

## Section 3 - F: Commercial and Investments

**Table 3: Revenue - Overview**  
Budget Period: 2021-22 to 2025-26

		Detailed Plans	Outline Plans					
Ref	Title	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000	2025-26 £000	Description	Committee
1	OPENING GROSS EXPENDITURE	22,678	22,263	25,526	26,045	26,182		
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
1.999	REVISED OPENING GROSS EXPENDITURE	22,936	22,263	25,526	26,045	26,182		
2 F/R.2.001	INFLATION Inflation	229	162	164	189	221	Forecast pressure from inflation, based on detailed analysis incorporating national economic forecasts, specific contract inflation and other forecast inflationary pressures.	C&I
2.999	Subtotal Inflation	229	162	164	189	221		
3	DEMOGRAPHY AND DEMAND							
3.999	Subtotal Demography and Demand	-	-	-	-	-		
4 F/R.4.001 F/R.4.007	PRESSURES East Barnwell Community Centre LGSS Law dividend expectation	100 -	- -	- -96	- -	- -	- Operating costs for the proposed new community centre in East Barnwell, Cambridge. - 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, however this line reflects that a dividend is unlikely to be payable from the company before 2024. 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&I C&I
F/R.4.008	Spokes buildings operating costs	115	-	-	-	-	- 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 Cambs 2020 programme in 2021-22 (Bernard Sunley & Eastfield House).	C&I
F/R.4.010	St Ives Smart Energy Grid - operating costs	-	39	1	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	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	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	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	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
F/R.4.015	North Angle Solar Farm, Soham - operating costs	-	499	14	15	15	15 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.4.017	Babbage House dilapidation costs	-190	-	-	-	-	- One-off repair and reinstatement costs associated with restoring Babbage House to its original pre-let state following the end of the Council's tenancy.	C&I

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F/R.4.903	Renewable Energy - Soham	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
<b>4.999</b>	<b>Subtotal Pressures</b>	<b>30</b>	<b>791</b>	<b>-6</b>	<b>32</b>	<b>19</b>		
<b>5</b>	<b>INVESTMENTS</b>							
F/R.5.001	Invest to Save Housing Schemes - Interest Costs	-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	-	24	72	-1	-1	- 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	-	331	-3	-4	-	- 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	-	-	366	-4	-	- 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	-	434	-4	-5	-4	- 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	-	133	-2	-1	-	- 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	-	1,438	-16	-16	-16	- 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	-9	-10	-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&I
F/R.5.009	Commercial Investments - Interest Costs	-43	-42	-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
<b>5.999</b>	<b>Subtotal Investments</b>	<b>-131</b>	<b>2,308</b>	<b>361</b>	<b>-84</b>	<b>-21</b>		
<b>6</b>	<b>SAVINGS</b>							
	<b>C&amp;I</b>							
F/R.6.003	Babbage House closure	-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	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

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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>-801</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>		
	<b>TOTAL GROSS EXPENDITURE</b>	<b>22,263</b>	<b>25,526</b>	<b>26,045</b>	<b>26,182</b>	<b>26,401</b>		
<b>7</b>	<b>FEES, CHARGES &amp; RING-FENCED GRANTS</b>							
F/R.7.001	Previous year's fees, charges & ring-fenced grants	-31,955	-30,971	-35,831	-37,085	-37,912	Previous year's fees and charges for the provision of services and ring-fenced grant funded rolled forward.	C&I
F/R.7.003	Fees and charges inflation	-16	-17	-15	-15	-16	Uplift in external charges to reflect inflation pressures on the cost of services.	C&I
	<b>Changes to fees &amp; charges</b>							
F/R.7.105	Renewable Energy Soham - Income Generation	-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.7.113	Invest to Save Housing Schemes - Income Generation	-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
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	-	-2,362	-78	-80	-82	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	-250	-175	-	-		- Conversion of barns on the County Farms Estate for non-agricultural commercial uses, including storage and distribution.	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 established Commercial Team.	C&I
F/R.7.132	Shire Hall Car Park Income	126	-	-	-		- Loss of income due to the closure of the Shire Hall site car park.	C&I
F/R.7.133	Scenario (A) - Cromwell Leisure	205	-171	-30	-		- Cromwell Leisure consists of a cinema unit and three restaurant units. This scenario forecasts that in the current climate the 2 restaurant units remain empty in 2021-22. Carter Jonas will market these units with the expectation that they will be re-let in 2022-23. 100% rental income would be received in 2023-24.	C&I

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F/R.7.134	Scenario (A) - County Farms	205	87	-117	-175		- An additional income from the County Farms Estate was included in the 2020-21 Business Plan, £250k - 2021-22 and £175k - 2022-23. Specifically this was to identify buildings for development which could be let at a higher value. This scenario forecasts a reduction in income from new investments and a small decline in existing income due to COVID-19.	C&I
F/R.7.135	Scenario (A) - Pooled Property Fund	21	-21	-	-		- The Pooled Property Fund Investment (CCLA) is expected to start recovery in late 2020-21, but with the risk of further challenges ahead a forecast of 5% income reduction is likely.	C&I
F/R.7.136	Investment Scenario (A) - Multi-Class-Credit	580	-320	-	-		- The impact of COVID-19 on fund assets and the Council's requirements for a high level of Environment, Social and Governance (ESG) criteria have resulted in updated forecasts for this asset with an overall reduction in the value of the returns from 5.7% to 4.4%.	C&I
F/R.7.137	Scenario (A) - Brunswick House	423	-208	7	7		6 Brunswick House (BH) has 251 direct let student beds. This scenario is forecasting 1/3 reduction in the occupancy levels in the 2020-21 academic year due to the expectation that some students will stay at home and opt for online learning and a drop in international student numbers is also expected. The 2021-22 academic year occupancy is expected to go back up to 100%.	C&I
F/R.7.138	Scenario (A) - Contract Efficiencies/Contract Management	649	151	200	250		- An additional income of £500k per year is expected across the Commercial Strategy, this scenario forecasts no additional income in 2021-22, 50% 2022-23, 100% 2023-24. Savings expected from renegotiation of contracts is £249k per year, this scenario forecasts £100k in 2021-22, 100% in 2022-23. This will be wholly dependent on the economic response to COVID-19.	C&I
7.999	<b>Subtotal Fees, Charges &amp; Ring-fenced Grants</b>	<b>-30,971</b>	<b>-35,831</b>	<b>-37,085</b>	<b>-37,912</b>	<b>-38,035</b>		
	<b>TOTAL NET EXPENDITURE</b>	<b>-8,708</b>	<b>-10,305</b>	<b>-11,040</b>	<b>-11,730</b>	<b>-11,634</b>		
<b>FUNDING SOURCES</b>								
8	<b>FUNDING OF GROSS EXPENDITURE</b>							
F/R.8.001	Budget Surplus	8,708	10,305	11,040	11,730	11,634	Net surplus from Commercial and Investment activities contributed to funding other Services.	C&I
F/R.8.003	Fees & Charges	-30,189	-35,049	-36,303	-37,130	-37,253	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>-22,263</b>	<b>-25,526</b>	<b>-26,045</b>	<b>-26,182</b>	<b>-26,401</b>		