

Section 3 - F: Commercial & Investments

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

Budget Period: 2018-19 to 2022-23

| Net Revised Opening Budget 2018-19 £000 | Policy Line | Gross Budget 2018-19 £000 | Fees, Charges & Ring-fenced Grants 2018-19 £000 | Net Budget 2018-19 £000 | Net Budget 2019-20 £000 | Net Budget 2020-21 £000 | Net Budget 2021-22 £000 | Net Budget 2022-23 £000 |
|---|---|---------------------------------|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Commercial & Investments | | | | | | | |
| 1,111 | Building Maintenance | 1,225 | -89 | 1,136 | 1,136 | 1,136 | 1,136 | 1,136 |
| -4,404 | County Farms | -456 | -4,449 | -4,905 | -4,913 | -4,922 | -4,930 | -4,903 |
| 4,569 | County Offices | 6,411 | -1,834 | 4,577 | 4,558 | 3,997 | 3,999 | 4,001 |
| 521 | Property Services | 322 | -197 | 125 | 125 | 125 | 125 | 125 |
| 106 | Property Compliance | 151 | -45 | 106 | 106 | 106 | 106 | 106 |
| 453 | Strategic Assets | 802 | 5 | 807 | 807 | 807 | 807 | 807 |
| - | - Commercial Investments | - | -4,700 | -4,700 | -6,200 | -6,200 | -6,200 | -6,200 |
| -208 | Traded Services to Schools and Parents | 582 | -1,238 | -656 | -656 | -656 | -656 | -656 |
| -200 | ICT Service (Education) | 360 | -560 | -200 | -200 | -200 | -200 | -200 |
| -71 | Professional Development Centre Services | 71 | -142 | -71 | -71 | -71 | -71 | -71 |
| -187 | Cambs Music | 942 | -1,320 | -378 | -378 | -378 | -378 | -378 |
| -77 | Outdoor Education (including Grafham Water) | 1,440 | -1,517 | -77 | -77 | -77 | -77 | -77 |
| -449 | Cambridgeshire Catering & Cleaning Services | 7,121 | -7,570 | -449 | -449 | -449 | -449 | -449 |
| -1,424 | Cambridgeshire Housing Investment Company | 2,577 | -6,923 | -4,346 | -5,850 | -5,796 | -6,063 | -6,063 |
| -260 | Subtotal Commercial & Investments | 21,548 | -30,579 | -9,031 | -12,062 | -12,578 | -12,851 | -12,822 |
| | - UNIDENTIFIED SAVINGS TO BALANCE BUDGET | - | - | - | - | - | - | - |
| | Future Years | | | | | | | |
| - | - Inflation | - | - | - | 141 | 286 | 429 | 572 |
| - | - Savings | - | - | - | - | - | - | - |
| -260 | COMMERCIAL & INVESTMENTS TOTAL | 21,548 | -30,579 | -9,031 | -11,921 | -12,292 | -12,422 | -12,250 |

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Table 2: Revenue - Net Budget Changes by Operational Division

Budget Period: 2018-19

| Policy Line | Net Revised Opening Budget £000 | Net Inflation £000 | Demography & Demand £000 | Pressures £000 | Investments £000 | Savings & Income Adjustments £000 | Net Budget £000 |
|---|--|-----------------------|--------------------------------|-------------------|---------------------|--|--------------------|
| Commercial & Investments | | | | | | | |
| Building Maintenance | 1,111 | 25 | - | - | - | - | 1,136 |
| County Farms | -4,404 | - | - | 4 | - | -505 | -4,905 |
| County Offices | 4,569 | 155 | - | - | - | -147 | 4,577 |
| Property Services | 521 | 4 | - | - | - | -400 | 125 |
| Property Compliance | 106 | - | - | - | - | - | 106 |
| Strategic Assets | 453 | 5 | - | 349 | - | - | 807 |
| Commercial Investments | - | - | - | - | - | -4,700 | -4,700 |
| Traded Services to Schools and Parents | -208 | - | - | 53 | - | -500 | -656 |
| ICT Service (Education) | -200 | - | - | - | - | - | -200 |
| Professional Development Centre Services | -71 | - | - | - | - | - | -71 |
| Cambs Music | -187 | - | - | - | - | -191 | -378 |
| Outdoor Education (including Grafham Water) | -77 | - | - | - | - | - | -77 |
| Cambridgeshire Catering & Cleaning Services | -449 | - | - | - | - | - | -449 |
| Cambridgeshire Housing Investment Company | -1,424 | - | - | - | 1,301 | -4,223 | -4,346 |
| Subtotal Commercial & Investments | -260 | 189 | - | 406 | 1,301 | -10,666 | -9,031 |
| UNIDENTIFIED SAVINGS TO BALANCE BUDGET | - | - | - | - | - | - | - |
| COMMERCIAL & INVESTMENTS TOTAL | -260 | 189 | - | 406 | 1,301 | -10,666 | -9,031 |

Section 4 - F: Commercial and Investments

Table 3: Revenue - Overview

Budget Period: 2018-19 to 2022-23

| Detailed Plans | Outline Plans |
|----------------|---------------|
|----------------|---------------|

| Ref | Title | 2018-19 £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | Description |
|--------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| 1 | OPENING GROSS EXPENDITURE | 10,505 | 21,548 | 21,654 | 20,725 | 20,796 | |
| F/R.1.001 | Base adjustments | -1,715 | - | - | - | - | - Adjustment for permanent changes to base budget from decisions made in 2016-17. |
| F/R.1.002 | Movement of Traded Services from P&C to C&I in 2017-18 | 9,934 | - | - | - | - | - Movement of gross expenditure on Traded Services moved from P&C into C&I in 2017-18. |
| F/R.1.003 | Movement of Housing company costs to C&I per decision in 2017-18 | 1,276 | - | - | - | - | - |
| 1.999 | REVISED OPENING GROSS EXPENDITURE | 20,000 | 21,548 | 21,654 | 20,725 | 20,796 | |
| 2 | INFLATION | | | | | | |
| F/R.2.001 | Inflation | 188 | 141 | 145 | 143 | 143 | Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures. |
| 2.999 | Subtotal Inflation | 188 | 141 | 145 | 143 | 143 | |
| 3 | DEMOGRAPHY AND DEMAND | | | | | | |
| 3.999 | Subtotal Demography and Demand | - | - | - | - | - | |
| 4 | PRESSURES | | | | | | |
| F/R.4.001 | Childrens Innovation and Development Service | 50 | - | - | - | - | - Pressure from previous year unmade saving. |
| F/R.4.002 | Professional and Management Pay Structure | 3 | - | - | - | - | - Final stage of implementing new management pay structure. |
| F/R.4.003 | Property Services Pressure | 349 | - | - | - | - | - To fund a pressure created by the the ending of shared service arrangements for Property and Asset services with LGSS. As the equalisation between LGSS partners no longer applies for this service area, Cambridgeshire no longer receives the benefit of savings made at other partners. |
| F/R.4.903 | Renewable Energy - Soham | 4 | 5 | 4 | 5 | 40 | 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. |
| 4.999 | Subtotal Pressures | 406 | 5 | 4 | 5 | 40 | |
| | | | | | | | |

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Table 3: Revenue - Overview

Budget Period: 2018-19 to 2022-23

| | | Detailed Plans | Outline Plans | | | | |
|--------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| Ref | Title | 2018-19 £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | Description |
| 5 | INVESTMENTS | | | | | | |
| F/R.5.001 | Invest to Save Housing Schemes - Interest Costs | 1,301 | -21 | -517 | -79 | - | - 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. |
| 5.999 | Subtotal Investments | 1,301 | -21 | -517 | -79 | - | |
| 6 | SAVINGS | | | | | | |
| | C&I | | | | | | |
| F/R.6.107 | Rationalisation of Property Portfolio | - | - | -553 | - | - | - Savings generated by the more efficient use of Council properties. |
| F/R.6.108 | Energy Efficiency Fund - Repayment of Financing Costs | -19 | -19 | -8 | 2 | 2 | 2 Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs. Links to capital proposal F/C.2.119 |
| F/R.6.109 | Outcome Focussed Review of Property Services Delivery | -200 | - | - | - | - | - Savings arising from Outcome Focused Review of property services approaches including: o Generating new income o Sharing teams/function with other partner organisation o Efficiencies within our business processes of the property team o Efficiencies within the annual running cost of our property portfolio |
| F/R.6.110 | Children's Centres - Building a new service delivery model for Cambridgeshire Communities | -128 | - | - | - | - | - We want every child in Cambridgeshire to thrive and will target our prioritised targeted services for vulnerable children and young people. As an integral part of the Early Help Offer, our redesigned services will provide support to families when they really need them. We will provide a range of flexible services that are not restricted to delivery from children's centre buildings, in order to provide access to services when they are needed. We will also work in a more integrated way with partners across the 0-19 Healthy Child Programme, to provide comprehensive targeted support to vulnerable families. All of this will be supported by an effective on line resource tool as part of an improved on line offer for families. The saving will be achieved by re-purposing some existing children's centre buildings and streamlining both our management infrastructure and back office, associated service running and overhead costs. We intend to maintain the current level of front line delivery. A total saving of £900k is planned, with £249k from Buildings and Infrastructure costs. Of the £249k saving, £128k will be attributable to annual running costs of internally managed buildings and this budget is held by Corporate and Managed Services. The remaining element of the total saving, £772k, is shown in Table 3 for People and Communities, business plan reference A/R.6.224. |
| 6.999 | Subtotal Savings | -347 | -19 | -561 | 2 | 2 | |
| | | | | | | | |
| | TOTAL GROSS EXPENDITURE | 21,548 | 21,654 | 20,725 | 20,796 | 20,981 | |

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Budget Period: 2018-19 to 2022-23

| | | Detailed Plans | Outline Plans | | | | |
|-----------|---|-----------------|-----------------|-----------------|-----------------|-----------------|---|
| Ref | Title | 2018-19 £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | Description |
| 7 | FEES, CHARGES & RING-FENCED GRANTS | | | | | | |
| F/R.7.001 | Previous year's fees, charges & ring-fenced grants | -8,202 | -30,579 | -33,575 | -33,017 | -33,218 | Previous year's fees and charges for the provision of services and ring-fenced grant funded rolled forward. |
| F/R.7.002 | Increase in fees, charges & ring-fenced grants | -12,058 | - | - | - | - | - Adjustment for changes to fees, charges & ring-fenced grants reflecting decisions made in 2017-18. |
| F/R.7.003 | Fees and charges inflation | - | - | - | - | - | - Uplift in external charges to reflect inflation pressures on the cost of services. |
| | Changes to fees & charges | | | | | | |
| F/R.7.103 | County Farms Investment (Viability) - Surplus to Repayment of Financing Costs | 37 | 16 | -4 | - | - | - Increase in County Farms rental income resulting from capital investment. Element surplus to repaying financing costs. |
| F/R.7.104 | County Farms Investment (Viability) - Repayment of Financing Costs | -37 | -16 | 4 | - | - | - Increase in County Farms rental income resulting from capital investment. Links to capital proposal F/C.2.101. |
| F/R.7.105 | Renewable Energy Soham - Repayment of Financing Costs | -1 | -8 | 100 | 70 | 16 | Income generation resulting from capital investment in solar farm at Soham. Element to repay financing costs. Links to capital proposal C/C.2.102 in BP 2016-17. |
| F/R.7.106 | Renewable Energy Soham - Surplus to Repayment of Financing Costs | -4 | -5 | -113 | -83 | -29 | Income generation resulting from capital investment in solar farm at Soham. Element to surplus to repaying financing costs. |
| F/R.7.107 | Solar PV - Repayment of Financing Costs | 1 | - | - | 1 | - | - Income generation resulting from installation of solar PV at a further 5 CCC non-school sites. Element to repay financing costs. |
| F/R.7.108 | Solar PV - Surplus to Repayment of Financing Costs | -1 | - | - | -1 | - | - Income generation resulting from installation of solar PV at a further 5 CCC non-school sites. Element surplus to repayment of financing costs. |
| F/R.7.109 | Additional commercial return on the Farms Estate | -500 | - | - | - | - | - We will Invest further in our farms estates to achieve additional income from commercial opportunities |
| F/R.7.110 | Commercial Investments | -4,700 | -1,500 | - | - | - | - Develop a portfolio of strategic investments which able to provide an income return. Will be developed through commercial research into options available, appropriate balanced portfolio and the extent of risk |
| F/R.7.111 | External Funding | -200 | - | - | - | - | - Identifying and leveraging in new external funding to support CCC initiatives. This might come from a range of approaches, e.g. - Advertising - Sponsorship - Lottery - Crowdfunding - Social Finance - Private Investors - Timebanking We also know that our business partners, and especially the Cambridge Ahead group, are keen to invest in Cambridgeshire. They are particularly interested in initiatives which support families (i.e. their staff) or which increase the range of skills in the local workforce, or which have demonstrable social value. |

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Budget Period: 2018-19 to 2022-23

| | | Detailed Plans | Outline Plans | | | | |
|------------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| Ref | Title | 2018-19 £000 | 2019-20 £000 | 2020-21 £000 | 2021-22 £000 | 2022-23 £000 | Description |
| F/R.7.112 | Reviewing and Repositioning Existing Traded Services | -500 | - | - | - | - | - Service Reviews have been initiated in a number of existing traded services areas to identify greater profit potential with different operating models. The reviews cover the existing Cambridgeshire Catering and Cleaning, Outdoor Centres, Professional Centre Services, Education ICT and Cambridgeshire Music Services |
| F/R.7.113 | Invest to Save Housing Schemes - Income Generation | -4,223 | -1,483 | 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. |
| F/R.7.201 | Changes to ring-fenced grants Increase in Arts Council Funding from P&C | -191 | - | - | - | - | - This is a ring-fenced grant which was moved into C&I in 2017-18 along with Cambridgeshire Music as part of the Traded Services. |
| 7.999 | Subtotal Fees, Charges & Ring-fenced Grants | -30,579 | -33,575 | -33,017 | -33,218 | -33,231 | |
| | | | | | | | |
| | TOTAL NET EXPENDITURE | -9,031 | -11,921 | -12,292 | -12,422 | -12,250 | |
| FUNDING SOURCES | | | | | | | |
| 8 | FUNDING OF GROSS EXPENDITURE | | | | | | |
| F/R.8.001 | Budget Surplus | 9,031 | 11,921 | 12,292 | 12,422 | 12,250 | Net surplus from Commercial and Investment activities contributed to funding other Services. |
| F/R.8.003 | Fees & Charges | -29,797 | -32,793 | -32,235 | -32,436 | -32,449 | Fees and charges for the provision of services. |
| F/R.8.004 | Arts Council Funding | -782 | -782 | -782 | -782 | -782 | Ring-fenced grant from the Arts Council to part-fund Cambridgeshire Music |
| 8.999 | TOTAL FUNDING OF GROSS EXPENDITURE | -21,548 | -21,654 | -20,725 | -20,796 | -20,981 | |