Public Health Grant - Corporate Services	-101	0	0	0
-100	Public Health Grant - LGSS Managed	-100	0	0	0
<b>-201</b>		<b>-201</b>	<b>0</b>	<b>0</b>	<b>0</b>

## CS APPENDIX 2 – Commentary on the Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

Service	Current Budget £'000	Current Variance	
		£'000	%
<b>Director, Corporate &amp; Customer Services</b>	<b>691</b>	<b>-77</b>	<b>-11</b>
Surplus budget applied to mitigate the shortfall on Citizen First Digital First savings.			
<b>Business Intelligence</b>	<b>1,210</b>	<b>-23</b>	<b>-2</b>
There was an underspend of £23k on Business Intelligence budgets, as a result of staff vacancies and also following a review of expected income levels from the recharging of staff time against capital and grant funding sources.			
<b>Chief Executive</b>	<b>197</b>	<b>-78</b>	<b>-39</b>
The Chief Executive budget is reporting an underspend of £78k at year end, primarily due to the saving generated by the shared Chief Executive post.			
<b>Communications and Information</b>	<b>718</b>	<b>-37</b>	<b>-5</b>
Underspend due to the recharge of staff costs and Vuelio expenditure.			
<b>Customer Services</b>	<b>1,209</b>	<b>-76</b>	<b>-6</b>
Additional salary savings of £21k against Customer Services, over and above the savings reported against the Citizen First Digital First project.			
<b>IT &amp; Digital Service</b>	<b>1,934</b>	<b>-139</b>	<b>-7</b>
An additional underspend due to revenue costs relating to social care IT systems being funded from the Mosaic capital project in 2017/18.			
<b>Strengthening Communities Services</b>	<b>33</b>	<b>-28</b>	<b>-85</b>
A one-off salary saving was realised against the Strengthening Communities Service in 2017/18, and this will be retained within Corporate Services.			
<b>Citizen First, Digital First</b>	<b>-182</b>	<b>56</b>	<b>31</b>
The Citizen First, Digital First programme has been reviewed. Savings of £121k have been achieved within Customer Services through the transformation of the Blue Badge and Concessionary Bus Pass processes. £130k saving has been achieved through prudent re-working of the Digital Services budget following the Corporate Capacity Review. However, there remains a shortfall of £54k against the original savings target for Citizen First, Digital First of £303k in 2017/18. This remaining target is for savings that were planned to be drawn from other services across the Council.			



<b>Commercial Approach to Contract Management</b>	<b>-500</b>	<b>470</b>	<b>94</b>
<p>There was a £470k deficit against the commercial approach to contract management target.</p> <p>This was a centrally held sum, and a number of initiatives have been delivering savings and efficiencies from contract management changes during 2017-18 across the Council against service specific targets. With greater governance now in place around the Council's purchasing and procurement, the Commercial Board is developing a specific programme to identify further savings opportunities from this work in 2019 and beyond.</p>			
<b>Resources Directorate</b>	<b>143</b>	<b>37</b>	<b>26</b>
<p>The Resources Directorate overspent by £37k at year end due to additional costs from an externally commissioned investigation which is nearing conclusion.</p>			
<b>Transformation Team</b>	<b>132</b>	<b>103</b>	<b>78</b>
<p>Some Transformation Team staff costs could not be funded from Flexible Use of Capital Receipts at year end, and have therefore been funded from base budget.</p>			
<b>Insurance</b>	<b>-105</b>	<b>-157</b>	<b>150</b>
<p>There was a favourable variance of £157k on Insurance budgets, following evaluation of the insurance tender documents and expected contract premiums.</p>			
<b>IT Managed</b>	<b>2,285</b>	<b>371</b>	<b>16</b>
<p>There was an overspend of £371k on IT Managed budgets, due to the revenue impact of the Corporate Software Infrastructure re-procurement. The requirement to switch to a subscription charging basis resulted in a revenue cost in 2017/18, as previously agreed by GPC. In the past, the Council would have purchased a three year agreement with capital funding, and a capital budget of £500k was set in 2017/18 to buy out the licences at the end of the contract. The revenue pressure amounted to £350k in 2017/18. As previously reported, there was a further £65k pressure as a result of increased contract costs due to inflation on contract renewal.</p> <p>The above pressure was partially offset by the use of £150k funding written back from reserves. £56k funding was set aside in May 2015 to cover back scanning of CCC personnel files; this funding is no longer required as a decision was taken not to proceed with the back scanning project. A further £94k of funding was previously earmarked for the EDRM project, and this funding is no longer required for that purpose.</p>			
<b>OWD Managed</b>	<b>168</b>	<b>-41</b>	<b>-24</b>
<p>There was an underspend of £41k on OWD Managed budgets due to the temporary secondment of a Graduate Trainee to the Combined Authority.</p>			

<b>Authority-wide Miscellaneous</b>	<b>170</b>	<b>-91</b>	<b>-53</b>
<p>The above pressure on IT Managed budgets was partially offset by the use of £150k funding to be written back from reserves to the Authority-wide Miscellaneous budget. £56k funding was set aside in May 2015 to cover back scanning of CCC personnel files; this funding is no longer required as a decision was taken not to proceed with the back scanning project. A further £94k of funding was previously earmarked for the EDRM project, and this funding is no longer required for that purpose.</p> <p>The income budget of £200k for the CCC share of the ESPO dividend, which reported a favourable variance of £58k for October, was transferred to C&amp;I Committee during November.</p>			
<b>Financing Costs</b>	<b>24,227</b>	<b>-1,981</b>	<b>-8</b>
<p>There was an overall underspend on Financing Costs of £2.0m at year-end.</p> <p>The budget for Debt Charges and Interest increased by £1.4m during November, following the transfer to C&amp;I Committee of budgets relating to the Housing Investment Company. This change resulted in an improvement of £750k in the outturn position for Debt Charges and Interest.</p> <p>The key underlying variances were as follows:</p> <ul style="list-style-type: none"> <li>• £1.1m underspend on Interest Payable. The Interest Payable has been revised to take into account the latest live data on Public Works Loan Board (PWLB) and Lender Option Borrower Option (LOBO) interest rates and principal amounts, and further loans taken out in 2017/18</li> <li>• £0.5m underspend on Minimum Revenue Provision. 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 2016/17 and how they were funded, the MRP payment for 2017/18 has been amended. The Council was able to use funding it was holding as the accountable body for other organisations to fund £53m of capital expenditure, rather than using Prudential Borrowing. This has delayed the MRP payment for these schemes until we take out Prudential Borrowing to repay the funding used.</li> <li>• An improvement of £186k due to a Section 106 revenue contribution towards prudential borrowing costs at Trumpington Meadows.</li> </ul>			

### CS APPENDIX 3 – Grant Income Analysis

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

#### Corporate and Customer Services:

Grant	Awarding Body	Amount £000
<b>Grants as per Business Plan</b>	Public Health	101
Strengthening Communities Service	Public Health	33
SCS Museums Partnership		35
SCS Arts Alive		93
SCS Librarian Theatre tour		52
SCS grants transferred to ETE and P&C		-180
SCS grants transferred to ETE and P&C		-51
Non-material grants (+/- £30k)		18
<b>Total Grants 2017/18</b>		<b>101</b>

#### Deputy Chief Executive:

Grant	Awarding Body	Amount £000
<b>Grants as per Business Plan</b>		0
One Public Estate	Cabinet Office	90
One Public Estate grant transferred to C&I	Cabinet Office	-90
Non-material grants (+/- £30k)		0
<b>Total Grants 2017/18</b>		<b>0</b>

#### LGSS Managed:

Grant	Awarding Body	Amount £000
<b>Grants as per Business Plan</b>	Public Health	100
Non-material grants (+/- £30k)		0
<b>Total Grants 2017/18</b>		<b>100</b>

## CS APPENDIX 4 – Virements and Budget Reconciliation

### Corporate Services:

	£000	Reported
<b>Budget as per Business Plan</b>	<b>8,193</b>	
Post Business Planning adjustments	51	May 17
Transfer of budgets from P&C to CS due to CCR	291	May 17
Transfer surplus NHB funding from City Deal	-256	May 17
Remove City Deal budgets	-1,027	May 17
Transfer of Apprenticeship Levy budgets from CS to Services	-429	May 17
Transfer of Digital Strategy budgets from P&C to CS	1,356	May 17
Transfer of Strengthening Communities budgets from ETE to CS	753	May 17
Transfer of Organisational Structure Review budgets from P&C to CS	293	May 17
Transfer of Corporate Information budget from Deputy CEX to CS	79	May 17
Transfer of Reach funding from P&C to CS	38	June 17
Transfer of duplicated SCS funding from SCS to ETE	-70	June 17
Transfer of Waste demography funding	-170	July 17
Transfer of LAC demography funding	-2,913	July 17
Transfer of Welfare Benefits Team	-142	August 17
Transfer of Grants to Vol Orgs to P&C	-130	September 17
Transfer of SCS to P&C	-139	September 17
Transfer of SCS to ETE	-76	September 17
Transfer of Healthwatch to P&C	-382	October 17
Transfer of SCS budgets to ETE and P&C	-769	October 17
Transfer of SCS to P&C	-101	November 17
Transfer of SCS to ETE	-22	December 17
Transfer of Digital staff to LGSS Operational under CCR restructure	-43	December 17
Reverse Strengthening Communities salary virements to P&C and P&C	32	January 18
Transfer of in-year saving from organisational structure review	31	January 18
Transfer Strengthening Communities salary saving to CS	33	Retain saving in Corporate Services

Non-material virements (+/- £30k)	36	
<b>Current Budget 2017/18</b>	<b>4,517</b>	

**Deputy Chief Executive:**

	<b>£000</b>	<b>Reported</b>
<b>Budget as per Business Plan</b>	<b>223</b>	
Business Planning adjustments	91	May 17
Transfer of Corporate Information budget from Deputy CEX to CS	-79	May 17
Transfer of staff from Learning Directorate to Transformation Team	39	August 17
Non-material virements (+/- £30k)	1	
<b>Current Budget 2017/18</b>	<b>275</b>	

**LGSS Managed:**

	<b>£000</b>	<b>Notes</b>
<b>Budget as per Business Plan</b>	<b>13,626</b>	
Business Planning adjustments	-68	May 17
Transfer of ESPO dividend budget to C&I	200	November 17
Transfer of Insurance budgets match funding to CFA and ETE	-2,033	December 17
Non-material virements (+/- £30k)	-34	
<b>Current Budget 2017/18</b>	<b>11,691</b>	

**Financing Costs:**

	<b>£000</b>	<b>Notes</b>
<b>Budget as per Business Plan</b>	<b>22,803</b>	
Transfer of CHIC costs from Debt Charges to C&I Committee	1,424	November 17
Non-material virements (+/- £30k)	0	
<b>Current Budget 2017/18</b>	<b>24,227</b>	

## CS APPENDIX 5 – Reserve Schedule

### 1. Corporate Services Reserves

Fund Description	Balance at 31 March 2017	Movements in 2017/18	Balance as at 31 March 2018	Notes
	£'000	£'000	£'000	
<b><u>General Reserve</u></b>				
Corporate Services Carry-forward	-64	64	0	1
subtotal	-64	64	0	
<b><u>Equipment Reserves</u></b>				
Postal Service	57	-27	30	2
subtotal	57	-27	30	
<b><u>Other Earmarked Funds</u></b>				
Shape Your Place - Fenland Grant	14	-4	10	
Election Processes	471	-471	0	3
EDRM Project	94	-94	0	4
Greater Cambridge Partnership - NHB funding	2,078	355	2,433	5
Organisational Structure Review	0	186	186	6
subtotal	2,656	-28	2,628	
<b><u>Short Term Provisions</u></b>				
Community Resilience	64	-64	0	7
subtotal	64	-64	0	
<b>TOTAL</b>	<b>2,713</b>	<b>-55</b>	<b>2,659</b>	

#### Notes

- 1 £64k transferred from General Fund to clear deficit on Corporate Services Operational savings.
- 2 £27k drawn down to pay for post room equipment in 2017/18.
- 3 Funds drawn down to cover cost of election in 2017/18.
- 4 EDRM funding written back to revenue to contribute to service pressures.
- 5 Funding allocated to GCP not used in 2017/18 will be required in later years.
- 6 Reserve to support delivery of savings targets in later years.
- 7 £64k transferred from Corporate Services to P&C for Strengthening Communities Service.

## 2. LGSS Managed Reserves

Fund Description	Balance at 31 March 2017	Movements in 2017/18	Balance as at 31 March 2018	Notes
	£'000	£'000	£'000	
<b><u>Other Earmarked Funds</u></b>				
CPSN Partnership Funds	146	-83	63	1
subtotal	146	-83	63	
<b><u>Short Term Provisions</u></b>				
Insurance Short-term Provision	911	0	911	
External Audit Costs	14	-14	0	
Insurance MMI Provision	1,182	0	1,182	
Back-scanning Reserve	56	-56	0	2
Contracts General Reserve	893	474	1,367	
subtotal	3,056	404	3,460	
<b><u>Long Term Provisions</u></b>				
Insurance Long-term Provision	3,613	0	3,613	
subtotal	3,613	0	3,613	
<b>SUBTOTAL</b>	<b>6,815</b>	<b>320</b>	<b>7,135</b>	
<b><u>Capital Reserves</u></b>				
P&P Commissioning (Property)	72	-72	0	3
subtotal	72	-72	0	
<b>TOTAL</b>	<b>6,887</b>	<b>248</b>	<b>7,135</b>	

### Notes

- 1 Funds ring-fenced for CPSN partnership to be used for procurement of replacement contract.
- 2 Reserve no longer required as back scanning project did not go ahead. Funding written back to revenue to contribute to other service pressures.
- 3 Balance of settlement with Mouchel and Capita to cover latent defects - transferred to ETE Committee.

## CS APPENDIX 6 – Capital Expenditure and Funding

### Capital Expenditure

Corporate Services & LGSS Managed Capital Programme 2017/18					TOTAL SCHEME	
Original 2017/18 Budget as per BP £000	Scheme	Revised Budget for 2017/18 £000	Actual Spend 2017/18 £000	Actual Variance 2017/18 £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
	<b>Corporate Services and Transformation</b>					
150	Essential CCC Business Systems Upgrade	150	31	(119)	300	-
1,800	Mosaic	2,332	1,376	(956)	2,750	-
1,246	Citizen First, Digital First	1,116	875	(241)	3,546	-
1,000	Capitalisation of Redundancies	1,000	1,491	491	2,000	491
1,293	Capitalisation of Transformation Team	1,293	1,429	136	2,586	136
(840)	Capital Programme Variations	(279)	4	283	561	-
<b>4,649</b>		<b>5,612</b>	<b>5,205</b>	<b>(407)</b>	<b>11,743</b>	<b>626</b>
	<b>LGSS Managed</b>					
-	IT Infrastructure Investment	245	258	13	1,968	-
500	Cambridgeshire Public Sector Network	500	15	(485)	5,500	-
500	Microsoft Enterprise Agreement	500	-	(500)	1,902	(500)
-	Implementing IT Resilience Strategy for Data Centres	176	159	(17)	500	-
-	Improved Audio Visual Capabilities for Staff Meetings	98	1	(97)	98	-
-	Achieve wireless across CCC sites	-	5	5	138	5
-	Capital Programme Variations	(570)	-	570	(253)	-
<b>1,000</b>		<b>949</b>	<b>437</b>	<b>(511)</b>	<b>9,853</b>	<b>(495)</b>
<b>5,649</b>	<b>TOTAL</b>	<b>6,561</b>	<b>5,642</b>	<b>(919)</b>	<b>21,596</b>	<b>131</b>

### Previously Reported Exceptions

- The Capitalisation of Corporate Redundancies budget overspent by £491k in 2017-18, due to additional redundancy costs including the cost of the AL&S restructure (£160k); this will also result in a total scheme variance of £491k. Transformation costs can only be classified as capital under the government directive on flexible use of capital receipts, which permits capital receipts to be used to fund transformation work; therefore they must be funded by capital receipts rather than any other source of capital funding.
- An additional £136k of Transformation Team costs was capitalised in 2017-18, rather than being recharged to specific capital schemes; this change will also result in a total scheme variance of £136k on the Capitalisation of Transformation Team capital budget. Transformation costs can only be classified as capital under the government directive on flexible use of capital receipts, which permits capital receipts to be used to fund



transformation work; therefore they must be funded by capital receipts rather than any other source of capital funding.

- The Corporate Services capital budget has increased due to the transfer of the Mosaic Project. The scheme was formerly under the remit of People and Communities, and is funded by borrowing and capital receipts. The phasing of the Mosaic Project budget has been adjusted to reflect Business Planning, with a reduced budget of £2.3m in 2017/18.

Additional scrutiny was also required on the Mosaic scheme costs. This has now happened and officers are confident in the projected forecasts. This analysis has resulted in an increase in projected revenue spend, and a decrease in capital. The capital scheme budget underspent by £956k in 2017/18. Of this underspend, £350k represents a reduction in the expected final cost of the project, leading to a predicted underspend against the total scheme budget; the remaining £600k represents slippage due to delays in implementation whilst the scheme was reviewed, and this funding will be required for planned spending in 2018/19.

However, it has been determined that £64k of Mosaic revenue costs can be classified as transformation work and was therefore eligible to be charged to capital and funded from capital receipts in 2017/18. These costs can only be classified as capital under the government directive on flexible use of capital receipts, which permits capital receipts to be used to fund transformation work; therefore they must be funded by capital receipts rather than any other source of capital funding. This adjustment will remove a pressure on the Mosaic revenue budget, bringing revenue costs within budget.

The capital costs of the project increased by £64k, reducing the in-year scheme underspend, and leading to a nil total scheme variance. The use of £64k capital receipts funding will result in a corresponding reduction to the borrowing requirement for Corporate Services.

The actual costs for the Mosaic scheme were lower than budgeted for 2017/18 due to the go live date being pushed back into 2018/19. This has moved a significant amount of the cost into 2018/19, but has not impacted on the overall scheme budget.

- Following a review of the capital costs of the initial phases of the Citizen First, Digital First programme, there was an underspend of £241k in 2017/18. The expected improvements in online financial transactions are in part dependent on two other major system changes that are scheduled to 'go live' in 2018 – the introduction of Mosaic and the new ERP Gold Finance system. It is envisaged that future phases of the scheme will take a council-wide, outcome focused approach and look at digital transformation opportunities across all of the transformation programmes, rather than focusing on individual service processes. Work is in progress to develop business cases for new projects to support digital transformation. The total scheme budget is unchanged and will be re-profiled as part of the 2018/19 Business Planning process.
- The Microsoft Enterprise Agreement budget underspent by £500k in 2017/18. This was due to the requirement to switch to a subscription charging basis for the Corporate Software Infrastructure re-procurement, as approved by GPC, which was funded from revenue. In the past, the Council would have purchased a three year agreement with capital funding, and a capital budget of £500k was set aside in 2017/18 to buy out the licences at the end of the previous contract. This will result in a reduction in the overall scheme forecast outturn by this amount.

- GPC was asked to approve additional budget of £98k in 2017/18 to provide Improved Audio Visual Capabilities for Staff Meetings, as previously agreed by the Capital Programme Board. The scheme is to be funded by an increase in prudential borrowing.
- The Sawston Community Hub scheme has been transferred to the Commercial & Investment Board, so the LGSS Managed capital budget has reduced by £1.2m. Capital programme variations budgets have been realigned accordingly, leading to a net reduction of £1.05m.
- As previously reported, the capital programme figures include a revised Capital Programme Variations target for each service, which effectively reduces the programme budget. As forecast underspends were reported, these have been netted off against the forecast outturn for the variation budget, resulting in a balanced budget up until the point when slippage exceeds the variation budget.
- Cambridgeshire Public Sector Network budget underspent by £485k due to a delay in awarding the contract which will now slip into 2018-19. This will require a reduction in prudential borrowing of £485k.

## Capital Funding

Corporate Services & LGSS Managed Capital Programme 2017/18				
Original 2017/18 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2017/18 £000	Actual Spend 2017/18 £000	Actual Funding Variance 2017/18 £000
2,293	<b>Corporate Services and Transformation</b>	2,293	4,201	1,908
556	Capital Receipts	3,319	1,004	(2,315)
<b>2,849</b>		<b>5,612</b>	<b>5,205</b>	<b>(407)</b>
	<b>LGSS Managed</b>			
2,068	Prudential Borrowing	949	438	(511)
<b>2,068</b>		<b>949</b>	<b>438</b>	<b>(511)</b>
<b>4,917</b>	<b>TOTAL</b>	<b>6,561</b>	<b>5,642</b>	<b>(919)</b>

### Previously Reported Exceptions

- As a result of the requirement to fund an additional £359k of Transformation spending from capital receipts, this necessitates a corresponding reduction in capital receipts funding in the Commercial & Investment capital programme. This is offset by an increase of £359k in the borrowing requirement for that committee.
- The requirement to fund an additional £64k of Transformation spending from capital receipts, necessitates a corresponding reduction in capital receipts funding in the Commercial & Investment capital programme. This is offset by an increase of £64k in the borrowing requirement for that committee.

An additional £198k of staff time in People & Communities has been funded through flexible use of capital receipts as part of the Transformation scheme, which necessitates a corresponding reduction in capital receipts funding in the Commercial & Investment capital programme. This is offset by an increase of £64k in the borrowing requirement for that committee.

- The Corporate Services capital budget has increased due to the transfer of the Mosaic Project, which is funded by borrowing and capital receipts. The adjusted phasing of the Mosaic scheme (£250k), in conjunction with the predicted in-year underspend (£680k), has resulted in a reduction of £930k in the predicted borrowing requirement for the scheme in 2017/18. This is offset by an increase of £64k in capital receipts funding due to the capitalisation of revenue expenditure. As a result of the requirement to fund £64k of Mosaic spending from capital receipts, this necessitates a corresponding reduction in capital receipts funding in the Commercial & Investment capital programme, which is offset by an increase of £64k in the borrowing requirement for that committee.

An additional £1.1m of Mosaic expenditure has been funded through the balance of capital receipts in 2017/18. This has reduced the Corporate Services prudential borrowing requirement by this amount.

- The Sawston Community Hub scheme budget of £1.2m has transferred to the Commercial & Investment Board, resulting in a reduction in the LGSS Managed borrowing requirement. Capital programme variations budgets have been realigned accordingly, leading to a net reduction of £1.05m.
- The Capital Programme Variations targets included in the Business Plan have been updated based on 2016/17 slippage and to allow for other funding sources in addition to borrowing. The figures include a £561k adjustment to the Capital Variation budget for Corporate Services and an £887k increase in the Capital Variation budget for LGSS Managed. The Capital Programme Variation targets reduce the overall capital budget, resulting in a reduced funding requirement.
- The Corporate Services budgets also incorporate a reduction of £130k for funding that was brought forward from the Citizen First Digital First budget 2017/18 to cover costs incurred in 2016/17; this does not affect total scheme costs.
- The LGSS Managed capital programme incorporates £561k funding approved for schemes carried-forward from 2016/17.

## CS Appendix 7 – Performance Scorecard

The table below outlines key performance indicators for Corporate and Customer Services and LGSS Managed Services.

Corporate & Customer Services Performance Indicator Suite 2017-18 March 2018										
Note - following the recent Corporate Capacity Review (CCR) restructure a new indicator set is under development that will better reflect the work undertaken by the new corporate directorate. Work is ongoing to develop the new indicator set.										
Service Area:	Business Intelligence									
Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG Status	Direction of travel	Comments
Proportion of FOI requests responded to within timescale (YTD)	Monthly	High	%	April 2018	Mar-18	90%	89.8%	A	↓	102 out of 117 requests were responded to within timescale in March
SARS - % completed within 40 working days (YTD)	Monthly	High	%	April 2018	Mar-18	80%	79.9%	A	↑	12 out of 13 requests were responded to within timescale in March
Statutory returns completed on time	Monthly	High	%	April 2018	Mar-18	100%	100.0%	G	↔	Annual statutory returns for Adult Social Care and Children's Social Care were submitted on time. The quarterly return for the Youth Offending Service was completed on time, and the monthly returns relating to support given to young people with education and

										training were completed on time.
Monthly & weekly information delivered on time	Monthly	High							<input type="checkbox"/>	In development
Customer satisfaction with inspection support	Annual	High							<input type="checkbox"/>	In development
<b>Service Area:</b>	<b>Communications &amp; Information</b>									
Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG Status	Direction of travel	Comments
Proportion of citizens who report they feel well informed about the work the Council does	Annual	High							<input type="checkbox"/>	In development
Proportion of citizens who report that it is easy to find information	Annual	High							<input type="checkbox"/>	In development
Placeholder - indicator to be developed around staff engagement	Annual	High							<input type="checkbox"/>	In development
Number of sessions on website	Monthly	High	Number	April 2018	Mar-18		330,539		↑	
<b>Service Area:</b>	<b>IT &amp; Digital</b>									
Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG Status	Direction of travel	Comments

Current health of Council IT systems	Monthly	High							<input type="checkbox"/>	In development
Placeholder - indicator to be developed to report volume of on-line transactions	Monthly	High							<input type="checkbox"/>	In development
<b>Service Area:</b>	<b>Customer Services</b>									
Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG Status	Direction of travel	Comments
Proportion of information enquiries resolved at first point of contact	Monthly	High	%	April 2018	Mar-18	85%	74.8%	R	↓	
% of calls presented that are answered	Monthly	High	%	April 2018	Mar-18	85%	90.0%	G	↓	
% of total contact that is deemed avoidable	Monthly	Low	%	April 2018	Mar-18	<15%	14.2%	G	↑	% determined across seventeen council services delivered by Customer Services through the corporate contact centre and reception sites.
<b>Service Area:</b>	<b>Emergency Planning</b>									
Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG Status	Direction of travel	Comments
Proportion of services with a completed Business Continuity Plan	Monthly	High	%	April 2018	Mar-18		84.0%		↔	
<b>Service Area:</b>	<b>Directorate</b>									
Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG Status	Direction of travel	Comments

Placeholder - customer satisfaction indicator to be developed									<input type="checkbox"/>	Indicator to be developed to capture and report customer satisfaction with services provided by the directorate
<b>Service Area:</b>	<b>LGSS managed services</b>									
Measure	Reporting frequency	What is good	Unit	Data last entered	Time period covered	Target	Actual	RAG Status	Direction of travel	Comments
Incidents resolved within Service Level Agreement (ref: IT01a)	Quarterly	High	%	April 2018	Q4 (Jan-Mar 18)	95%	84.2%	R	↑	
Requests resolved within Service Level Agreement (ref: IT01b)	Quarterly	High	%	April 2018	Q4 (Jan-Mar 18)	95%	79.1%	R	↓	
Availability of Universal Business System**** IT Availability (ref: IT02)	Quarterly	High	%	April 2018	Q4 (Jan-Mar 18)	90%	99.9%	G	↑	

\*\*\*\* The 'Universal Business System' is defined as covering:

- . Internet feed
- . Network
- . Windows infrastructure (file/print/login)
- . VoIP phones
- . E-Business suite
- . Corporate CRM (OneServe)
- . Capita One (also known as OneVision/One/ICS)
- . Corporate remote access (Juniper)
- . Remote access for NHS staff (NHS Netilla)
- . SWIFT/AIS
- . AFM
- . EDRM (Wisdom)
- . Landesk
- . BYOD (DME)
- . Blackberry
- . Email (Exchange)
- . Email archive (Enterprise Vault)
- . GIS



- CCC website
- Intranet - CamWeb

## LGSS APPENDIX 1 – Service Level Budgetary Control Report

The variances as at the end of 2017/18 for LGSS Cambridge Office were as follows:

Original Budget as per BP £000	Service	Current Budget for 2017/18 £000	Forecast Variance - Outturn (Feb) £000	Actual Variance £000	Actual Variance %
<b><u>LGSS Cambridge Office</u></b>					
<b><u>Managing Director &amp; Support</u></b>					
0	LGSS Equalisation	0	0	35	0
8	Strategic Management & Support	8	66	13	0
<b>8</b>		<b>8</b>	<b>66</b>	<b>48</b>	<b>579</b>
<b><u>Strategic Management</u></b>					
361	LGSS Equalisation	586	0	174	-30
-8,634	Central Management - Trading	-5,375	138	0	0
-220	Grant Income	-220	0	0	0
<b>-8,493</b>		<b>-5,009</b>	<b>138</b>	<b>174</b>	<b>-3</b>
<b><u>Finance Services</u></b>					
0	LGSS Equalisation	0	0	303	0
2,252	Professional Finance	2,446	8	-3	0
0	Pensions Operations	0	0	0	0
450	Audit	369	0	-52	-14
1,616	Financial Operations	1,647	-6	-173	-11
232	Integrated Finance Services	192	0	-22	-11
101	LGSS Business Planning & Finance	138	1	-3	-2
0	Grant Income	0	0	0	0
<b>4,652</b>		<b>4,792</b>	<b>3</b>	<b>50</b>	<b>1</b>
<b><u>Human Resources</u></b>					
0	LGSS Equalisation	0	0	16	0
276	Policy & Strategy	260	-4	-27	-10
1,359	HR Business Partners	1,081	-23	55	5
301	Learning & Development	1,449	0	-39	-3
-310	Transactional Services	-66	0	-87	-132
<b>1,626</b>		<b>2,724</b>	<b>-27</b>	<b>-82</b>	<b>-3</b>
<b><u>Business Services, Systems &amp; Change</u></b>					
0	LGSS Equalisation	0	0	-185	0
326	Procurement	290	-46	4	1
1,853	LGSS Business Systems & Change	1,635	-31	100	6
2,384	Revenues and Benefits	0	0	0	0
<b>4,564</b>		<b>1,925</b>	<b>-77</b>	<b>-81</b>	<b>-4</b>
<b><u>LGSS Law &amp; Governance</u></b>					
0	LGSS Equalisation	0	0	40	0
428	Democratic Support Services	388	0	-67	-17
-291	Corporate Legal Budget	102	-3	0	0
<b>138</b>		<b>490</b>	<b>-3</b>	<b>-27</b>	<b>-5</b>
<b><u>Information Technology</u></b>					
	LGSS Equalisation	0	0	-152	0
5,251	Information Technology	4,541	50	186	4
<b>5,251</b>		<b>4,541</b>	<b>-3</b>	<b>34</b>	<b>1</b>
<b>2,495</b>	<b>Total LGSS Cambridge Office</b>	<b>9,472</b>	<b>150</b>	<b>116</b>	<b>1</b>

**MEMORANDUM - Grant Income**

-220	Public Health Grant	-220	0	0	0
<b>0</b>		<b>-220</b>	<b>0</b>	<b>0</b>	<b>0</b>

## LGSS APPENDIX 2 – Commentary on the Outturn Position

Number of budgets measured at service level that have an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater.

Service	Current Budget £'000	Current Variance	
		£'000	%
<b>Managing Director and Support</b>	<b>8</b>	<b>48</b>	<b>579</b>
There is an underlying pressure on the Managing Director and Support budgets resulting from an undelivered saving with regard to hosting of the new pensions payroll system.			
<b>LGSS Business Planning &amp; Finance</b>	<b>138</b>	<b>50</b>	<b>1</b>
Predicted overspend resulting from the additional cost of agency staff due to the vacancy factor built into the LGSS Business Planning and Finance budget.			
<b>Human Resources</b>	<b>2,745</b>	<b>-3</b>	<b>-2</b>
Underspend due to staff vacancies in CCC and delays in implementing a proposed new staffing structure in NCC.			
<b>LGSS Business Systems &amp; Change</b>	<b>1,925</b>	<b>-81</b>	<b>-4</b>
Underspends due to vacancies in the directorate.			
<b>Information Technology</b>	<b>4,541</b>	<b>34</b>	<b>1</b>
A pressure of £34k on Information Technology budgets made up of: CCC's share of an overspend on CCC IT operational budgets, resulting from the current funding model and high costs of implementing the Platform Stability Plan; and a £20k pressure within Digital Services, representing the CCC share of unfunded costs of developing a new front end for "Let's go Direct".			

### LGSS APPENDIX 3 – Grant Income Analysis

The table below outlines the additional grant income, which is not built into base budgets.

	<b>Awarding Body</b>	<b>Amount £'000</b>
<b>Grants as per Business Plan</b>	Public Health	220
Non-material grants (+/- £30k)		0
<b>Total Grants 2017/18</b>		<b>220</b>

### LGSS APPENDIX 4 – Virements and Budget Reconciliation

	<b>£'000</b>	<b>Reported</b>
<b>Budget as per Business Plan</b>	<b>7,746</b>	
Business Planning adjustments	-126	May 17
Transfer of Workforce development budgets from CFA to LGSS Cambridge	1,348	May 17
Transfer of Apprenticeship Levy from CS to LGSS Cambridge	40	May 17
Transfer of Court of Protection budgets from CFA to LGSS Cambridge	52	May 17
Transfer of LGSS savings from LGSS Cambridge Office to C&I	349	June 17
Staff transfer from Learning Directorate to Transformation Team	-38	August 17
Transfer of Welfare Benefits staff to LGSS Cambridge Office	62	August 17
Transfer of Business Support Officers from P&C to LGSS Cambridge	53	September 17
Non-material virements (+/- £30k)	-14	
<b>Current Budget 2017/18</b>	<b>9,472</b>	

## LGSS APPENDIX 5 – Reserve Schedule

Fund Description	Balance at 31 March 2017	Movements in 2017/18	Balance as at 31 March 2018	Notes
	£'000	£'000	£'000	
<b>General Reserve</b>				
LGSS Cambridge Office Carry-forward	609	-609	0	1
subtotal	609	-609	0	
<b>TOTAL</b>	<b>609</b>	<b>-609</b>	<b>0</b>	

### Notes

1

The balance reflects the full utilisation of operational savings in 2017/18.

## LGSS APPENDIX 6 – Capital Expenditure and Funding

### Capital Expenditure

LGSS Cambridge Office Capital Programme 2017/18					TOTAL SCHEME	
Original 2017/18 Budget as per BP £000	Scheme	Revised Budget for 2017/18 £000	Actual Spend 2017/18 £000	Actual Variance 2017/18 £000	Total Scheme Revised Budget £000	Total Scheme Forecast Variance £000
100	Next Generation ERP	918	784	(134)	2,025	-
-	Capital Programme Variations	(20)	22	42	(20)	-
<b>100</b>	<b>TOTAL</b>	<b>898</b>	<b>806</b>	<b>(92)</b>	<b>2,005</b>	<b>-</b>

### Previously Reported Exceptions

The Next Generation ERP capital budget has been increased by £187k to £0.5m in 2017/18 and £1.615m total scheme budget. This follows approval at GPC in July of £187k additional capital budget to meet increased costs of Agresso implementation. A number of factors have resulted in the need to employ additional external IT resource over a longer period than originally planned; these included the extended timetable, increased complexity as a result of implementing across three partners, and responding to changes in NCC organisational structures. There have also been some additional IT software and infrastructure costs incurred in respect of Biztalk and MOVEit software, in order to meet all of the application interfacing commitments. The additional capital costs will be fully mitigated by in-year LGSS revenue savings post implementation.

As previously reported, the capital programme figures include a revised Capital Programme Variations target for each service, which effectively reduces the programme budget. As forecast underspends have been reported, these were netted off against the forecast outturn for the variation budget, resulting in a balanced budget up until the point when slippage exceeds the variation budget.

## Capital Funding

<b>LGSS Cambridge Office Capital Programme 2017/18</b>				
<b>Original 2017/18 Funding Allocation as per BP £000</b>	<b>Source of Funding</b>	<b>Revised Funding for 2017/18 £000</b>	<b>Actual Spend 2017/18 £000</b>	<b>Actual Funding Variance 2017/18 £000</b>
100	Prudential Borrowing	898	806	(92)
<b>100</b>	<b>TOTAL</b>	<b>898</b>	<b>806</b>	<b>(92)</b>

## Previously Reported Exceptions

As previously reported, the budget for Next Generation ERP has increased by £187k, resulting in an increased borrowing requirement of this amount.

The Capital Programme Variations targets included in the Business Plan have been updated based on 2016/17 slippage and to allow for other funding sources in addition to borrowing. The Capital Programme Variation targets reduce the overall capital budget, resulting in a reduced funding requirement.

The capital budget incorporates a £20k increase in the Capital Variation budget and £221k funding carried-forward from 2016/17.



## LGSS APPENDIX 7 - Performance Scorecard

The table below outlines the key performance indicators for LGSS Cambridge Office.

Measure	Reporting frequency	What is good	Unit	Data last entered	Target	Actual	RAG status	Direction of travel	Comments
<b>LGSS Cambridge Office</b>									
Percentage of invoices paid within term for month	Monthly	High	%	01/02/2018	97.5%	99.6%	Green	↓	99.8% last period
Percentage of invoices paid within term cumulative for year to date	Monthly	High	%	01/02/2018	97.5%	99.6%	Green	↔	99.6% last period
Total debt as a percentage of turnover	Monthly	Low	%	01/04/2018	10.0%	5.9%	Green	↑	6.9% last period
Percentage of debt over 90 days old	Monthly	Low	%	01/04/2018	20.0%	20.2%	Amber	↓	15.8% last period