

## Section 3 - F: Commercial & Investments

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

Budget Period: 2020-21 to 2024-25

Net Revised Opening Budget 2019-20 £000	Policy Line	Gross Budget 2020-21 £000	Fees, Charges & Ring-fenced Grants 2020-21 £000	Net Budget 2020-21 £000	Net Budget 2021-22 £000	Net Budget 2022-23 £000	Net Budget 2023-24 £000	Net Budget 2024-25 £000
	<b>Commercial Activity</b>							
-4,700	Property Investments	3,960	-8,765	-4,805	-4,848	-4,890	-4,933	-4,976
-206	Shareholder Company Dividends	96	-552	-456	-456	-456	-552	-552
-5,850	Housing Investment (This Land Company)	2,196	-7,992	-5,796	-6,063	-6,063	-6,063	-6,063
-449	Contract Efficiencies & Other Income	-249	-200	-449	-949	-1,449	-2,199	-2,949
-	- CCLA Managed Investment	-	-420	-420	-420	-420	-420	-420
-874	Renewable Energy Investments	805	-1,099	-294	-902	-439	-440	-609
<b>-12,079</b>	<b>Subtotal Commercial Activity</b>	<b>6,808</b>	<b>-19,028</b>	<b>-12,220</b>	<b>-13,638</b>	<b>-13,717</b>	<b>-14,607</b>	<b>-15,569</b>
	<b>Property Services</b>							
5,369	Facilities Management	7,733	-2,156	5,576	4,875	4,877	4,877	4,877
655	Property Services	665	-	665	665	665	665	665
205	Property Compliance	250	-44	206	206	206	206	206
<b>6,229</b>	<b>Subtotal Property Services</b>	<b>8,648</b>	<b>-2,201</b>	<b>6,447</b>	<b>5,746</b>	<b>5,748</b>	<b>5,748</b>	<b>5,748</b>
	<b>Strategic Assets</b>							
-4,114	County Farms	736	-4,918	-4,182	-4,432	-4,607	-4,607	-4,607
813	Strategic Assets	824	0	824	824	824	824	824
<b>-3,301</b>	<b>Subtotal Strategic Assets</b>	<b>1,560</b>	<b>-4,917</b>	<b>-3,358</b>	<b>-3,608</b>	<b>-3,783</b>	<b>-3,783</b>	<b>-3,783</b>
	<b>Traded Services</b>							
0	Traded Services - Central	0	-	0	0	0	0	0
-200	ICT Service (Education)	1,741	-1,941	-200	-200	-200	-200	-200
-71	Professional Development Centres	55	-126	-71	-71	-71	-71	-71
5	Cambridgeshire Music	1,778	-1,773	5	5	5	5	5
-77	Outdoor Education (includes Grafham Water)	1,892	-1,969	-77	-77	-77	-77	-77
<b>-343</b>	<b>Subtotal Traded Services</b>	<b>5,466</b>	<b>-5,809</b>	<b>-343</b>	<b>-343</b>	<b>-343</b>	<b>-343</b>	<b>-343</b>
	<b>Future Years</b>							
-	- Inflation	-	-	-	140	274	411	550
-	- Savings	-	-	-				
<b>-9,493</b>	<b>COMMERCIAL &amp; INVESTMENTS TOTAL</b>	<b>22,482</b>	<b>-31,955</b>	<b>-9,473</b>	<b>-11,702</b>	<b>-11,820</b>	<b>-12,573</b>	<b>-13,396</b>

## Section 3 - F: Commercial & Investments

**Table 2: Revenue - Net Budget Changes by Operational Division**

Budget Period: 2020-21

Policy Line	Net Revised Opening Budget £000	Net Inflation £000	Demography & Demand £000	Pressures £000	Investments £000	Savings & Income Adjustments £000	Net Budget £000
<b>Commercial Activity</b>							
Property Investments	-4,700	-	-	15	3,945	-4,065	-4,805
Shareholder Company Dividends	-206	-	-	-	-	-250	-456
Housing Investment (This Land Company)	-5,850	-	-	-	-517	571	-5,796
Contract Efficiencies & Other Income	-449	-	-	-	-	-	-449
CCLA Managed Investment	-	-	-	-	-	-420	-420
Renewable Energy Investments	-874	-	-	4	594	-18	-294
<b>Subtotal Commercial Activity</b>	<b>-12,079</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>4,022</b>	<b>-4,182</b>	<b>-12,220</b>
<b>Property Services</b>							
Facilities Management	5,369	202	-	446	-	-441	5,576
Property Services	655	9	-	-	-	-	665
Property Compliance	205	1	-	-	-	-	206
<b>Subtotal Property Services</b>	<b>6,229</b>	<b>213</b>	<b>-</b>	<b>446</b>	<b>-</b>	<b>-441</b>	<b>6,447</b>
<b>Strategic Assets</b>							
County Farms	-4,114	7	-	-	-	-75	-4,182
Strategic Assets	813	11	-	-	-	-	824
<b>Subtotal Strategic Assets</b>	<b>-3,301</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-75</b>	<b>-3,358</b>
<b>Traded Services</b>							
Traded Services - Central	0	-	-	-	-	-	0
ICT Service (Education)	-200	-	-	-	-	-	-200
Professional Development Centres	-71	-	-	-	-	-	-71
Cambridgeshire Music	5	-	-	-	-	-	5
Outdoor Education (includes Grafham Water)	-77	-	-	-	-	-	-77
<b>Subtotal Traded Services</b>	<b>-343</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-343</b>
<b>COMMERCIAL &amp; INVESTMENTS TOTAL</b>	<b>-9,493</b>	<b>231</b>	<b>-</b>	<b>465</b>	<b>4,022</b>	<b>-4,698</b>	<b>-9,473</b>

## Section 3 - F: Commercial and Investments

**Table 3: Revenue - Overview**  
Budget Period: 2020-21 to 2024-25

		Detailed Plans	Outline Plans					
Ref	Title	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description	Committee
<b>1</b>	<b>OPENING GROSS EXPENDITURE</b>	<b>17,735</b>	<b>22,482</b>	<b>23,738</b>	<b>25,631</b>	<b>26,185</b>		
F/R.1.001	Base adjustments	425	-	-	-	-	Adjustment for permanent changes to base budget from decisions made in 2019-20.	C&I
F/R.1.003	Commercial Team	-	258	-	-	-	Establishment of a dedicated commercial resource to deliver the Council's Commercial Strategy; the Commercial Team will be base funded from 2021-22.	C&I
<b>1.999</b>	<b>REVISED OPENING GROSS EXPENDITURE</b>	<b>18,160</b>	<b>22,740</b>	<b>23,738</b>	<b>25,631</b>	<b>26,185</b>		
<b>2</b>	<b>INFLATION</b>							
F/R.2.001	Inflation	240	149	143	146	148	Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures.	C&I
<b>2.999</b>	<b>Subtotal Inflation</b>	<b>240</b>	<b>149</b>	<b>143</b>	<b>146</b>	<b>148</b>		
<b>3</b>	<b>DEMOGRAPHY AND DEMAND</b>							
<b>3.999</b>	<b>Subtotal Demography and Demand</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>4</b>	<b>PRESSURES</b>							
F/R.4.001	East Barnwell Community Centre	-	100	-	-	-	Operating costs for the proposed new community centre in East Barnwell, Cambridge.	C&I
F/R.4.007	LGSS Law dividend expectation	-	-	-	-96	-	Reduced dividend expectations from LGSS Law in 2019/20 and 2020/21. The company is making progress with improved utilisation of fee earning lawyers, under the stewardship of a new finance director.	C&I
F/R.4.008	Spokes buildings operating costs	395	-	-	-	-	The acquisition, development and change of use of spokes buildings will lead to an increase in the operating costs of those buildings. This will be offset by the savings from the Cmabs 2020 programme in 2021-22.	C&I
F/R.4.009	Milton Road Library	51	-	-	-	-	Rent payable for the new library at Milton Road, Cambridge.	C&I
F/R.4.010	St Ives Smart Energy Grid - operating costs	-	39	1	1	1	The Council is building a Smart Energy Grid at the St Ives Park & Ride site, capital project reference F/C.2.118. These are the expected operating costs.	C&I
F/R.4.011	Babraham Smart Energy Grid - operating costs	-	-	45	2	3	The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. These are the expected operating costs.	C&I
F/R.4.012	Trumpington Smart Energy Grid - operating costs	-	-	-	63	2	The Council is building a Smart Energy Grid at the Trumpington Park & Ride site, capital project reference F/C.2.120. These are the expected operating costs.	C&I
F/R.4.013	Stanground Closed Landfill Site - operating costs	-	120	3	3	3	The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. These are the expected operating costs.	C&I
F/R.4.014	Woodston Closed Landfill Site - operating costs	-	-	48	1	2	The Council is installing a solar park facility and battery storage system at the Woodston closed landfill site, capital project reference F/C.2.122. These are the expected operating costs.	C&I

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Ref	Title	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description	Committee
F/R.4.015	North Angle Solar Farm, Soham - operating costs	-	371	135	14	14	The Council is installing a solar park facility at North Angle Farm, Soham, capital project reference F/C.2.123. These are the expected operating costs.	C&I
F/R.4.016	Commercial Investments - operating costs	15	-	-	-	-	The Council is developing a portfolio of commercial property investments, capital project reference F/C.1.117. These are the expected operating costs.	C&I
F/R.4.903	Renewable Energy - Soham	4	5	40	6	6	Operating costs associated with the capital investment in Renewable Energy, at the Soham Solar Farm. Links to capital proposal C/C.2.102 in BP 2016-17.	C&I
4.999	Subtotal Pressures	465	635	272	-6	31		
5	INVESTMENTS							
F/R.5.001	Invest to Save Housing Schemes - Interest Costs	-517	-79	-	-	-	- Revenue costs associated with the development of the Cambridge Housing and Investment Company in order to generate long-term income streams.	C&I
F/R.5.002	St Ives Smart Energy Grid - Interest Costs	-	38	89	-2	-2	-2 The Council is building a Smart Energy Grid at St Ives Park & Ride site, capital project reference F/C.2.118. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.	C&I
F/R.5.003	Babraham Smart Energy Grid - Interest Costs	-	-	379	-5	-5	-5 The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.	C&I
F/R.5.004	Trumpington Smart Energy Grid - Interest Costs	-	-	-	507	-9	-9 The Council is building a Smart Energy Grid at the Trumpington & Ride site, capital project reference F/C.2.120. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.	C&I
F/R.5.005	Stanground Closed Landfill Site - Interest Costs	-	521	-8	-8	-8	-8 The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy and provision of grid services.	C&I
F/R.5.006	Woodston Closed Landfill Site - Interest Costs	-	-	162	-2	-3	-3 The Council is installing a solar park facility and battery storage system at the Woodston closed landfill site, capital project reference F/C.2.122. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy and provision of grid services.	C&I
F/R.5.007	North Angle Solar Farm, Soham - Interest Costs	-	587	906	-24	-23	-23 The Council is installing a solar park facility at North Angle Farm, Soham, capital project reference F/C.2.123. These are the expected borrowing costs associated with the scheme to be repaid using income from the sale of energy.	C&I
F/R.5.008	Renewable Energy Soham - Interest Costs	594	-9	-10	-9	-10	-10 The Council has invested in building a solar park at Triangle Farm, Soham. These are the borrowing costs associated with the scheme to be repaid using income from the sale of energy.	C&I
F/R.5.009	Commercial Investments - Interest Costs	3,945	-43	-42	-43	-43	-43 The Council is developing a portfolio of commercial property investments. These are the associated borrowing costs to be repaid using rental income generated from the leases of these properties.	C&I
5.999	Subtotal Investments	4,022	1,015	1,476	414	-103		

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<b>6</b>	<b>SAVINGS C&amp;I</b>							
F/R.6.003	Babbage House closure	-397	-198	-	-	-	- The lease on Babbage House is due to end in 2020-21, and will not be renewed.	C&I
F/R.6.108	Energy Efficiency Fund - Repayment of Financing Costs	-8	2	2	-	-	- Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs. Links to capital proposal B/C.5.029	C&I
F/R.6.109	Cambs 2020 Operational Savings	-	-605	-	-	-	- Savings to the running costs of corporate buildings as a result of the Cambs 2020 programme.	C&I
<b>6.999</b>	<b>Subtotal Savings</b>	<b>-405</b>	<b>-801</b>	<b>2</b>	<b>-</b>	<b>-</b>		
	<b>TOTAL GROSS EXPENDITURE</b>	<b>22,482</b>	<b>23,738</b>	<b>25,631</b>	<b>26,185</b>	<b>26,261</b>		
<b>7</b>	<b>FEES, CHARGES &amp; RING-FENCED GRANTS</b>							
F/R.7.001	Previous year's fees, charges & ring-fenced grants	-27,237	-31,955	-35,440	-37,451	-38,758	Previous year's fees and charges for the provision of services and ring-fenced grant funded rolled forward.	C&I
F/R.7.002	Increase in fees, charges & ring-fenced grants	-416	-	-	-	-	- Adjustment for changes to fees, charges & ring-fenced grants reflecting decisions made in 2019-20.	C&I
F/R.7.003	Fees and charges inflation	-9	-9	-9	-9	-9	- Uplift in external charges to reflect inflation pressures on the cost of services.	C&I
F/R.7.103	<b>Changes to fees &amp; charges</b> County Farms Investment (Viability) - Surplus to Repayment of Financing Costs	-4	-	-	-	-	- Increase in County Farms rental income resulting from capital investment. Element surplus to repaying financing costs.	C&I
F/R.7.104	County Farms Investment (Viability) - Repayment of Financing Costs	4	-	-	-	-	- Increase in County Farms rental income resulting from capital investment. Links to capital proposal F/C.2.101.	C&I
F/R.7.105	Renewable Energy Soham - Income Generation	-18	-13	-13	-14	-13	- Income generation resulting from capital investment in solar farm at Soham. Links to capital proposal C/C.2.102 in BP 2016-17.	C&I
F/R.7.106	Utilisation/commercialisation of physical assets	-36	-	-	-	-	- One Public Estate Asset plan Maximise the income generated from parking Venue request tool	C&I
F/R.7.110	Return on Commercial Property Investments	-4,065	-	-	-	-	- The Council is developing a portfolio of commercial property investments. This is the rental income generated from the leases of these properties.	C&I
F/R.7.113	Invest to Save Housing Schemes - Income Generation	571	-188	-	-	-	- The Council is a major landowner in Cambridgeshire and this provides an asset capable of generating both revenue and capital returns. This will require CCC to move from being a seller of sites to being a developer of sites, through a Housing Company. In the future, CCC will operate to make best use of sites with development potential in a co-ordinated and planned manner to develop them for a range of development options, generating capital receipts to support site development and significant revenue and capital income to support services and communities.	C&I
F/R.7.114	St Ives Smart Energy Grid - Income Generation	-	-117	-5	-6	-6	- The Council is building a Smart Energy Grid at St Ives Park & Ride site, capital project reference F/C.2.118. This is the expected income to be generated from the sale of energy.	C&I

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		Detailed Plans		Outline Plans				
Ref	Title	2020-21 £000	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	Description	Committee
F/R.7.116	Babraham Smart Energy Grid - Income Generation	-	-	-304	-16	-18	The Council is building a Smart Energy Grid at the Babraham Park & Ride site, capital project reference F/C.2.119. This is the expected income to be generated from the sale of energy.	C&I
F/R.7.118	Trumpington Smart Energy Grid - Income Generation	-	-	-	-463	-15	The Council is building a Smart Energy Grid at the Trumpington Park & Ride site, capital project reference F/C.2.120. This is the expected income to be generated from the sale of energy.	C&I
F/R.7.120	Stanground Closed Landfill Site - Income Generation	-	-510	-23	-24	-25	The Council is installing a solar park facility and battery storage system at the Stanground closed landfill site, capital project reference F/C.2.121. This is the expected income to be generated from the sale of energy and provision of grid services.	C&I
F/R.7.122	Woodston Closed Landfill Site - Income Generation	-	-	-380	50	12	The Council is installing a solar park facility and battery storage system at the Woodston closed landfill site, capital project reference F/C.2.122. This is the expected income to be generated from the sale of energy and provision of grid services.	C&I
F/R.7.125	North Angle Solar Farm, Soham - Income Generation	-	-1,640	-602	-75	-75	The Council is installing a solar park facility at North Angle Farm, Soham, capital project reference F/C.2.123. This is the expected income to be generated from the sale of energy.	C&I
F/R.7.127	County Farms - Commercial uses	-75	-250	-175	-	-	Conversion of barns on the County Farms Estate for non-agricultural commercial uses, including storage and distribution.	C&I
F/R.7.129	Pooled Property Fund Investment (CCLA)	-420	-	-	-	-	In accordance with the Council's treasury management strategy, the Commercial & Investment Committee has supported a pooled property fund investment. The Local Authorities' Pooled Property Fund, managed by CCLA, has over £1.1bn invested spread across property classes throughout the UK. The Council has funds available to invest with a long-term horizon and the expected net returns are shown on this line.	C&I
F/R.7.130	Increase in ESPO dividend	-250	-	-	-	-	Increase in ESPO dividend	C&I
F/R.7.131	Commercial Income	-	-758	-500	-750	-750	Commercial return from the Council's Commercial Strategy, to be generated by the newly developed Commercial Team.	C&I
7.999	<b>Subtotal Fees, Charges &amp; Ring-fenced Grants</b>	<b>-31,955</b>	<b>-35,440</b>	<b>-37,451</b>	<b>-38,758</b>	<b>-39,657</b>		
	<b>TOTAL NET EXPENDITURE</b>	<b>-9,473</b>	<b>-11,702</b>	<b>-11,820</b>	<b>-12,573</b>	<b>-13,396</b>		
<b>FUNDING SOURCES</b>								
8	<b>FUNDING OF GROSS EXPENDITURE</b>							
F/R.8.001	Budget Surplus	9,473	11,702	11,820	12,573	13,396	Net surplus from Commercial and Investment activities contributed to funding other Services.	C&I
F/R.8.003	Fees & Charges	-31,173	-34,658	-36,669	-37,976	-38,875	Fees and charges for the provision of services.	C&I
F/R.8.004	Arts Council Funding	-782	-782	-782	-782	-782	Ring-fenced grant from the Arts Council to part-fund Cambridgeshire Music	C&I
8.999	<b>TOTAL FUNDING OF GROSS EXPENDITURE</b>	<b>-22,482</b>	<b>-23,738</b>	<b>-25,631</b>	<b>-26,185</b>	<b>-26,261</b>		