

## Section 3 - C: Corporate and Managed Services

**Table 3: Revenue - Overview**  
Budget Period: 2023-24 to 2027-28

|                |               |
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| Ref          | Title   | 2023-24<br>£000 | 2024-25<br>£000 | 2025-26<br>£000 | 2026-27<br>£000 | 2027-28<br>£000 | Description  |
|--------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| <b>1</b>     | <b>OPENING GROSS EXPENDITURE</b>                      | <b>61,410</b>   | <b>39,203</b>   | <b>16,934</b>   | <b>6,671</b>    | <b>-6,574</b>   |  |
| C/R.1.007    | Base funding for the teams funded by capital receipts | -               | -               | 1,682           | -               | -               | - We can currently fund some posts from capital receipts if they are undertaking work that results in transformation of services. The rules that enable this are expected to expire in 2025-26 and so these teams will need base budget.   |
| C/R.1.014    | Public health funding to support Health related spend | 61              | -               | -               | -               | -               | - Public Health business planning for 2023-24 pulls together outstanding underspends across several service areas. These will have minimal disruption as they are demand led services which are already underspending. In addition, savings are available from contingency and holding funds where the funding is no longer required.  |
| <b>1.999</b> | <b>REVISED OPENING GROSS EXPENDITURE</b>              | <b>61,471</b>   | <b>39,203</b>   | <b>18,616</b>   | <b>6,671</b>    | <b>-6,574</b>   |  |
| <b>2</b>     | <b>INFLATION</b>                                      |                 |                 |                 |                 |                 |  |
| C/R.2.001    | Inflation   | 2,458           | 698             | 903             | 1,011           | 953             | Inflation for corporate services budgets   |
| C/R.2.003    | Salary Inflation - All Services                       | 2,937           | 3,010           | 3,086           | 3,163           | 3,242           | Forecast pressure from 2.5% inflation relating to pay and employment costs.  |
| C/R.2.009    | 2022/23 Staff Pay Award                               | 3,500           | -               | -               | -               | -               | - Forecast pressure relating to the 2022/23 staff pay award.   |
| <b>2.999</b> | <b>Subtotal Inflation</b>                             | <b>8,895</b>    | <b>3,708</b>    | <b>3,989</b>    | <b>4,174</b>    | <b>4,195</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>                                      |                 |                 |                 |                 |                 |  |
| C/R.4.018    | IT - Continued Remote Working                         | -189            | -               | -               | -               | -               | - Costs of data and licenses increased during the pandemic with more staff working remotely. This cost was expected to be temporary.   |
| C/R.4.021    | IT - Microsoft Enterprise Agreement                   | 114             | 241             | 50              | -               | -               | - Cambridgeshire County Council uses Microsoft software extensively across all services. The Council is licensed to do so under the terms of its Microsoft Enterprise Agreement, which was renewed in 2020 and the cost of the new contract increased. Following the migration to Office 365 and reviewing the strategic requirements of the organisation in areas such as reporting (PowerBI) and automation (Power Apps) additional licences are required at an additional cost. |

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| C/R.4.025    | Pandemic risks provision                       | -600            | -               | -               | -               | -               | - Phased reversal of temporary funding intended to mitigate against risks during the pandemic.   |
| C/R.4.027    | IT - Systems                                   | 189             | -5              | -               | -               | -               | - There are emerging requirements for additional modules in existing systems to meet new requirements and planned projects in services. There may also be a period of dual running of systems in the Education space as services are migrated from one to the other.   |
| C/R.4.029    | IT - Hardware & Infrastructure                 | -380            | -               | -               | -               | -               | - In order to ensure fit for purpose laptops for staff and members it was anticipated that a significant number of devices would need to be replaced in 2022-23. This budget has been revised to re-establish the ongoing requirement.   |
| C/R.4.030    | IT - Shared Health Care Record                 | 50              | -               | -               | -               | -               | - This is the estimated revenue costs to CCC for funding towards the Cambridgeshire & Peterborough Shared Health Care Record.  |
| C/R.4.032    | Pathfinder Legal Services dividend expectation | -36             | -               | -               | -               | -               | - Pathfinder Legal Services (formerly) LGSS Law Ltd was in deficit in 2017-18 and 2018-19, and the company has retained losses as result. Following significant changes including improvements in fee earner utilisation and in management and direction, the company has returned to profitability in 2020. This line reflects that a dividend is likely to be payable. The primary financial purpose of the company is to provide cost effective services, which is achieved through fees, rather than the delivery of dividend. |
| C/R.4.034    | Renewable Energy - Soham                       | 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/R.4.035    | Alconbury Solar Carport - operating costs      | -2              | 2               | -3              | -               | -               | - The proposal is to construct a series of four solar canopies over the car park, which will generate electricity that will be used to charge electric vehicles (EVs) on site and that can be used directly by the building to offset the use of grid electricity.   |
| <b>4.999</b> | <b>Subtotal Pressures</b>                      | <b>-848</b>     | <b>244</b>      | <b>47</b>       | <b>-</b>        | <b>-</b>        |  |
| <b>5</b>     | <b>INVESTMENTS</b>                             |                 |                 |                 |                 |                 |  |
| C/R.5.004    | Council Tax Counter Fraud & Compliance         | -               | -               | -155            | -               | -               | - This investment relates to the council tax counter fraud project, which aims to identify and end cases of fraud and error in relation to council tax discounts, reductions and exemptions. These are the anticipated costs of additional staff resources and software licensing fees across the three years of the agreement term and will be funded by Cambridgeshire County Council, Police and Fire Authorities and Billing Authorities in the proportions based on the benefits expected to accrue to each Authority.        |

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|--------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|---|
| C/R.5.005    | Renewable Energy Soham - Interest Costs                                   | -9              | -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/R.5.007    | ITDS Capital to Revenue Funding   | 965             | 698             | 1,021           | -               | -               | Funding is required for Information Technology Digital Service (ITDS) programmes over the next 3 financial years, due to the nature of IT services changing to cloud based systems.   |
| C/R.5.008    | IT - Capitalisation of revenue spend                                      | -565            | -215            | -               | -               | -               | Capitalisation of staff laptops and IT equipment in CCC buildings.  |
| C/R.5.010    | Commercial Investments - Interest Costs                                   | -35             | -35             | -35             | -35             | -35             | The Council is developing a portfolio of commercial property investments. This change is required in order to amend the associated borrowing costs to be repaid using rental income generated from the leases of these properties.  |
| C/R.5.022    | Governance  | 10              | -               | -               | -               | -               | We are reviewing the level of staffing in the Legal & Governance directorate  |
| C/R.5.115    | Think Communities - Creating a Unified Approach                           | -1,028          | -               | -               | -               | -               | Planned reversal of the temporary transformation funding put into previous financial years. We are reviewing the long term funding options for this service.  |
| C/R.5.119    | Development of an Asset-Based Area Approach to Commissioning and Delivery | 2               | -92             | -               | -               | -               | Ongoing transformation funded scheme through to 2024/25. Development of a sustainable model of community-based care and support for adults using an Asset-Based Area approach to commissioning and delivery. The project aims to delay demand for long term adult social care and improve outcomes for adults with care and support needs in the community. |
| <b>5.999</b> | <b>Subtotal Investments</b>   | <b>-660</b>     | <b>346</b>      | <b>831</b>      | <b>-35</b>      | <b>-35</b>      |   |
| <b>6</b>     | <b>SAVINGS</b>  |                 |                 |                 |                 |                 |   |
|              | <b>S&amp;R</b>  |                 |                 |                 |                 |                 |   |
| C/R.6.106    | Contract Savings  | -               | -200            | -               | -               | -               | The ability to renegotiate or procure to achieve contractual savings is expected in 2024-25.  |
| C/R.6.108    | IT - Education Software   | -70             | -               | -               | -               | -               | Estimated annual software saving expected from the implementation of the new education system.  |

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| C/R.6.109    | Council Wide Mileage                          | -500            | -               | -               | -               | -               | - Reduction in mileage budgets across the council, reflecting permanently changed travelling patterns.  |
| C/R.6.110    | Corporate Vacancy Factor                      | -400            | -               | -               | -               | -               | - Whilst effort is made to ensure all critical posts are filled, this is to recognise slippage on staffing budgets that inevitably take place.  |
| C/R.6.111    | Public Health Grant Contribution to Overheads | -61             | -               | -               | -               | -               | - Public Health business planning for 2023-24 pulls together outstanding underspends across several service areas. These will have minimal disruption as they are demand led services which are already underspending. In addition, savings are available from contingency and holding funds where the funding is no longer required. |
| <b>6.999</b> | <b>Subtotal Savings</b>                       | <b>-1,031</b>   | <b>-200</b>     | <b>-</b>        | <b>-</b>        | <b>-</b>        |   |
|              | <b>UNIDENTIFIED SAVINGS TO BALANCE BUDGET</b> | <b>-28,624</b>  | <b>-26,367</b>  | <b>-16,812</b>  | <b>-17,384</b>  | <b>-18,762</b>  |   |
|              | <b>TOTAL GROSS EXPENDITURE</b>                | <b>39,203</b>   | <b>16,934</b>   | <b>6,671</b>    | <b>-6,574</b>   | <b>-21,176</b>  |   |

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|-----------|--|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| <b>7</b>  | <b>FEES, CHARGES &amp; RING-FENCED GRANTS</b>      |                 |                 |                 |                 |                 |  |
| C/R.7.001 | Previous year's fees, charges & ring-fenced grants | -33,263         | -35,520         | -37,103         | -37,034         | -37,494         | Previous year's fees and charges for the provision of services and ring-fenced grant funding rolled forward.   |
| C/R.7.003 | Fees and charges inflation                         | -78             | -73             | -79             | -152            | -88             | Uplift in external charges to reflect inflation pressures on the costs of services.  |
| C/R.7.004 | 2022/23 Staff Award Pay Inflation                  | -71             | -               | -               | -               | -               | Recharges for shared staff are expected to be higher in light of the 2022/23 staff pay award.  |
|           | <b>Changes to fees &amp; charges</b>               |                 |                 |                 |                 |                 |  |
| C/R.7.104 | Alconbury Solar Carport - Income Generation        | -               | -1              | -1              | -3              | -3              | The proposal is to construct a series of four solar canopies over the car park, which will generate electricity that will be used to charge electric vehicles (EVs) on site and that can be used directly by the building to offset the use of grid electricity. |
| C/R.7.105 | Renewable Energy Soham - Income Generation         | -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/R.7.111 | Commercial Income                                  | -750            | -750            | -               | -               | -               | Commercial return from the Council's Commercial Strategy, to be generated from investments.  |
| C/R.7.115 | Brunswick House - Income Generation                | -70             | -62             | -65             | -65             | -65             | Estimated annual rent increase.  |
| C/R.7.116 | Cromwell Leisure - Income Generation               | -94             | -               | -               | -               | -               | Estimated change in annual rent, including one vacant unit in 22-23.   |
| C/R.7.117 | Tesco - Income Generation                          | -80             | -82             | -85             | -87             | -87             | Estimated annual change in rent income   |
| C/R.7.118 | Evolution Business Park - Income Generation        | -29             | -16             | -43             | -17             | -17             | Estimated annual change in rent income   |
| C/R.7.119 | Independent Living Service: East Cambridgeshire    | -               | -438            | -292            | -               | -               | Rent received from the lease of the new building.  |
| C/R.7.120 | County Farms -Agricultural Rent                    | -126            | -129            | -132            | -136            | -136            | Increase expected in rental income for the county farms estate.  |
| C/R.7.150 | COVID Impact - Cromwell Leisure                    | -16             | -               | -               | -               | -               | Cromwell Leisure consists of a cinema and three restaurant units. This is the final recovery amount for the impact on rent received due to COVID.  |

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|--------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|---|
| C/R.7.154    | COVID Impact - Commercial Income                       | -849            | -               | -               | -               | -               | - For the additional income expected across the Commercial Strategy, based on the current funds for investments, we forecast that the 2021-22 & 2022-23 target will be achieved in full by 2023-24. |
|              | <b>Changes to ring-fenced grants</b>                   |                 |                 |                 |                 |                 |   |
| C/R.7.201    | Change in Public Health Grant                          | -80             | -19             | 766             | -               | -               | - Change in ring-fenced Public Health grant to reflect expected contribution from Public Health to budget gap, and thereafter the expected removal of the grant ringfence.                          |
| <b>7.999</b> | <b>Subtotal Fees, Charges &amp; Ring-fenced Grants</b> | <b>-35,520</b>  | <b>-37,103</b>  | <b>-37,034</b>  | <b>-37,494</b>  | <b>-37,890</b>  |   |
|              | <b>TOTAL NET EXPENDITURE</b>                           | <b>3,683</b>    | <b>-20,169</b>  | <b>-30,363</b>  | <b>-44,068</b>  | <b>-59,066</b>  |   |

| FUNDING SOURCES |   |                |                |               |              |               |   |
|-----------------|---|----------------|----------------|---------------|--------------|---------------|---|
| <b>8</b>        | <b>FUNDING OF GROSS EXPENDITURE</b>       |                |                |               |              |               |   |
| C/R.8.001       | Budget Allocation                         | -3,283         | 20,369         | 30,363        | 44,068       | 59,066        | Net budget balance of Corporate Services.   |
| C/R.8.002       | Public Health Grant                       | -747           | -766           | -             | -            | -             | - 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. |
| C/R.8.003       | Fees & Charges                            | -34,773        | -36,337        | -37,034       | -37,494      | -37,890       | Fees and charges for the provision of services.   |
| C/R.8.005       | Public Health Reserve                     | -400           | -200           | -             | -            | -             | - Drawn down of public health reserve to fund pressures in service  |
| <b>8.999</b>    | <b>TOTAL FUNDING OF GROSS EXPENDITURE</b> | <b>-39,203</b> | <b>-16,934</b> | <b>-6,671</b> | <b>6,574</b> | <b>21,176</b> |   |