

Corporate Services and LGSS Cambridge Office**Finance and Performance Report – Outturn 2018/19****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 |
|------------------------------|-----|-------|-------|-------|
| March (Number of indicators) | 0 | 4 | 8 | 12 |

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

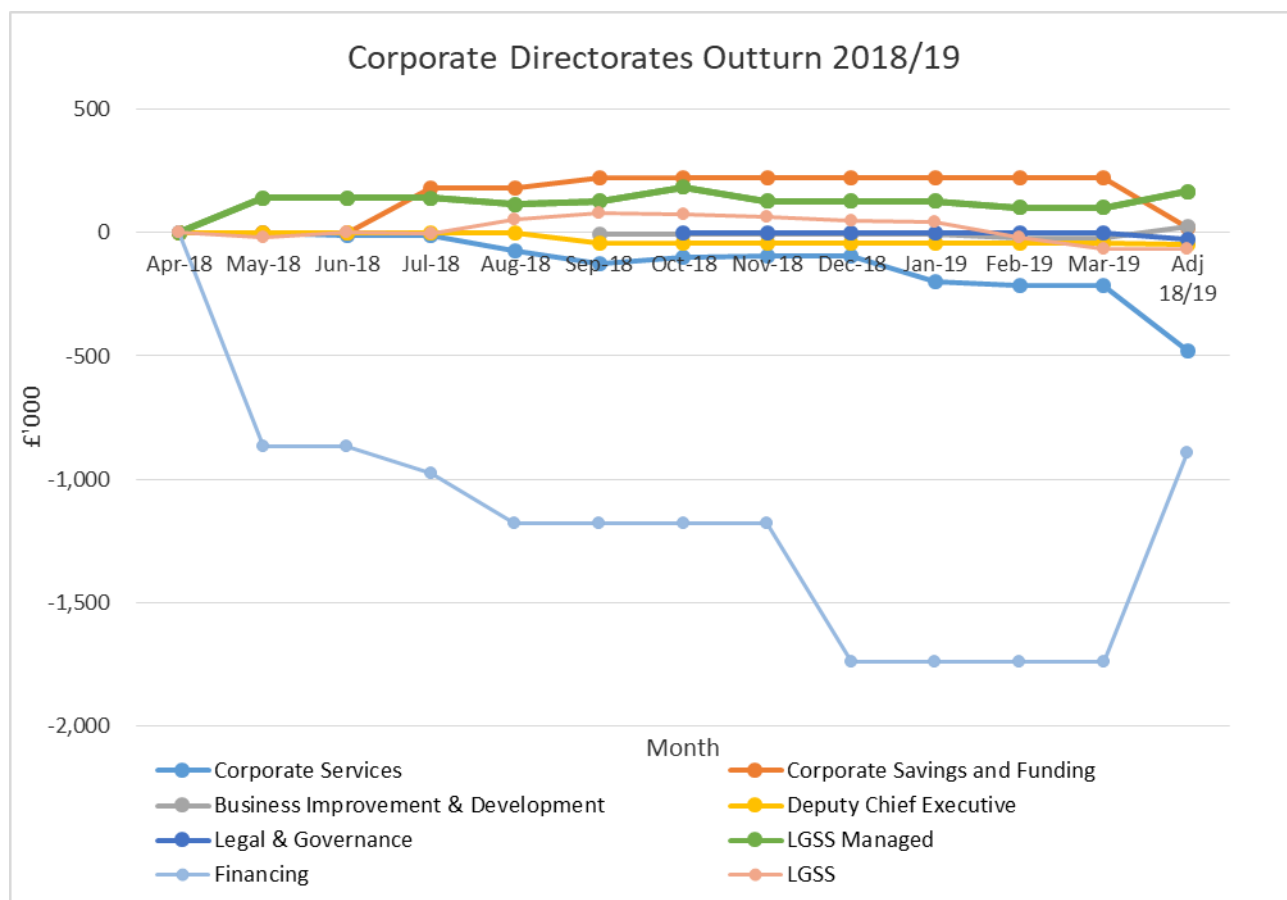
| Outturn Variance (Previous) £'000 | Directorate | Budget £'000 | Actual £'000 | Outturn Variance £'000 | Outturn Variance % | Status |
|-----------------------------------|------------------------------------|---------------|---------------|------------------------|--------------------|--------|
| -213 | Corporate & Customer Services | 6,707 | 6,230 | -477 | -7.1% | Green |
| 220 | Corporate Savings & Funding | -1,039 | -1,021 | 18 | 1.8% | Amber |
| -20 | Business Improvement & Development | 875 | 898 | 23 | 2.6% | Green |
| -43 | Deputy Chief Executive | 325 | 278 | -47 | -14.5% | Green |
| 0 | Legal & Governance | 90 | 62 | -28 | -31.5% | Green |
| -1,738 | Financing Costs | 25,983 | 25,089 | -894 | -3.4% | Green |
| 101 | LGSS Managed | 8,986 | 9,151 | 165 | 1.8% | Amber |
| -1,693 | Total | 41,928 | 40,688 | -1,240 | -3.0% | |

The service level budgetary control report for Corporate Services, LGSS Managed and Financing Costs for year-end 2018/19 can be found in [CS appendix 1](#).

The service level budgetary control report for LGSS Cambridge Office for year-end 2018/19 can be found in [LGSS appendix 1](#). Pressures and deficits within LGSS Operational budgets are the responsibility of the Joint Committee. Formal risk sharing arrangements are in place such that changes in service or financing impacting one partner are isolated from impacting other partners. In practice, this means that where there is risk (or additional requirements for) in-year savings for back-office services shared with or facing Northamptonshire County Council, these do not impact on the service received by Cambridgeshire County Council or impact any overspend to be handled by CCC.

Further analysis of the results can be found in [CS appendix 2](#) and [LGSS appendix 2](#)

The appendices are published online only and not printed for Committee.



2.2.1 Significant Issues – Corporate and Customer Services

The overall position for Corporate and Customer Services budgets in 2018/19 was a year-end underspend of £477k, which is an increase of £264k from the figure reported in February. This is mainly due to additional underspends on the Director and IT & Digital budgets.

The final position for the Director, Corporate and Customer Services budget was an underspend of £108k, which is an increase of £68k from the previous forecast. This is mainly due to the budget for staffing changes in the directorate not being required in year as the cost of those changes was net off by underspends in the services.

The final position for the IT & Digital Service budget was an underspend of £203k, which is an increase of £146k from the previous forecast. As new case management systems are being implemented for Adults' and Children's Social Care, the old systems have not been in place for a full year, and therefore the annual licence costs for those systems were lower than budgeted.

2.2.2 Significant Issues – Corporate Savings and Funding

The overall position for Corporate Savings and Funding budgets in 2018/19 was a year-end overspend of £18k, a decrease of £202k from the figure reported in February.

In this category, the demography fund (£322k) was held centrally rather than allocated to a specific service (although the £3.4m smoothing fund had been allocated earlier in year to demand-led pressures). Instead, the remaining central allocation had effectively been held to offset risk of under delivery against the corporately managed savings for workforce, shared services and contract management. At year-end, workforce savings had exceeded target, however there was under delivery against contract management (£64k) and sharing with Peterborough City Council (£139k).

2.2.3 Significant Issues – Business Improvement & Development

The overall position for Business Improvement & Development budgets in 2018/19 was a year-end overspend of £23k, which is an adverse difference of £43k from the figure reported in February.

There are no new exceptions to report this month.

2.2.4 Significant Issues – Deputy Chief Executive

The overall position for Deputy Chief Executive budgets in 2018/19 was a year-end underspend of £47k, which is an additional underspend of £4k from the figure reported in February.

There are no new exceptions to report this month.

2.2.5 Significance Issues- Legal and Governance

The overall position for Legal and Governance budgets in 2018/19 was a year-end underspend of £28k, which is an additional underspend of £28k from the figure reported in February.

There are no new exceptions to report this month.

2.2.6 Significant Issues – LGSS Managed

The overall position for LGSS Managed budgets in 2018/19 was a year-end overspend of £165k, an increase of £64k from the figure reported in February. This is mainly due to additional overspends on the Insurance and IT Managed budgets.

The final position for the Insurance budget was an overspend of £115k, which is an increase of £115k from the previous forecast. This is because the cost of the internal and external insurance premiums exceeded the amount that could be charged to services in 2018/19.

2.2.7 Significant Issues – Financing Costs

The overall position for the Financing Costs budget is an underspend of £894k, which is a decrease of £844k from the previous forecast. This is almost entirely due to the capitalisation of interest recharge which has been calculated significantly lower than was originally budgeted.

The Council has a policy of capitalising the costs of borrowing for schemes, which is allowable up until the point a project completes. The recharge between capital projects and the Financing Costs budget can therefore only be completed at year end once the final funding position of all capital schemes has been established, and once it has been identified which schemes have completed and which are ongoing as at 31st March 2019. There are several reasons why the final calculation is significantly under budget; the most substantial factor has been the reduction of the average cost of borrowing to the Council over the last year (this has reduced the costs of borrowing to the Council, but has also reduced the value of the recharge). However, there have also been changes to funding sources for projects (we have undertaken less borrowing than originally expected), and some schemes have also completed faster than anticipated in the original estimation and therefore it has only been possible to recharge the interest costs for a proportion of the year.

2.2.8 Significant Issues – LGSS Cambridge Office

LGSS Cambridge Office finished the year with an underspend of £67k, which is an increase of £45k from the previous forecast. This is due to increased underspend on Managing Director & Support.

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.

There are no new exceptions to report this month.

Additional Income and Grant Budgeted this Period

(De minimis reporting limit = £30,000)

The following item below the de minimis reporting limit were recorded during March 2019.

Corporate & Customer Services:

| Grant | Awarding Body | Amount £'000 |
|--------------------------------|---|-------------------------|
| Non-material grants (+/- £30k) | Improvement & Development Agency for Local Government | 13 |

A full list of additional grant income for Corporate Services and LGSS Managed can be found in [CS appendix 3](#).

A full list of additional grant income for LGSS Cambridge Office can be found in [LGSS appendix 3](#).

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

(De minimis reporting limit = £30,000)

The following virement was made in March 2019:

LGSS Managed:

| | £'000 | Notes |
|-----------------------------------|--------|---|
| Insurance | -2,199 | Match budget for insurance premiums charged to services |
| Non material virements (+/- £30k) | 0 | |

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

A full list of Virement and Transfers for LGSS Cambridge Office can be found in [LGSS appendix 4](#).

3. BALANCE SHEET

3.1 Reserves

A schedule of the Corporate Services and LGSS Managed reserves can be found in [CS appendix 5](#).

A schedule of the LGSS Cambridge Office Reserves can be found in [LGSS appendix 5](#).

3.2 Capital Expenditure and Funding

Expenditure

- Corporate Services schemes had a capital budget of £4.9m in 2018/19 and there is expenditure of £5.5m at year end. The total scheme forecast (across years) is on budget.

The Citizen First, Digital First project has recorded an in-year underspend of £468k. This is due to expenditure on IT hardware and software which has been delayed and is expected to take place in 2019/20.

The Children's Services IT System project recorded an in-year underspend of £895k. This is because much of the staff time and consultants' time on the project will actually take place in 2019/20 rather than 2018/19.

The Capitalisation of Redundancies project has recorded an in-year overspend of £812k. This is due to more redundancies than expected in the year, in particular relating to the closure of the Catering and Cleaning Service. This has increased the use of Capital Receipts by this amount.

The Capitalisation of Transformation Team budget has recorded an in-year overspend of £297k. A greater proportion of the cost of the Transformation Team has been funded from capital receipts in 2018/19 due to a change in policy allowing more costs to be capitalised and a decrease in the amount of Transformation Team work being funded from other sources. In addition to this, some staff time in HR has also been funded from capital receipts.

Two Third Party Loans were issued during 2018/19: £350k to Estover Playing Field CIC and £150k to Wisbech Town Council.

- LGSS Managed had a capital budget of £6.0m in 2018/19 and there is expenditure of £2.1m at year end. The total scheme forecast is an underspend of £184k.

The Cambridgeshire Public Sector Network Replacement project has recorded an underspend of £3.8m in 2018-19. This is due to a revised timescale for this project; the previous contract was extended, so the process to move buildings across to the new network has started on a revised timescale. As part of the business planning

process for 2019/20 this budget has been reviewed and part of the underspend in future years has been reallocated.

This Libraries IT Network Refresh project has recorded an in-year underspend of £443k, which is due to a delay in expenditure on IT hardware which is now expected to take place in 2019/20.

- LGSS Cambridge Office had a capital budget of £0.1m in 2018/19 which has been spent in full. The total scheme forecast is on budget.

There are no new material variances to report this month.

Funding

- Corporate Services schemes had capital funding of £5.4m in 2018/19. The final position for the Corporate Services capital programme as a whole was an overspend of £0.6m, as detailed above.
- LGSS Managed had capital funding of £6m in 2018/19. The final position for the LGSS Managed capital programme as a whole was an underspend of £3.9m in 2018/19, as detailed above.

As reported above, additional in-year underspends of £1.7m have been recorded across the CPSN Replacement and Libraries IT Network Refresh projects. This has reduced the prudential borrowing requirement by that amount.

- LGSS Cambridge Office had capital funding of £0.1m in 2018/19. The final position for the LGSS Cambridge Office capital programme as a whole was a balanced outturn position.

There are no new material variances to report this month.

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

CS APPENDIX 1 – Corporate Service Level Budgetary Control Report

To ensure financial information is presented in a consistent way to all Committees a standardised format has now been applied to the summary tables and service level budgetary control reports included in each F&PR. The same format is also applied to the Integrated Resources and Performance Report (IRPR) presented to General Purposes Committee (GPC). The data shown provides the key information required to assess the financial position of the service and provide comparison to the previous month.

The variances as at year-end 2018/19 for Corporate and Customer Services, Chief Executive, LGSS Managed and Financing Costs are as follows:

| Forecast Outturn Variance (Feb) | | Budget 2018/19 | Actual Close 2019 | Outturn Variance | |
|---|---|-------------------|-------------------------|---------------------|-------------|
| £000's | | £000's | £000's | £000's | % |
| Corporate & Customer Services | | | | | |
| -40 | Director, Corporate and Customer Services | 599 | 491 | -108 | -18% |
| 0 | Chief Executive | 122 | 121 | -1 | -1% |
| -15 | Communication and Information | 726 | 698 | -28 | -4% |
| -168 | Customer Services | 1,737 | 1,535 | -202 | -12% |
| 12 | Information Management | 465 | 471 | 6 | 1% |
| -57 | IT & Digital Service | 2,027 | 1,825 | -203 | -10% |
| 0 | Elections | 165 | 165 | 0 | 0% |
| 54 | Redundancy, Pensions & Injury | 866 | 924 | 58 | 7% |
| -213 | Corporate & Customer Services Total | 6,707 | 6,230 | -477 | -7% |
| Corporate Savings & Funding | | | | | |
| 0 | Demography Reserve | 322 | 0 | -322 | -100% |
| 0 | Commercial approach to contract management | -64 | 0 | 64 | 100% |
| -0 | Organisational Structure Review | -938 | -1,021 | -83 | -9% |
| 182 | Citizen First, Digital First | -182 | 0 | 182 | 100% |
| 0 | PCC Shared Services | -139 | 0 | 139 | 100% |
| 38 | Automation | -38 | 0 | 38 | 100% |
| 220 | Corporate Savings & Funding Total | -1,039 | -1,021 | 18 | 2% |
| Business Improvement & Development | | | | | |
| 0 | Transformation Team | 148 | 217 | 69 | 46% |
| -20 | Business Intelligence | 727 | 681 | -46 | -6% |
| -20 | Business Improvement & Development Total | 875 | 898 | 23 | 3% |
| Deputy Chief Executive | | | | | |
| -43 | Resources Directorate | 325 | 278 | -47 | -15% |
| -43 | Deputy Chief Executive Total | 325 | 278 | -47 | -15% |
| Legal & Governance | | | | | |
| 0 | Legal & Governance Services | 90 | 62 | -28 | -31% |
| 0 | Legal & Governance Total | 90 | 62 | -28 | -31% |
| LGSS Managed | | | | | |
| -10 | External Audit | 117 | 81 | -35 | -30% |
| 0 | Insurance | -60 | 54 | 115 | 190% |

| | | | | | |
|------------------------|------------------------------|---------------|---------------|--------------|------------|
| 115 | IT Managed | 2,994 | 3,183 | 188 | 6% |
| 0 | Members' Allowances | 1,034 | 1,040 | 6 | 1% |
| 7 | OWD Managed | 172 | 189 | 18 | 10% |
| 0 | Subscriptions | 110 | 109 | -1 | 0% |
| -15 | Authority-wide Miscellaneous | 48 | 3 | -45 | -94% |
| 4 | HR Managed | 36 | -23 | -60 | -163% |
| 0 | Corporate Redundancies | 0 | -22 | -22 | 0% |
| 0 | Transformation Fund | 4,536 | 4,536 | 0 | 0% |
| 101 | LGSS Managed Total | 8,986 | 9,151 | 165 | 2% |
| Financing Costs | | | | | |
| -1,738 | Debt Charges and Interest | 25,983 | 25,089 | -894 | -3% |
| -1,738 | Financing Costs Total | 25,983 | 25,089 | -894 | -3% |
| -1,694 | Total | 41,928 | 40,688 | 1,240 | -3% |

CS APPENDIX 2 – Commentary on the Forecast 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 | Outturn Variance | |
|---|-------------------------|------------------|--------------|
| | | £'000 | % |
| Director, Corporate and Customer Services | 599 | -108 | -18% |
| <p>The final position for the Director, Corporate and Customer Services budget was an underspend of £108k, which is an increase of £68k from the previous forecast. This is mainly due to the budget for staffing changes in the directorate not being required in year as the cost of those changes was net off by underspends in the services.</p> | | | |
| Customer Services | 1,737 | -202 | -12% |
| <p>The final position on the Customer Services was an underspend of £202k. This was due to the team holding several vacancies during the year.</p> | | | |
| IT & Digital Service | 2,027 | -203 | -10% |
| <p>The final position for the IT & Digital Service budget was an underspend of £203k, which is an increase of £146k from the previous forecast. As new case management systems are being implemented for Adults' and Children's Social Care, the old systems have not been in place for a full year, and therefore the annual licence costs for those systems were lower than budgeted.</p> | | | |
| Demography reserve | 322 | -322 | -100% |
| <p>The final position on the Demography Reserve budget was an underspend of £322k, which is an increased underspend of £322k from the previous forecast. This reserve has not been required in 2018/19, so the underspend recorded here will net off corporate savings targets not achieved in the year.</p> | | | |
| Citizen First, Digital First | -182 | 182 | 100% |
| <p>An underachievement of £182k is recorded against the Citizen First, Digital First savings target (unchanged from previous months). This is due to a change in the scope of the Citizen First, Digital First project and the need to find a more effective mechanism to facilitate automation savings to be achieved in other service areas across the Council.</p> | | | |

| | | £'000 | % |
|--|---------------|-------------|-------------|
| PCC Shared Services | -139 | 139 | 100% |
| <p>The final position on the PCC Shared Services savings target is an underachievement of £139k, which is an increase of £139k from the previous forecast. Some progress has been made against this savings target in 2018/19, however many of the shared posts with Peterborough City Council were not in place for a full year, and therefore the full amount of the savings target has not been met.</p> | | | |
| Insurance | -60 | 115 | 190% |
| <p>The final position for the Insurance budget was an overspend of £115k, which is an increase of £115k from the previous forecast. This is because the cost of the internal and external insurance premiums exceeded the amount that could be charged to services in 2018/19.</p> | | | |
| IT Managed | 2994 | 188 | 6% |
| <p>The final position for IT Managed budgets is an overspend of £188k. This is due to a change in the approach to telephony licensing. In addition to this there was an overspend due to an increase in Microsoft licensing costs.</p> | | | |
| Debt Charges and Interest | 25,983 | -894 | 3% |
| <p>The final position on Debt Charges and Interest budgets is an underspend of £894k.</p> <p>£866k is due to a change in 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 2017/18 and how they were funded, the MRP payment for 2018/19 has been amended. The Council was able to use funding it was holding as the accountable body for other organisations to fund £16m 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.</p> <p>£110k is due to a rebate of bank fees on international payments. £200k is due to a revised forecast for interest payable in year following a review of cashflow forecasts and borrowing requirements.</p> <p>£362k is due to Section 106 developer contributions towards prudential borrowing costs in relation to Glebe Farm and Clay Farm Section 106 obligations.</p> <p>The remaining underspend mainly relates to additional interest receivable.</p> | | | |

| Service | Current Budget £'000 | Outturn Variance | |
|--|-------------------------|------------------|---|
| | | £'000 | % |
| <p>The Council has a policy of capitalising the costs of borrowing for schemes, which is allowable up until the point a project completes. The recharge between capital projects and the Financing Costs budget can therefore only be completed at year end once the final funding position of all capital schemes has been established, and once it has been identified which schemes have completed and which are ongoing as at 31st March 2019. There are several reasons why the final calculation is significantly under budget; the most substantial factor has been the reduction of the average cost of borrowing to the Council over the last year (this has reduced the costs of borrowing to the Council, but has also reduced the value of the recharge). However, there have also been changes to funding sources for projects (we have undertaken less borrowing than originally expected), and some schemes have also completed faster than anticipated in the original estimation and therefore it has only been possible to recharge the interest costs for a proportion of the year.</p> | | | |

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 |
|---|--|------------------------|
| Grants as per Business Plan | Public Health | 101 |
| Non-material grants (+/- £30k) | Improvement & Development Agency for Local Government | 13 |
| Total Grants 2018/19 | | 114 |

LGSS Managed:

| Grant | Awarding Body | Amount £000 |
|------------------------------------|----------------------|------------------------|
| Grants as per Business Plan | Public Health | 100 |
| Total Grants 2018/19 | | 100 |

CS APPENDIX 4 – Virements and Budget Reconciliation

Corporate Services:

| | £000 | Notes |
|--|--------------|--|
| Budget as per Business Plan | 6,914 | |
| GCP | -863 | Greater Cambridge Partnership budget |
| Contract Management Savings | 160 | Funding of contract management saving from cleaning contract savings |
| Commercial Approach to Contract Management | 36 | Savings from cleaning contract |
| Organisational Structure Review | 70 | Savings from redundancy in Adults |
| Business Intelligence | -754 | Service moved to Business Improvement and Development directorate |
| Customer Services | 62 | Transfer of budget from the Children's services |
| IT and Digital Services | -46 | Virement to PCC Shared Services towards savings target |
| PCC Shared Services | 72 | Transfer from IT & Digital Services and Business Intelligence towards savings target |
| Non-material virements (+/- £30k) | 14 | |
| Current Budget 2018/19 | 5,668 | |

Business Improvement & Development

| | | Notes |
|------------------------------------|------------|--|
| Budget as per Business Plan | 0 | |
| Business Intelligence | 754 | Service moved from Corporate & Customer Services |
| Transformation Team | 148 | Service moved from Deputy Chief Executive |
| Non-material virements (+/- £30k) | -27 | |
| Current Budget 2018/19 | 875 | |

Deputy Chief Executive:

| | £000 | Notes |
|------------------------------------|------------|--|
| Budget as per Business Plan | 292 | |
| Managed finance budgets | 43 | Transfer budget from LGSS Mgd to Resources |
| Resources Directorate | 43 | Savings forthcoming from change in LEP governance arrangements applied to corporate savings target |

| | | |
|-----------------------------------|------------|---|
| Transformation Team | -148 | Service moved to Business Improvement and Development directorate |
| Resources Directorate | 95 | Savings in children services applied to corporate savings target |
| Non-material virements (+/- £30k) | | |
| Current Budget 2018/19 | 325 | |

Legal & Governance:

| | | |
|-----------------------------------|-----------|--|
| Budget as per Business Plan | 0 | Notes |
| LGSS | 90 | Transfer of monitoring officer budget from LGSS to CCC |
| Non-material virements (+/- £30k) | | |
| Current Budget 2018/19 | 90 | |

LGSS Managed:

| | £000 | Notes |
|------------------------------------|---------------|---|
| Budget as per Business Plan | 11,126 | |
| ESPO income budget | 200 | Transfer ESPO income budget from Miscellaneous to C&I |
| Insurance | -135 | Reduction in Insurance inflation from 11.1% to 4.9% |
| H&S Managed | 36 | Transfer Health & Safety Managed budget into LGSS Managed |
| Resources Directorate | -43 | Transfer budget from LGSS Mgd to Resources |
| Insurance | -2,199 | Match budget for insurance premiums charged to services |
| Non-material virements (+/- £30k) | | |
| Current Budget 2018/19 | 8,986 | |

Financing Costs:

| | £000 | Notes |
|------------------------------------|---------------|--------------|
| Budget as per Business Plan | 25,983 | |
| Non-material virements (+/- £30k) | 0 | |
| Current Budget 2018/19 | 25,983 | |

CS APPENDIX 5 – Reserve Schedule

1. Corporate Services Reserves

| Fund Description | Balance at 31 March 2018 | Movements in 2018/19 | Balance at 31st March 2019 | Notes |
|-------------------------------------|--------------------------------|-------------------------|-------------------------------------|-------|
| | £'000 | £'000 | £'000 | |
| <u>Equipment Reserves</u> | | | | |
| Postal Service | 30 | -27 | 3 | 1 |
| subtotal | 30 | -27 | 3 | |
| <u>Other Earmarked Funds</u> | | | | |
| Shape Your Place - Fenland Grant | 10 | 0 | 10 | |
| Election Processes | 0 | 152 | 152 | 2 |
| City Deal - NHB funding | 2,433 | 554 | 2,987 | 3 |
| Organisational Structure Review | 186 | -186 | 0 | 4 |
| subtotal | 2,628 | 521 | 3,149 | |
| TOTAL | 2,659 | 493 | 3,152 | |

Notes

- 1 £27k of Postal Service reserve to be spent on equipment in 2018-19
- 2 Election budget to be transferred to reserve in 2018-19
- 3 New Homes Bonus funding - not all expected to be used in 2018-19
- 4 Reserve to be allocated against Organisational Structure Review saving in 2018-19

2. LGSS Managed Reserves

| Fund Description | Balance at 31 March 2018 | Movements in 2018/19 | Balance at 31 March 2019 | 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 | -349 | 833 | |
| Contracts General Reserve | 1,367 | 0 | 1,367 | |
| subtotal | 3,460 | -349 | 3,111 | |
| <u>Long Term Provisions</u> | | | | |
| Insurance Long-term Provision | 3,613 | 0 | 3,613 | |
| subtotal | 3,613 | 0 | 3,613 | |
| TOTAL | 7,135 | -349 | 6,786 | |

CS APPENDIX 6 – Capital Expenditure and Funding

Capital Expenditure

| Corporate Services & LGSS Managed Capital Programme 2018/19 | | | | | TOTAL SCHEME | |
|---|--|---------------------------------|---------------------------|------------------------------|----------------------------------|-------------------------------------|
| Original 2018/19 Budget as per BP £000 | Scheme | Revised Budget for 2018/19 £000 | Actual Spend 2018/19 £000 | Actual Variance 2018/19 £000 | Total Scheme Revised Budget £000 | Total Scheme Forecast Variance £000 |
| | Corporate Services and Transformation | | | | | |
| 39 | Essential CCC Business Systems Upgrade | 164 | 98 | (66) | 300 | - |
| 580 | Mosaic | 702 | 709 | 7 | 2,496 | - |
| 1,091 | Citizen First, Digital First | 1,091 | 623 | (468) | 3,546 | - |
| 1,000 | Capitalisation of Redundancies | 1,000 | 1,812 | 812 | 5,000 | - |
| 1,293 | Capitalisation of Transformation Team | 1,293 | 1,718 | 425 | 6,465 | - |
| 148 | Capitalisation of Interest Budget | 148 | 33 | (115) | - | - |
| - | Children's Services IT System | 1,418 | 523 | (895) | 2,653 | - |
| (2,113) | Capital Programme Variations Budget | (951) | - | 951 | (1,419) | - |
| - | Third Party Loans | 500 | 500 | - | 500 | - |
| 2,038 | | 5,365 | 6,017 | 652 | 19,541 | - |
| | LGSS Managed | | | | | |
| 5,000 | Cambridgeshire Public Sector Network Replacement | 5,485 | 1,659 | (3,826) | 5,500 | - |
| 84 | Improved Display Screens | 84 | 81 | (3) | 84 | - |
| - | Improved audio-visual capabilities for staff meetings | 97 | 38 | (59) | 98 | (59) |
| 458 | Disaster Recovery facility for critical business systems | 458 | 105 | (353) | 458 | - |
| 251 | Pro-active upgrade to Exchange email systems | 251 | 13 | (238) | 251 | - |
| 220 | IT Infrastructure refresh | 220 | 18 | (202) | 660 | - |
| 177 | Replacement of office networking hardware | 177 | 122 | (55) | 354 | - |
| 225 | Laptop refresh | 225 | 1 | (224) | 225 | - |
| - | Variation Budget | (1,479) | - | 1,479 | (1,162) | - |
| - | Capitalisation of Interest Budget | - | - | - | - | - |
| - | Libraries IT Network Refresh | 495 | 52 | (443) | 495 | (125) |
| 6,415 | | 6,013 | 2,088 | (3,925) | 6,963 | (184) |
| 8,453 | TOTAL | 11,378 | 8,105 | (3,273) | 26,504 | (184) |

Capital Funding

| Corporate Services & LGSS Managed Capital Programme 2018/19 | | | | |
|---|--|----------------------------------|-------------------|----------------------|
| Original 2018/19 Funding Allocation as per BP £000 | Source of Funding | Revised Funding for 2018/19 £000 | Actual Spend £000 | Actual Variance £000 |
| 2,293 | Corporate Services and Transformation Capital Receipts | 2,293 | 3,530 | 1,237 |
| (255) | | Prudential Borrowing | 3,072 | 2,487 |
| 2,038 | LGSS Managed Prudential Borrowing | 5,365 | 6,017 | 652 |
| 6,415 | | 6,013 | 2,088 | (3,925) |
| 6,415 | | 6,013 | 2,088 | (3,925) |
| 8,453 | TOTAL | 11,378 | 8,105 | (3,273) |
| | | | | |

Reported Exceptions

- General Purposes Committee considered a report on 29th May 2018 on the implications of changes in Children's Services to the IT systems that support this service. At the Committee the provision of £2.74m capital was approved, funded through prudential borrowing, to support the proposed changes to IT systems for Children's Services. On further revision of the business case, £200k revenue funding and £2.545m capital funding is required with a split of £1.418m capital required in 2018/19 and £1.127m in 2019/20. This is to fund the procurement and implementation of a case management and information system for Children's Services that can be aligned with the system in use in Peterborough City Council. The annual cost of the prudential borrowing will start at £299k pa, decreasing each year thereafter over 10 years. The 29th May report to GPC is available here, <https://tinyurl.com/y7wvpypq>. In the Integrated Resources & Performance Report, GPC approved the revised prudential borrowing request of £1.418m in 2018/19 and £1.127m in 2019/20 (total £2.545m) to support the changes to IT systems for Children's Services. The Children's Services IT System project recorded an in-year underspend of £895k. This is because much of the staff time and consultants' time on the project will actually take place in 2019/20 rather than 2018/19.
- The Citizen First, Digital First project has recorded an in-year underspend of £468k. This is due to expenditure on IT hardware and software which has been delayed and is expected to take place in 2019/20.
- The Capitalisation of Redundancies project has recorded an in-year overspend of £812k. This is due to more redundancies than expected in the year, in particular relating to the closure of the Catering and Cleaning Service. This has increased the use of Capital Receipts by this amount.

- The Capitalisation of Transformation Team budget has recorded an in-year overspend of £297k. A greater proportion of the cost of the Transformation Team has been funded from capital receipts in 2018/19 due to a change in policy allowing more costs to be capitalised and a decrease in the amount of Transformation Team work being funded from other sources. In addition to this, some staff time in HR has also been funded from capital receipts.
- In June Capital Programme Variations budgets were recalculated following the rephasing exercise to take account of budgets carried forward from 2017/18. The Corporate Services and Transformation Capital Programme Variations budget was adjusted by £1.2m to £-1m. The LGSS Managed Capital Programme Variations budget was previously £0 and has been adjusted to £-1.5m.
- The Cambridgeshire Public Sector Network Replacement project has recorded an underspend of £3.8m in 2018-19. This is due to a revised timescale for this project; the previous contract was extended, so the process to move buildings across to the new network has started on a revised timescale. As part of the business planning process for 2019/20 this budget has been reviewed and part of the underspend in future years has been reallocated.
- An in-year underspend of £378k has been recorded on the Disaster Recovery facility for critical business systems project. This is due to a change in the way the project is being delivered which has delayed implantation of the project
- The Libraries IT Network refresh has recorded a total scheme underspend of £125k. This is due to the size of the project being smaller than initially expected. This leaves a total variance of £1.6m underspend in 2018-19. The Prudential Borrowing requirement is therefore reduced by this amount.
This project has also recorded an in-year underspend of £443k, which is due to a delay in expenditure on IT hardware which is now expected to take place in 2019/20.
- As agreed by General Purposes Committee in May 2018, £504k of costs for Mosaic, which were formerly charged to capital, have fallen back as a revenue pressure in 2018/19 (this pressure is reported in Children's Services). As a result of this decision, the capital budget for the Mosaic project will therefore also decrease by £504k. The actual costs transferred from capital to revenue in 2018/19 were £495k.
- An overspend of £951k has been recorded on the Corporate Services and Transformation Variation Budget. The full amount of the variation budget is covered by in-year underspends on capital projects in 2018/19.

CS Appendix 7 – Performance Scorecard

The table below outlines key performance indicators for Corporate and Customer Services, Business Improvement and Development and LGSS Managed Services.

| Corporate & Customer Services and Business Improvement and Development Performance Indicator Suite 2018-19 March 2019 | | | | | | | | | | |
|---|------------------------|--------------|------|-------------------|---------------------|--------|--------|------------|---------------------|--|
| 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: | Information Governance | | | | | | | | | |
| Measure | Reporting frequency | What is good | Unit | Data last entered | Time period covered | Target | Actual | RAG Status | Direction of travel | Comments |
| Proportions of FOI* requests responded to within timescale (YTD) | Monthly | High | % | Apr-19 | Mar-19 | 90% | 82.9% | A | ↓ | 92 out of 111 requests were responded to within timescale in March. |
| SARS* - % completed within 40 working days (YTD)** | Monthly | High | % | Apr-19 | Mar-19 | 80% | 83.3% | G | ↓ | 10 out of 12 requests were responded to within timescale in March. |
| 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 |
| Statutory returns completed on time | Monthly | High | % | Apr-19 | Mar-19 | 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. |
|--|---|--------------|------|-------------------|---------------------|--------|--------|------------|---------------------|--|
| Inspection information returns completed on time | Monthly | High | % | Apr-19 | Mar-19 | 100% | 100.0% | G | ↔ | So far this year (since April 2018) BI has supported one peer review of the Health and Social care system and an ILACS (Inspection of Local Authority Children's Services) by Ofsted in January 19. Information for both the peer review and ILACS were delivered on time. |
| Service Area: | Communications & Information | | | | | | | | | |
| 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 feel well informed by the council | Annual | High | | | | | | | | To be included in annual business planning survey for the first time to benchmark in Nov '18. |
| Overall staff engagement from CCC staff survey | Annual | High | % | Oct-17 | Oct-17 | 60% | 63.0% | G | | For the most recent staff survey, conducted in October 17, overall staff engagement was higher than both the public |

| | | | | | | | | | | sector norm (55%) and the UK norm (60%). |
|---|---------------------------|--------------|--------|-------------------|---------------------|------------------|------------------|------------|---------------------|---|
| Better Connected Survey (professional membership body for digital and IT leaders) | Annual | High | Number | Apr-18 | 17/18 | 4 out of 4 stars | 3 out of 4 stars | A | | Better Connected measures and makes recommendations on the performance of local authority websites across the United Kingdom - particularly focussing on accessibility and functionality. |
| Service Area: | Customer Services | | | | | | | | | |
| 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 | % | Apr-19 | Mar-19 | 80% | 86.7% | G | ↑ | |
| % of calls presented that are answered | Monthly | High | % | Apr-19 | Mar-19 | 85% | 91.7% | G | ↑ | |
| % of total contact that is deemed avoidable | Monthly | Low | % | Apr-19 | Mar-19 | <15% | 9.5% | G | ↓ | % determined across seventeen council services delivered by Customer Services through the corporate contact centre and reception sites. |
| Service Area: | Emergency Planning | | | | | | | | | |
| 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 | % | Apr-19 | Mar-19 | | 91.0% | | ↑ | |
| Service Area: | LGSS managed services | | | | | | | | | |
| 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 | % | Apr-19 | Q4 (Jan - Mar 19) | 95% | 89.4% | A | ↑ | |
| Requests resolved*** within Service Level Agreement (ref: IT01b) | Quarterly | High | % | Apr-19 | Q4 (Jan - Mar 19) | 95% | 93.1% | A | ↓ | |
| Availability of Universal Business System**** IT Availability (ref: IT02) | Quarterly | High | % | Apr-19 | Q4 (Jan - Mar 19) | 90% | 99.8% | G | ↓ | |

* FOIs and SARs (Subject Access Requests) we have seen a sharp increase in the number we have received following the changes to the General Data Protection Regulations introduced in May 2018. The capacity required to process these has caused a backlog which we are monitoring to see if this increase is sustained.

** SARs (Subject Access Requests) are where members of the public request the releases of all documentation we hold on them or their family. This can require us to go back into archives and legacy business systems to retrieve documents which can go back over many years.

*** Incident – an unplanned interruption to an IT service or reduction in the quality of an IT service

Service Request – a request from a user for information, advice, a standard change or access to a service

**** 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

| Forecast Outturn Variance (February) | Finance & Performance Report for LGSS Operational – Year end 2018/19 | Budget 2018/19 | Total Actual | Year End 2018/19 Variance | |
|---|---|-------------------|-----------------|---------------------------------|------------|
| £000's | | | | £000's | % |
| -2 | Finance Services | 3,220 | 13,345 | 3 | 0% |
| -62 | Human Resources | 3,834 | 8,919 | -43 | -1% |
| 9 | Information Technology | 3,809 | 17,563 | 6 | 0% |
| -6 | Managing Director & Support | 696 | 1,452 | -72 | 0% |
| -61 | LGSS Operational Total | 11,560 | 41,278 | -106 | -1% |
| Trading Contracts | | | | | |
| 40 | Trading Contracts | -2,725 | -14,460 | 40 | -1% |
| 40 | Trading Contracts Total | -2,725 | -14,460 | 40 | -1% |
| -21 | Total | 8,835 | 26,818 | -66 | -1% |

LGSS APPENDIX 2 – Commentary on the Forecast 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.

There are no significant variances to report for 2018/19.

LGSS APPENDIX 3 – Grant Income Analysis

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

| | Awarding Body | Amount £'000 |
|------------------------------------|----------------------|-------------------------|
| Grants as per Business Plan | Public Health | 220 |
| Non-material grants (+/- £30k) | | 0 |
| Total Grants 2018/19 | | 220 |

LGSS APPENDIX 4 – Virements and Budget Reconciliation

| | £'000 | Notes |
|------------------------------------|--------------|---|
| Budget as per Business Plan | 8,871 | |
| H&S Managed | -36 | Transfer Health & Safety Managed budget into LGSS Managed |
| Legal & Governance | -90 | Transfer of monitoring officer budget from LGSS to CCC |
| LGSS Law | 90 | Transfer LGSS law dividend budget to CCC |
| Non-material virements (+/- £30k) | | |
| Current Budget 2018/19 | 8,835 | |

LGSS APPENDIX 5 – Reserve Schedule

Below are the reserve balances for LGSS Cambridge office in 2018/19.

| Fund Description | Balance at 31 March 2018 | Movements in 2018/19 | Balance at 31 March 2019 | Notes |
|-------------------------------------|--------------------------------|-------------------------|--------------------------------|-------|
| | £'000 | £'000 | £'000 | |
| <u>General Reserve</u> | | | | |
| LGSS Cambridge Office Carry-forward | 0 | 112 | 112 | |
| subtotal | 0 | 112 | 112 | |
| TOTAL | 0 | 112 | 112 | |

LGSS APPENDIX 6 – Capital Expenditure and Funding

Capital Expenditure

| LGSS Cambridge Office Capital Programme 2018/19 | | | | | TOTAL SCHEME | |
|---|---------------------|---------------------------------|---------------------------|------------------------------|----------------------------------|-------------------------------------|
| Original 2018/19 Budget as per BP £000 | Scheme | Revised Budget for 2018/19 £000 | Actual Spend 2018/19 £000 | Actual Variance 2018/19 £000 | Total Scheme Revised Budget £000 | Total Scheme Forecast Variance £000 |
| - | Next Generation ERP | 134 | 134 | 0 | 2,025 | - |
| - | TOTAL | 134 | 134 | 0 | 2,025 | - |
| | | | | | | |

Capital Funding

| LGSS Cambridge Office Capital Programme 2018/19 | | | | |
|--|----------------------|----------------------------------|-------------------|----------------------|
| Original 2018/19 Funding Allocation as per BP £000 | Source of Funding | Revised Funding for 2018/19 £000 | Actual Spend £000 | Actual Variance £000 |
| - | Prudential Borrowing | 134 | 134 | 0 |
| - | TOTAL | 134 | 134 | 0 |
| | | | | |