

Service: Commercial & Investment

Subject: Finance Monitoring Report – December 2020

Date: 19<sup>th</sup> February 2021

## Key Indicators

Previous Status	Category	Target	Current Status	Section Ref.
Amber	Revenue position by Directorate	Balanced year end position	Amber	1.2
Green	Capital Programme	Remain within overall resources	Green	2

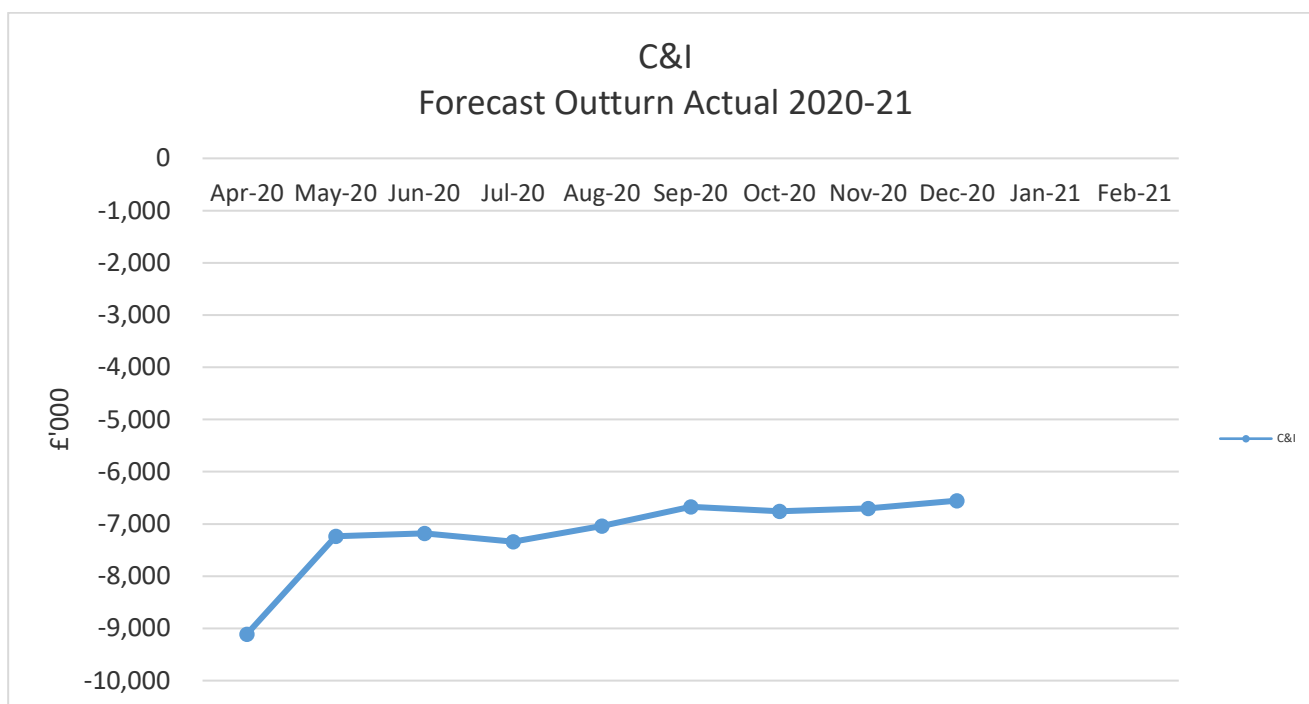
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# 1. Revenue Executive Summary

## 1.1 Overall Position

Commercial & Investment (C&I) is forecasting an underachievement of income of £2,605k at the end of December, which is an increase of £147k from the previous forecast. Commercial & Investment (C&I) has a negative budget as it has an income target for 2020/21 of -£9,159k. As such, the forecast outturn variance of £2,605k means that C&I is expecting to achieve a net income position of -£6,554k as demonstrated in the following chart:



## 1.2 Summary of Revenue position by Directorate

Directorate	Budget £000	Actual £000	Outturn Variance £000	Outturn Variance %
Commercial Activity	-12,225	-8,021	2,092	17%
Property Services	6,833	4,978	163	2%
Strategic Assets	-3,495	-2,107	126	18%
Traded Services	-271	-81	224	83%
<b>Total</b>	<b>-9,159</b>	<b>-5,231</b>	<b>2,605</b>	<b>28%</b>

A service level budgetary control report for Commercial and Investment Committee can be found in [Annex 1](#).

## 1.3 Significant Issues

At the end of December 2020, the overall position for C&I is an underachievement of £2,605K.

There is one significant issue to report this month.

### Strategic Assets

The Shire hall Relocation revenue budget is forecasting an overspend of £95k. The initial costs associated with the Hawthorns building preparation work will be a revenue pressure due to the decision to no longer use the building as part of the Cambs2020 programme, £61k. There is also a cost for storing shelving & storage that will no longer be used of £34k.

A detailed explanation of the revenue position for Commercial and Investment Committee can be found in [Annex 2](#).

### Covid-19 – Financial Impact

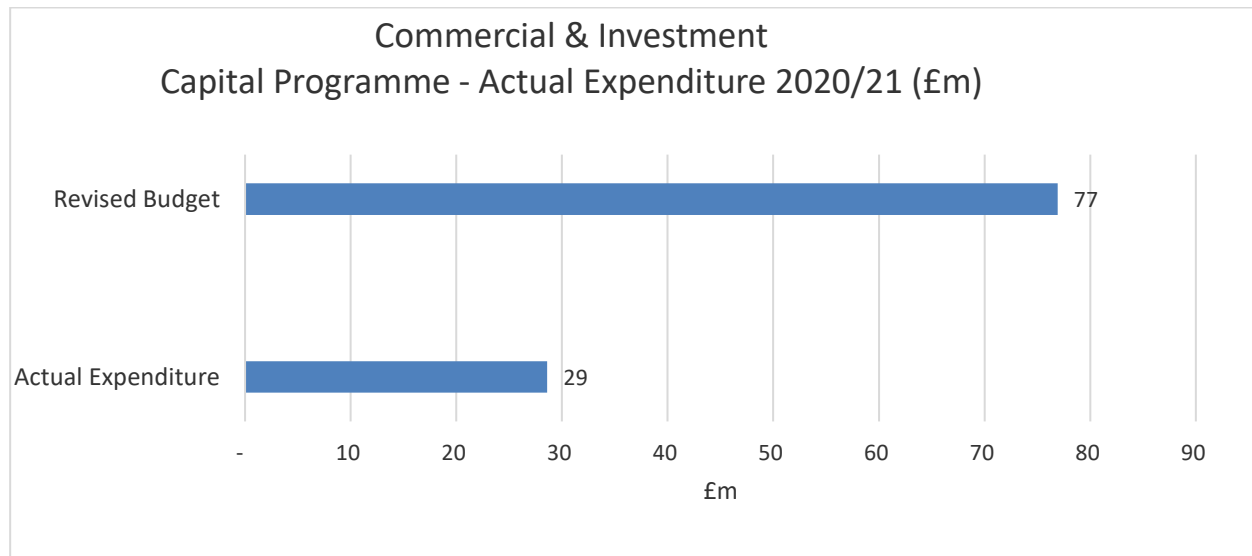
The current projected financial costs associated with managing the implications of the Coronavirus pandemic, including any loss of income:

Service Area	Details	Estimated cost 2020-21 £000	April –Dec impact £000
Property Services	Loss of income from Shire Hall & Castle Court Car park	90	71
Collective Investment Funds	Anticipate a 23% reduction on annual return from CCLA fund	98	98
Contract Efficiencies & Other Income	There is expected to be a delay in contract negotiations during this time	249	180
Property Services	Cambs 2020 programme removal costs with regards to H&S	20	5
Property Investments	Reduction in rent received from commercial properties	1,187	1,086
Traded Services	Reduction in income due to CPDC being closed	52	52
Collective Investment Funds	Anticipate reduction in the return in investment	859	859
Property Services	Cost of additional signage and H&S supplies and resource	37	32
Traded Services	Reduction in ICT Service income due to the closure of schools and change of roles	77	64

## 2. Capital Executive Summary

### 2.1 Expenditure

Commercial and Investment Committee has expenditure of £28.6m to date on the Capital Programme, against a revised budget of £76.9m:



In-year, an underspend of £14.7m is forecast; this is in addition to the Capital Variations budget of £17.6m.

There are no significant issues to report this month.

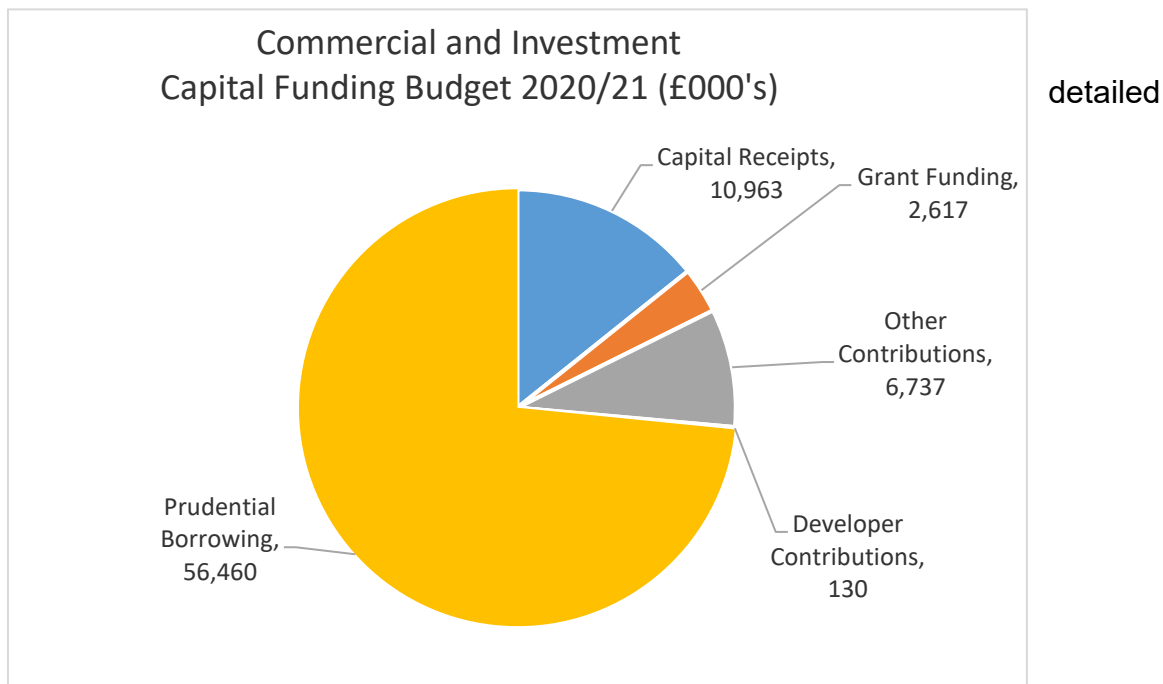
### Energy - New Scheme

Commercial and Investment Committee approved a £213k development budget for three school ground source heat pump projects at Comberton Village College, Impington Village College and The Galfrid School in November 2020. This will be funded by prudential borrowing. The budget is expected to be fully spent by March 2021.

## 2.2 Funding

Commercial and Investment Committee has a revised capital funding budget of £76.9m in 2020/21.

A



explanation of the capital programme position for Commercial and Investment Committee can be found in [Annex 3](#).

## 3. Savings Tracker Summary

The savings tracker is produced three times a year – the quarter three table is included as [Annex 4](#).

## 4. Technical note

A technical financial appendix is included as [Annex 5](#), which covers:

- Grants that have been received by the service, and where these have been more or less than expected
- Budget movements (virements) into or out of Commercial & Investment from other services (but not within Commercial & Investment), to show why the budget might be different from that agreed by Full Council
- Service reserves – funds held for specific purposes that may be drawn down in-year or carried-forward – including use of funds and forecast draw-down

# Annex 1 – Service Level Financial Information

## C&I Finance & Performance Report – December 2020

Previous Forecast Outturn Variance		Budget 2020/21	Actual Dec 2020	Forecast Outturn Variance	Forecast Outturn Variance
£000's		£000's	£000's	£000's	%
<b>Commercial Activity</b>					
928	Property Investments	-3,665	-3,263	962	26%
-159	Shareholder Company Dividends & Fees	-491	-295	-241	-49%
194	Housing Investment (This Land Company)	-5,796	-3,312	194	3%
249	Contract Efficiencies & Other Income	-449	0	299	67%
1,028	Collective Investment Funds	-1,560	-96	1,028	66%
-150	Renewable Energy Investments	-265	-1,055	-150	-57%
<b>2,090</b>	<b>Commercial Activity Total</b>	<b>-12,225</b>	<b>-8,021</b>	<b>2,092</b>	<b>17%</b>
<b>Property Services</b>					
121	Facilities Management	5,835	4,350	160	3%
0	Property Services	792	626	30	4%
0	Lost Sales, Fees & Charges Compensation	0	0	-40	0%
-0	Property Compliance	206	2	13	6%
<b>120</b>	<b>Property Services Total</b>	<b>6,833</b>	<b>4,978</b>	<b>163</b>	<b>2%</b>
<b>Strategic Assets</b>					
-0	County Farms	-4,211	-2,227	-0	0%
31	Strategic Assets	716	120	126	18%
<b>31</b>	<b>Strategic Assets Total</b>	<b>-3,495</b>	<b>-2,107</b>	<b>126</b>	<b>-4%</b>
<b>Traded Services</b>					
0	Traded Services - Central	0	0	0	0%
82	ICT Service (Education)	-200	-163	89	45%
135	Professional Development Centres	-71	81	135	190%
<b>217</b>	<b>Traded Services Total</b>	<b>-271</b>	<b>-81</b>	<b>224</b>	<b>83%</b>
<b>2,458</b>	<b>Total</b>	<b>-9,159</b>	<b>-5,231</b>	<b>2,605</b>	<b>28%</b>

## Annex 2 – Service Commentaries on the Revenue Outturn Position

Narrative is given below where there is an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater for a service area.

### Property Investments

<b>Current Budget for 2020/21 £'000</b>	<b>Outturn Actual £'000</b>	<b>Outturn Forecast £'000</b>	<b>Outturn Forecast %</b>
-3,665	-2,703	962	26%

The Property Investments budget is forecast to underachieve by £962k for the following reasons:

- The current expected loss from rental income for two of the Council's properties due to the impact of the Covid-19 pandemic is forecast to be £1,187k.
- The Kingsbridge forecast has improved by £225k because the debt charge has reduced due to application of capital receipts to fund most of the purchase.

### Shareholder Company Dividends & Fees

<b>Current Budget for 2020/21 £'000</b>	<b>Outturn Actual £'000</b>	<b>Outturn Forecast £'000</b>	<b>Outturn Forecast %</b>
-491	-732	-241	-49%

The Shareholder Company Dividends & Fees budget is forecasting to overachieve by £241k in 2020/21, an increase of £82k since last month. This is due to underestimating the reserve amount for the 2019/20 ESPO Dividend by £159k.

### Housing Investment (This Land Company)

<b>Current Budget for 2020/21 £'000</b>	<b>Outturn Actual £'000</b>	<b>Outturn Forecast £'000</b>	<b>Outturn Forecast %</b>
-5,796	-5,602	194	3%

The Housing Investment budget is forecasting an overspend of £194k, on its £5.8m budget. As a result of positive cashflows into the company from a property sale, lending to This Land will be lower than originally expected this year. Loans are released according to progress on works and review by the monitoring surveyor. The forecast reflects the schedule of loan funding advanced to date, as well as assumptions around timing of loans to be issued for the next phase. The company is noting progress with planning and construction closely, given the ongoing pandemic.

## Contract Efficiencies & Other Income

<b>Current Budget for 2020/21 £'000</b>	<b>Outturn Actual £'000</b>	<b>Outturn Forecast £'000</b>	<b>Outturn Forecast %</b>
-449	-150	299	67%

The Contract Efficiencies & Other Income budget is forecasting to underachieve by £299k in 2020/21, this is an increase of £50k since last month. This is due to the targets for savings and additional income not being met.

Covid-19 has impacted on all of the Council's suppliers across the organisation. Some of these suppliers are seeking relief under the PPN 02/20 guidance. It is likely that these businesses will be very much focused on recovering from the impacts of this pandemic and will not be open (or capable) of negotiating contracts.

## Collective Investment Funds

<b>Current Budget for 2020/21 £'000</b>	<b>Outturn Actual £'000</b>	<b>Outturn Forecast £'000</b>	<b>Outturn Forecast %</b>
-1560	-532	1,028	66%

The Collective Investment Funds budget is forecast to underachieve by £1,028k.

- A reduced return on investment of £98k on the annual return from the CCLA fund is forecast due to the pandemic.
- A £20m investment into a multi-class credit fund was scheduled to take place in April/May 2020, however due to the impact of Covid-19 on the financial markets, it was necessary to reassess the viability of this fund to ensure that it still met the Council's investment objectives. A lower overall yield has been selected than originally anticipated, taking account of environmental and sustainability governance. Furthermore, due to market volatility the investment will now be staggered as opposed to a single lump investment. As a result, the forecast return has been reduced to £281k, a variance of £930k.

## Renewable Energy Investments

<b>Current Budget for 2020/21 £'000</b>	<b>Outturn Actual £'000</b>	<b>Outturn Forecast £'000</b>	<b>Outturn Forecast %</b>
-265	-415	-150	57%

The income received from the Solar Farm has increased due to the favourable weather conditions over the spring and summer; an overachievement of income of £150k is forecast in 2020/21.



## Facilities Management

<b>Current Budget for 2020/21 £'000</b>	<b>Outturn Actual £'000</b>	<b>Outturn Forecast £'000</b>	<b>Outturn Forecast %</b>
5,835	5,995	160	3%

Property Services are forecasting an overspend of £160k. This is mainly due to:

- The rateable value for the newly refurbished Cambridgeshire Archives Centre has increased and business rates are now expected to cost £145k per annum. This came into effect from October 2019, which has resulted in an in-year pressure for the backdated amount. The total overspend for business rates in 2020/21 is £119k.
- The budget for the new Spokes building Bernard Sunley is £44k for 2020/21, which is not sufficient for the amount required to occupy the building. The total forecast overspend is £100k.
- The 2020/21 revenue budget for the Alconbury Weald Civic Hub is £175k. Based on the expected completion date for the building (Spring 2021), this budget is not required during 2020/21, therefore creating a -£175k underspend.
- The Shire Hall Car Park Income budget is forecasting to underachieve by £90k in 2020/21. This is based on not charging for the car park for 3 months, and less income being received now charging has recommenced.

## Strategic Assets

<b>Current Budget for 2020/21 £'000</b>	<b>Outturn Actual £'000</b>	<b>Outturn Forecast £'000</b>	<b>Outturn Forecast %</b>
716	842	126	18%

The Shire hall Relocation revenue budget is forecasting an overspend of £95k. The initial costs associated with the Hawthorns building preparation work will be a revenue pressure due to the decision to no longer use the building as part of the Cambs2020 programme, £61k. There is also a cost for storing shelving & storage that will no longer be used of £34k.

## ICT Service (Education)

<b>Current Budget for 2020/21 £'000</b>	<b>Outturn Actual £'000</b>	<b>Outturn Forecast £'000</b>	<b>Outturn Forecast %</b>
-200	-111	89	45%

The ICT Service are forecasting an underachievement of income of £89k in 2020/21. This is due to a combination of reduced training income over the school closure period, and reduced earning potential while staff have been working on the set up of devices provided by the Department for Education. A greater online training offer is being delivered which is helping to mitigate the position.

## Professional Development Centres

<b>Current Budget for 2020/21 £'000</b>	<b>Outturn Actual £'000</b>	<b>Outturn Forecast £'000</b>	<b>Outturn Forecast %</b>
-71	64	135	190%

The Professional Development Centre budget is forecasting to underachieve by £135k. The centre at CPDC will be closing in 2020/21 as part of Cambs 2020, causing a £64k pressure due to reduced income in-year. Provision for the loss of income of this closure has been included in the Business Plan for 2021/22, and as such this will be a one-off pressure.

The service have seen a further loss of £52k income due to being unable to trade as expected in the early months of the year as a result of Covid-19.

## Annex 3 – Capital Position

### 3.1 Capital Expenditure 2020/21

Commercial & Investment Capital Programme 2020/21						
Total Scheme Revised Budget £000	Original 2020/21 Budget as per BP £000	Scheme	Revised Budget for 2020/21 £000	Actual Spend 2020/21 £000	Forecast Spend - Outturn £000	Forecast Variance 2020/21 £000
		<u>Commercial Activity</u>				
192,416	4,101	Commercial Investments	11,323	0	-	(11,323)
158,222	32,050	Housing Schemes	42,300	19,949	32,500	(9,800)
1,000	-	Development Funding	200	-	200	-
3,645	3,306	St Ives Smart Energy Grid	1,110	-	260	(850)
6,306	563	Babraham Smart Energy Grid	322	94	262	(60)
6,969	-	Trumpington Smart Energy Grid	87	-	45	(42)
8,267	8,027	Stanground Closed Landfill Energy Project	491	14	336	(155)
2,526	-	Woodston Closed Landfill Energy Project	-	(11)	-	-
26,258	25,345	North Angle Solar Farm	5,014	(178)	5,014	-
40	20	Light Blue Fibre	20	-	20	-
643	-	Swaffham Prior Energy Project	537	212	537	-
-	-	School Ground Source Heat Pump Projects	213	12	213	-
907	-	Cambridgeshire Outdoor Centres	864	730	864	-
-	-	Marwick Centre Roof Repair	-	59	59	59
-	-	March Community Centre	400	-	400	-
-	-	Farm	3,750	-	3,750	-
475	475	LGSS Law Equity	-	-	-	-
407,674	73,887		66,630	20,882	44,460	(22,170)
		<u>Property Services</u>				
6,352	600	Building Maintenance	1,042	320	1,042	-
345	-	Office Portfolio Rationalisation	11	2	11	-
6,405	2,965	Investment in the CCC asset portfolio	4,793	893	3,130	(1,663)
90	-	Property Asset Database	90	-	90	-
15,000	3,000	Decarbonisation Fund	4,500	131	3,556	(944)
200	200	Electric Vehicle Chargers	200	0	200	-
28,392	6,765		10,636	1,347	8,029	(2,607)
		<u>Strategic Assets</u>				
1,000	100	Local Plans Representations	100	0	100	-
3,000	300	County Farms Investment	300	107	300	-
1,981	885	Community Hubs - East Barnwell	1,584	12	100	(1,484)
18,737	9,721	Shire Hall Relocation	14,076	6,027	8,000	(6,076)
295	-	Meads Farm House Replacement	272	227	272	-
330	-	Mill Rd - Former Library	330	9	330	-
25,343	11,006		16,662	6,380	9,102	(7,560)
669	603	Capitalisation of Interest Budget	603	-	603	-
(32,070)	(17,692)	Capital Programme Variations Budget	(17,625)	-	-	17,625

430,008	74,569	TOTAL	76,906	28,609	62,194	(14,712)
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### 3.2 Capital Variation 2020/21

A summary of the use of capital programme variations budget is shown below. As forecast underspends are reported, these are offset with a forecast outturn for the variation budget, leading to a balanced outturn overall up to the point when slippage exceeds this budget.

Service	Capital Programme Variations Budget £000	Forecast Outturn Variance (Dec 2020) £000	Capital Programme Variations Budget Used £000	Capital Programme Variations Budget Used %	Revised Outturn Variance (Dec 2020) £000
C&I	-17,625	-32,337	-17,625	100%	-14,712

### 3.3 Capital Funding 2020/21

Original 2020/21 Funding Allocation as per BP £000	Source of Funding	Revised Funding for 2020/21 £000	Forecast Spend £000	Variance £000
3,736	Capital Receipts	10,963	1,931	(9,032)
1,373	Grant Funding	2,617	2,341	(276)
6,731	Other Contributions	6,737	8,500	1,763
130	Developer Contributions	130	-	(130)
62,599	Prudential Borrowing	56,460	49,422	(7,038)
<b>74,569</b>	<b>TOTAL</b>	<b>76,906</b>	<b>62,194</b>	<b>(14,712)</b>

### 3.4 Service Commentaries on the Capital Position

The schemes with significant variances (>£250k) either due to changes in phasing or changes in overall scheme costs can be found below:

#### Investment in the CCC asset portfolio

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Dec) £'000	Forecast Spend - Outturn Variance (Dec) £'000	Variance Last Month (Nov) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance : Rephasing £'000
4,793	3,130	-1,663	-1,663	-	-	-1,663

The Investment in CCC asset portfolio scheme is forecast to underspend by £1.6m due to delays, mainly due to the impact of Covid on planned construction works and preparatory works. The Spokes programme is well underway, and savings have been seen on existing projects, and efficiencies are expected in projects yet to begin from the agreed budget, which will be reported in the next full update to Commercial and Investments Committee. This will reduce the borrowing requirement in year by £1.6m.



## Shire Hall Relocation

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Dec) £'000	Forecast Spend - Outturn Variance (Dec) £'000	Variance Last Month (Nov) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance : Rephasing £'000
14,076	8,000	-6,076	-6,076	-	-	-6,076

The Shire Hall Relocation scheme is forecast to underspend in 2020/21 by £6m. This is mainly due to the initial impact of Covid 19 on planned construction works. The building is now water tight with completion of the roof and glass façade, as well as the internal walls, allowing the first fix of electrical, plumbing and mechanical installations to get underway. Completion is now expected in late summer-early autumn. This will reduce the borrowing requirement in year by £6m.

## March Community Centre

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Dec) £'000	Forecast Spend - Outturn Variance (Dec) £'000	Variance Last Month (Nov) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance : Rephasing £'000
400	400	-	-	-	-	-

£0.4m of EU funds have been allocated to the refurbishment project for the March Community Centre. This project will expand the workshop and teaching space at the venue, enabling the service to deliver a revised and refocused learning programme in Fenland, focussing on vocational skills and employability. The funds are due to be claimed in full from the Cambridgeshire and Peterborough Combined Authority by March 2021. No additional prudential borrowing is required for the project

## Commercial Investments

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Dec) £'000	Forecast Spend - Outturn Variance (Dec) £'000	Variance Last Month (Nov) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance : Rephasing £'000
11,323	-	-11,323	-11,323	-	-11,323	-

The Commercial Investment scheme is forecast to underspend by £11.3m. There are no active plans at this stage for investment prior to the end of the financial year, given the current market conditions and general uncertainty. This will reduce the capital receipt requirement.

## St Ives Smart Energy Grid

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Dec) £'000	Forecast Spend - Outturn Variance (Dec) £'000	Variance Last Month (Nov) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance : Rephasing £'000
1,110	260	-850	-850	-	-	-850

Due to ongoing delays in securing necessary grant funding, forecast expenditure to support the construction of the Smart Energy Grid has been delayed until 2021/22.

### The Community Hubs – East Barnwell

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Dec) £'000	Forecast Spend - Outturn Variance (Dec) £'000	Variance Last Month (Nov) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance : Rephasing £'000
1,584	100	-1,484	-1,484	-	-	-1,484

The Community Hubs – East Barnwell scheme is forecasting an underspend of £1,484k; the only costs expected in 20/2021 will be related to planning, and any construction costs will be in future years. This will reduce the developer contributions applied this year by £260k and the prudential borrowing requirement in year by £1,193K.

### Decarbonisation Fund

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Dec) £'000	Forecast Spend - Outturn Variance (Dec) £'000	Variance Last Month (Nov) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance : Rephasing £'000
4,500	3,556	-944	-944		-	-944

The Decarbonisation Fund scheme is now forecasting to underspend by £0.9m. The revised forecast is based on the cost of all projects approved to date and 50% of the proposed projects being approved. This will reduce the borrowing requirement in year by £0.9m.

In addition, £2.5m has been awarded by the Public Sector Decarbonisation Scheme, a £1bn fund from BEIS and administered by Salix Finance, aimed at decarbonising heat in public buildings. £1.5m will be spent this financial year and £2m in 2021/22. This reduces the 2020/21 borrowing requirement by a further £1.5m.

### Housing Schemes

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Dec) £'000	Forecast Spend - Outturn Variance (Dec) £'000	Variance Last Month (Nov) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance : Rephasing £'000
42,300	32,500	-9,800	-9,800	-	-	-9,800

The Housing scheme is forecasting an underspend of £9,800k. As a result of positive cashflows into the company, lending to This Land will be lower than originally expected this year. Loans are released according to progress on works and review by the monitoring surveyor. The forecast reflects the schedule of loan funding advanced to date, as well as assumptions around timing of loans to be issued for the next phase. This will reduce the borrowing requirement in year by £9.4m and the capital receipts requirement by £0.4m.

## Farm acquisition

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Dec) £'000	Forecast Spend - Outturn Variance (Dec) £'000	Variance Last Month (Nov) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance : Rephasing £'000
3,750	3,750	-	-	-	-	-

The acquisition of a new farm was approved by GPC in November 2020. The expenditure in 2020/21 is for the acquisition, with costs related to planning expected in later years. This will be funded by prudential borrowing.

## School Ground Source Heat Pump Projects

Revised Budget for 2020/21 £'000	Forecast Spend - Outturn (Dec) £'000	Forecast Spend - Outturn Variance (Dec) £'000	Variance Last Month (Nov) £'000	Movement £'000	Breakdown of Variance: Underspend/pressure £'000	Breakdown of Variance : Rephasing £'000
213	213	-	-	-	-	-

Commercial and Investment Committee approved a £213k development budget for three school ground source heat pump projects at Comberton Village College, Impington Village College and The Galfrid School in November 2020. This will be funded by prudential borrowing. The budget is expected to be fully spent by March 2021.



## Annex 4 – Savings Tracker Quarter 3

Reference	Title	Original Saving 20-21	Current Forecast - Q1	Current Forecast - Q2	Current Forecast - Q3	Current Forecast - Q4	Forecast Saving 20-21	Variance from Plan £000	% Variance	RAG	Forecast Commentary
F/R.6.003	Babbage House closure	-397	0	0	0	-397	-397	0	0	Green	Babbage House is now closed
F/R.6.108	Energy Efficiency Fund - Repayment of Financing Costs	-8	0	0	0	-8	-8	0	0	Green	Savings to be generated from Energy Efficiency Fund capital investment. Element to repay financing costs.
F/R.7.105	Renewable Energy Soham - Repayment of Financing Costs	-18	-18	0	0	0	-18	0	0	Green	Increased income received to date
F/R.7.106	Utilisation/commercialisation of physical assets (One Public Estate)	-36	0	0	0	0	0	36	100	Black	Income from parking – not expected to be met in 2020/21
F/R.7.110	Return on Commercial Property Investments	-105	0	0	0	0	0	105	100	Black	This was an extension of the current target, which will not be met due to delayed investment.
F/R.7.113	Invest to Save Housing Schemes - Income Generation	54	0	0	0	54	54	0	0	Green	Net reduction in income from loans from This

Reference	Title	Original Saving 20-21	Current Forecast - Q1	Current Forecast - Q2	Current Forecast - Q3	Current Forecast - Q4	Forecast Saving 20-21	Variance from Plan £000	% Variance	RAG	Forecast Commentary
											Land expected in 20/21
F/R.7.127	County Farms – Commercial uses	-75	-38	0	-37	0	-75	0	0	Green	Rental income on target
F/R.7.130	Increase in ESPO dividend	-250	0	0	0	-250	-250	0	0	Green	
F/R.7.129	Pooled Property Fund Investment (CCLA)	-420	-95	-80	-80	-67	-322	98	23	Amber	Anticipate lose 23% of annual return from CCLA fund, due to the fund granting rental breaks

## Annex 5 – Technical Note

### 1. Grant Income Analysis

There is no additional grant income to record in 2020/21.

### 2. Virements and Budget Reconciliation

Budgets and Movements	£'000	Reported
<b>Budget as per Business Plan</b>	<b>-9,205</b>	
Transfer of budget to Shire Hall Relocation, as agreed for the Babbage House move.	15	May 2020
Transfer of the Ely Archive Centre budget from P&C to Property Services	83	May 2020
Transfer of budget from Property Services to Information Management for offsite storage	-20	June 2020
Transfer of budget from Finance to Shareholder Company Dividends & Fees budget for Non-Exec Director costs	-35	September 2020
Transfer for the pay award and mileage savings for Q2.	4	October 2020
<b>Revised Budget</b>	<b>-9,159</b>	

### 3. Reserve Schedule

Fund Description	Balance at 01 April 2020	Movements in 2020/21	Balance at 31 Dec 2020	Forecast Balance at 31 March 2021	Notes
<b>Other Earmarked Funds</b>					
North Cambridge Academy site demolition costs	705	0	705	0	1
<b>subtotal</b>	<b>705</b>	<b>0</b>	<b>705</b>	<b>0</b>	
<b>Capital Reserves</b>					
General Capital Receipts	11,632	325	11,956	12,518	2
<b>subtotal</b>	<b>11,632</b>	<b>0</b>	<b>11,956</b>	<b>12,518</b>	
<b>TOTAL</b>	<b>12,337</b>	<b>0</b>	<b>12,669</b>	<b>12,518</b>	

#### Notes

- 1 Rental income from Bellerbys buildings on the North Cambridge Academy site is being held to offset demolition costs when the lease expires in 2021.
- 2 General Capital Receipts received during 2020/21 will be used to fund the capital programme at year-end, and This Land Capital Receipts will be used to purchase equity in This Land, or as decided by GPC/Full Council.