

Section 3 – D: LGSS – Cambridge Office Services Overview

Services to be provided

LGSS is a shared services partnership between Cambridgeshire County Council (CCC) and Northamptonshire County Council (NCC) and provides an extensive range of business support services to the two councils and a range of other public sector organisations.

The services provided to Cambridgeshire County Council by LGSS are as follows:

- Strategic HR and Advisory
- Transactional Services including Payroll & Recruitment, Debt & Assessment and Procure to Pay
- Workforce Strategy and Policy
- Learning and Development
- IT Strategy
- IT Operations
- Finance
- Strategic Asset Management
- Property Services
- Audit and Risk Management
- Procurement
- Insurance
- Business Systems
- Democratic Services
- Legal Services
- Pensions Service

LGSS also discharges certain statutory duties under the Local Government Act, particularly in respect of those that fall to the:

- Section 151 Officer
- Monitoring Officer

In addition to these duties LGSS is responsible for discharging specific duties in respect of employment law, procurement law, and pension administration and investments.

Key outcomes and priorities of the service

Details of the outcomes and priorities of LGSS are set out in the LGSS strategic business plan.

The business ethos of LGSS is '**By the public sector, for the public sector**' and operates via a not for profit, joint risk/reward business model, which enables all benefits and savings to be shared between LGSS and its customers. This ensures that all efficiency savings remain within the public sector and allows LGSS to operate as a genuine trusted partner.

The business objectives of LGSS are to:

- Enable the delivery of shareholders' and customers' business plans
- Achieve LGSS growth plans consistent with the vision and strategy
- Deliver:
 - efficiency savings commitments
 - our traded commitments
- Demonstrate:

- improved customer satisfaction ratings year-on-year
- progress towards becoming the most highly regarded leader in public sector shared services
- progress towards becoming an employer of choice

How will our services change as a result of this Business Plan?

Business transformation and innovation are crucial elements of the LGSS strategic business plan. Where there is commonality between customers an assessment of current processes takes place in order to identify best practice, integrate, streamline, standardise and deploy the transformation across the customer base. This enables LGSS to offer superior service levels combined with economies of scale in terms of technology, resources and efficiencies.

There has been a significant joining together of teams across Cambridgeshire, Northamptonshire and other LGSS customers since commencement of the partnership. This has enabled LGSS to converge processes and procedures and rationalise IT systems, to deliver significant savings and service improvements.

LGSS has a wide range of programmes in place which will bring improvements in service delivery whilst also meeting the needs of customers. These programmes include:

- Development and implementation of Agresso, our Next Generation Enterprise Resource Planning (ERP) solution, replacing the existing Oracle E-Business suite.
- Implementation and roll-out of LGSS Direct, the LGSS Service Desk self-service solution.
- Implementation of a single Legal Case Management and financial system for LGSS Law Ltd.
- Embedding of Collaborative Planning, a modern Financial Reporting system.
- Embedding K2, a new Assets and Property Management IT solution.
- Implementation of IT service improvements as agreed between LGSS and SMT.

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Table 1: Revenue - Summary of Net Budget by Operational Division

Budget Period: 2016-17 to 2020-21

Net Revised Opening Budget 2016-17 £000	Policy Line	Gross Budget 2016-17 £000	Fees, Charges & Ring-fenced Grants 2015-16 £000	Net Budget 2016-17 £000	Net Budget 2017-18 £000	Net Budget 2018-19 £000	Net Budget 2019-20 £000	Net Budget 2020-21 £000
-9,029	Central Management and Trading Central Management and Trading	661	-9,746	-9,085	-9,085	-8,865	-8,865	-8,865
-9,029	Subtotal Central Management and Trading	661	-9,746	-9,085	-9,085	-8,865	-8,865	-8,865
	Finance							
1,035	Chief Finance Officer	1,198	-160	1,037	1,037	1,037	1,037	1,037
2,012	Professional Finance	2,534	-579	1,955	1,955	1,955	1,955	1,955
844	Strategic Assets	825	-2	823	823	823	823	823
-	Pensions Service	2,264	-2,264	-	-	-	-	-
697	Property Operations & Delivery	828	-257	571	571	571	571	571
559	Audit & Risk Management	565	-20	545	545	545	545	545
5,147	Subtotal Finance	8,213	-3,282	4,931	4,931	4,931	4,931	4,931
	People, Transformation & Transactions							
708	Director of People, Transformation & Transactions	1,232	-519	713	713	713	713	713
1,271	HR Business Partners	1,312	-	1,312	1,312	1,312	1,312	1,312
313	HR Policy & Strategy	379	-59	321	321	321	321	321
1,879	LGSS Programme Team	1,960	-108	1,852	1,852	1,852	1,852	1,852
341	Organisational & Workforce Development	303	-11	291	291	291	291	291
2,327	Revenues & Benefits	2,327	-	2,327	2,327	2,327	2,327	2,327
1,319	Transactional Services	1,404	-111	1,293	1,293	1,293	1,293	1,293
8,159	Subtotal People, Transformation & Transactions	8,918	-808	8,110	8,110	8,110	8,110	8,110
	Law, Procurement & Governance							
-417	Director of Law, Procurement & Governance	29	-446	-417	-417	-417	-417	-417
-174	LGSS Law Ltd	129	-303	-174	-174	-174	-174	-174
466	Democratic & Scrutiny Services	444	-19	425	425	425	425	425
313	Procurement	303	-32	271	271	271	271	271
188	Subtotal Law, Procurement & Governance	904	-800	104	104	104	104	104
	IT Services							
5,448	IT Services	5,391	-	5,391	5,391	5,391	5,391	5,391
5,448	Subtotal IT Services	5,391	-	5,391	5,391	5,391	5,391	5,391

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145	Service Assurance Service Assurance	155	-17	138	138	138	138	138
145	Subtotal Service Assurance	155	-17	138	138	138	138	138
	Future Years							
-	Inflation	-	-	-	159	381	584	782
-	Savings	-	-	-	-571	-1,374	-2,082	-2,433
10,058	LGSS - CAMBRIDGE OFFICE BUDGET TOTAL	24,242	-14,653	9,589	9,177	8,816	8,311	8,158

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Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2016-17

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Central Management and Trading							
Central Management and Trading	-9,029	-	-	-	-	-56	-9,085
Subtotal Central Management and Trading	-9,029	-	-	-	-	-56	-9,085
Finance							
Chief Finance Officer	1,035	1	-	2	-	-1	1,037
Professional Finance	2,012	54	-	46	-	-157	1,955
Strategic Assets	844	22	-	7	-	-50	823
Pensions Service	-	-	-	-	-	-	-
Property Operations & Delivery	697	11	-	17	-	-154	571
Audit & Risk Management	559	10	-	8	-	-32	545
Subtotal Finance	5,147	98	-	80	-	-394	4,931
People, Transformation & Transactions							
Director of People, Transformation & Transactions	708	5	-	-	-	-	713
HR Business Partners	1,271	31	-	22	-	-11	1,312
HR Policy & Strategy	313	8	-	3	-	-3	321
LGSS Programme Team	1,879	24	-	12	-	-63	1,852
Organisational & Workforce Development	341	6	-	6	-	-62	291
Revenues & Benefits	2,327	-	-	-	-	-	2,327
Transactional Services	1,319	36	-	18	-	-80	1,293
Subtotal People, Transformation & Transactions	8,159	110	-	61	-	-219	8,110
Law, Procurement & Governance							
Director of Law, Procurement & Governance	-417	-	-	-	-	-	-417
LGSS Law Ltd	-174	-	-	-	-	-	-174
Democratic & Scrutiny Services	466	11	-	7	-	-60	425
Procurement	313	9	-	5	-	-55	271
Subtotal Law, Procurement & Governance	188	19	-	12	-	-115	104
IT Services							
IT Services	5,448	63	-	57	-	-178	5,391
Subtotal IT Services	5,448	63	-	57	-	-178	5,391

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Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2016-17

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
Service Assurance Service Assurance	145	2	-	-	-	-9	138
Subtotal Service Assurance	145	2	-	-	-	-9	138
LGSS - CAMBRIDGE OFFICE BUDGET TOTAL	10,058	292	-	210	-	-971	9,589

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Table 3: Revenue - Overview
Budget Period: 2016-17 to 2020-21

Detailed Plans	Outline Plans
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Ref	Title	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Type	Description
1	OPENING GROSS EXPENDITURE	23,094	24,242	23,832	23,254	22,752		
D/R.1.001	Base Adjustments	1,737	-	-	-	-	Existing	Adjustment for permanent changes to base budget from decisions made in 2015-16.
D/R.1.002	Removal of expenditure funded by ring-fenced grant	-190	-	-	-	-	Existing	The removal of expenditure funded by previous year's one-off grant funding.
D/R.1.009	Base adjustment: Legal costs	202	-	-	-	-	New	Transfer of budget to LGSS Law totalling 18% of legal budgets sitting in CFA, ETE CS and LGSS Managed.
1.999	REVISED OPENING GROSS EXPENDITURE	24,843	24,242	23,832	23,254	22,752		
2	INFLATION							
D/R.2.001	Inflation	310	161	224	205	196	Modified	Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures.
D/R.2.001	Inflation - Impact of National Living Wage (NLW) on CCC Employee Costs	-	-	1	1	5	New	The cost impact of the introduction of the NLW on directly employed CCC staff is minimal, due to a low number of staff being paid below the proposed NLW rates.
2.999	Subtotal Inflation	310	161	225	206	201		
3	DEMOGRAPHY AND DEMAND							
3.999	Subtotal Demography and Demand	-	-	-	-	-		
4	PRESSURES							
D/R.4.001	Single-tier State Pension	210	-	-	-	-	Existing	The Government plans to abolish the State Second Pension on 1st April 2015. The Council currently receives a rebate on the amount of National Insurance contributions it pays as an employer because it has "contracted out" of the State Second Pension. This rebate will cease when the State Second Pension is abolished, resulting in an increase in the cost of National Insurance contributions which the Council is required to pay.
4.999	Subtotal Pressures	210	-	-	-	-		
5	INVESTMENTS							
5.999	Subtotal Investments	-	-	-	-	-		
6	SAVINGS							
	Finance							
D/R.6.101	Finance savings & efficiencies	-378	-	-	-	-	Modified	Savings to be achieved across the Finance directorate.
	People, Transformation & Transactional							
D/R.6.201	People, Transformation & Transactions savings & efficiencies	-248	-	-	-	-	Modified	Savings to be achieved across People, Transformation & Transactions.

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Detailed Plans	Outline Plans
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Ref	Title	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Type	Description
D/R.6.301	Law, Property & Governance Law, Property & Governance savings & efficiencies	-108	-	-	-	-	Modified	Savings to achieved across Law, Property & Governance.
D/R.6.401	IT Services IT savings & efficiencies	-150	-	-	-	-	Modified	Savings to be achieved across LGSS IT.
D/R.6.501	Service Assurance Service Assurance savings & efficiencies	-8	-	-	-	-	Modified	Savings to be achieved within Service Assurance.
D/R.6.502	LGSS Cross-Directorate Employment Review	-127	-	-	-	-	Existing	Savings from employment review.
D/R.6.503	Cross-cutting Contracts Review	-102	-	-	-	-	Modified	Efficiencies to be delivered from an LGSS-wide cross-cutting review of contracts.
D/R.6.999	Unidentified Savings	-	-571	-803	-708	-351	Modified	Savings to be identified during future years' Business Planning processes.
6.999	Subtotal Savings	-1,121	-571	-803	-708	-351		
	TOTAL GROSS EXPENDITURE	24,242	23,832	23,254	22,752	22,602		
7	FEES, CHARGES & RING-FENCED GRANTS							
D/R.7.001	Previous year's fees, charges & ring-fenced grants	-13,230	-14,653	-14,655	-14,438	-14,441	Existing	Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.
D/R.7.002	Fees and charges inflation	-18	-2	-3	-3	-3	Existing	Uplift in external charges to reflect inflation pressures on the costs of services.
D/R.7.003	Changes to fees and charges in 2015/16	-1,745	-	-	-	-		Changes to fees and charges as a result of decisions in 2015/16.
D/R.7.101	Changes to fees & charges Future Sharing and Trading - Realignment	150	-	-	-	-	Modified	Reduction in the service's income target.
D/R.7.201	Changes to ring-fenced grants Change in Public Health Grant	-	-	220	-	-	Existing	Change in ring-fenced Public Health grant to reflect treatment as a corporate grant from 2018-19 due to removal of ring-fence.
D/R.7.202	Counter Fraud Initiative Grant	190	-	-	-	-	Existing	Funding for Counter Fraud Initiative project.
7.999	Subtotal Fees, Charges & Ring-fenced Grants	-14,653	-14,655	-14,438	-14,441	-14,444		
	TOTAL NET EXPENDITURE	9,589	9,177	8,816	8,311	8,158		

FUNDING SOURCES

8	FUNDING OF GROSS EXPENDITURE							
D/R.8.001	Cash Limit Funding	-9,589	-9,177	-8,816	-8,311	-8,158	Existing	Net spend funded from general grants, business rates and Council Tax.
D/R.8.002	Cambridgeshire Maintained Schools income	-485	-495	-505	-516	-527	Existing	Expected income from Cambridgeshire maintained schools.
D/R.8.003	Fees & Charges	-13,948	-13,940	-13,933	-13,925	-13,917	Existing	Fees and charges for the provision of services.

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Detailed Plans	Outline Plans
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Ref	Title	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Type	Description
D/R.8.004	Public Health Grant	-220	-220	-	-	-	Existing	Funding transferred to Service areas where the management of Public Health functions will be undertaken by other County Council officers, rather than directly by the Public Health Team.
8.999	TOTAL FUNDING OF GROSS EXPENDITURE	-24,242	-23,832	-23,254	-22,752	-22,602		

MEMORANDUM: SAVINGS / INCREASED INCOME					
Savings	-1,121	-571	-803	-708	-351
Changes to fees & charges	150	-	-	-	-
TOTAL SAVINGS / INCREASED INCOME	-971	-571	-803	-708	-351

MEMORANDUM: NET REVISED OPENING BUDGET					
Revised Opening Gross Expenditure	24,843	24,242	23,832	23,254	22,752
Previous year's fees, charges & ring-fenced grants	-13,230	-14,653	-14,655	-14,438	-14,441
Changes to fees, charges & ring-fenced grants in revised opening budget	-1,555	-	-	-	-
NET REVISED OPENING BUDGET	10,058	9,589	9,177	8,816	8,311

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Table 4: Capital Programme

Budget Period: 2016-17 to 2025-26

Summary of Schemes by Start Date	Total Cost £000	Previous Years £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Later Years £000
Ongoing	-	-	-	-	-	-	-	-
Committed Schemes	-	-	-	-	-	-	-	-
2016-2017 Starts	1,104	-	1,104	-	-	-	-	-
TOTAL BUDGET	1,104	-	1,104	-	-	-	-	-

Ref	Scheme	Description	Linked Revenue Proposal	Scheme Start	Total Cost £000	Previous Years £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Later Years £000
D/C.01 D/C.1.001	LGSS Operational Next Generation Enterprise Resource Planning (ERP) solution	This project to replace the Council's business system will deliver savings, safe-guard the Council's vital core systems and services, and provide a more agile system for end-users.		2016-17	1,104	-	1,104	-	-	-	-	-
	Total - LGSS Operational				1,104	-	1,104	-	-	-	-	-
	TOTAL BUDGET				1,104	-	1,104	-	-	-	-	-

Funding	Total Funding £000	Previous Years £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000	Later Years £000
Government Approved Funding								
Total - Government Approved Funding	-	-	-	-	-	-	-	-
Locally Generated Funding Prudential Borrowing	1,104	-	1,104	-	-	-	-	-
Total - Locally Generated Funding	1,104	-	1,104	-	-	-	-	-
TOTAL FUNDING	1,104	-	1,104	-	-	-	-	-

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Table 5: Capital Programme - Funding

Budget Period: 2016-17 to 2025-26

Summary of Schemes by Start Date	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
Ongoing	-	-	-	-	-	-
Committed Schemes	-	-	-	-	-	-
2016-2017 Starts	1,104	-	-	-	-	1,104
TOTAL BUDGET	1,104	-	-	-	-	1,104

Ref	Scheme	Linked Revenue Proposal	Net Revenue Impact	Scheme Start	Total Funding £000	Grants £000	Develop. Contr. £000	Other Contr. £000	Capital Receipts £000	Prud. Borr. £000
D/C.01 D/C.1.001	LGSS Operational Next Generation Enterprise Resource Planning (ERP) solution			- 2016-17	1,104	-	-	-	-	1,104
	Total - LGSS Operational			-	1,104	-	-	-	-	1,104
	TOTAL BUDGET				1,104	-	-	-	-	1,104