

<b>Service</b>	Commercial & Investment
<b>Subject</b>	Finance Monitoring Report – Final Report 2019/20
<b>Date</b>	

## KEY INDICATORS

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

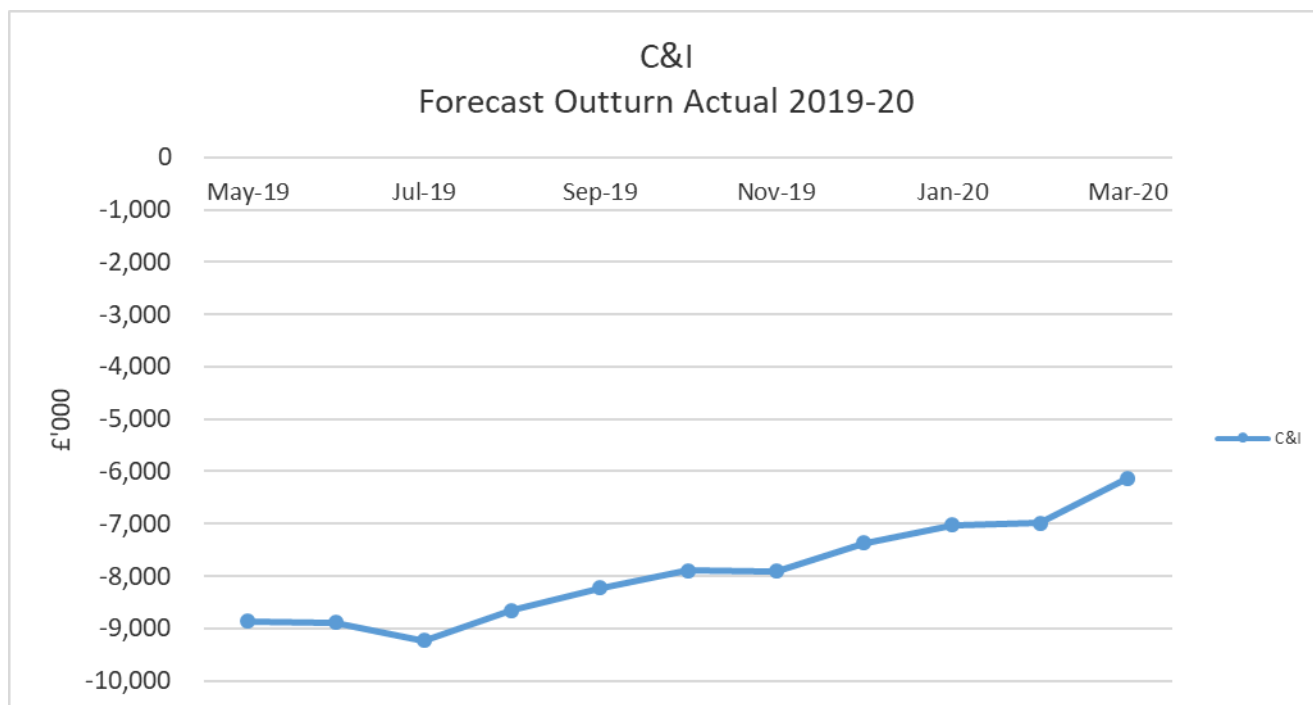
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Annex 5	Technical Appendix	This contains technical financial information for Commercial & Investment showing: <ul style="list-style-type: none"> <li>• Grant income received</li> <li>• Budget virements into or out of Commercial &amp; Investment</li> <li>• Service reserves</li> </ul>	18

## 1. Revenue Executive Summary

### 1.1 Overall Position

C&I has a negative budget as it has an income target for 2019/20 of -£8,706k. As such, the outturn variance of £2,572k means that C&I has achieved a net income position of -£6,134k by year-end as demonstrated in the following chart:



### 1.2 Summary of Revenue position by Directorate

Outturn Variance (Previous) £000	Directorate	Budget £000	Actual £000	Outturn Variance £000	Outturn Variance %
1,166	Commercial Activity	-11,354	-9,940	1,414	12.5%
281	Property Services	6,240	6,583	343	5.5%
-80	Strategic Assets	-3,249	-3,288	-39	1.2%
353	Traded Services	-343	511	853	249.0%
<b>1,720</b>	<b>Total</b>	<b>-8,706</b>	<b>-6,134</b>	<b>2,572</b>	<b>29.5%</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 March 2020, the final overall position for C&I is an underachievement of £2,572k. This represents a change of £852k from the February forecast, which is mainly due to additional under achievement of income in relation to Commercial Activity and an increased overspend for Traded Services.

#### **Significant Issues**

##### Commercial Activity

Commercial Property ended the year with an underachievement of income of £942k, £144k higher than previously reported. This is due to several smaller variances, including loss of rental income on some properties towards the end of March due to the Covid-19 pandemic and final calculations of the net income due from Brunswick House.

##### Strategic Assets

Strategic Assets ended the year with an overspend of £124k. The main pressure was on staffing costs, £89k higher than budgeted, due to use of agency staff and less work on capital projects (therefore reducing the capital recharge). There have also been higher cost this year for mapping services £7k, legal fees £5k and unrecoverable insurance fees £16k.

##### Traded Services

Grafham Water Centre ended the year with a deficit of £736k, £437k higher than previously reported. The underlying pressure on the service worsened by £53k and the closure of the centre in mid-March due to Covid-19 resulted in lost income in the region of £61k.

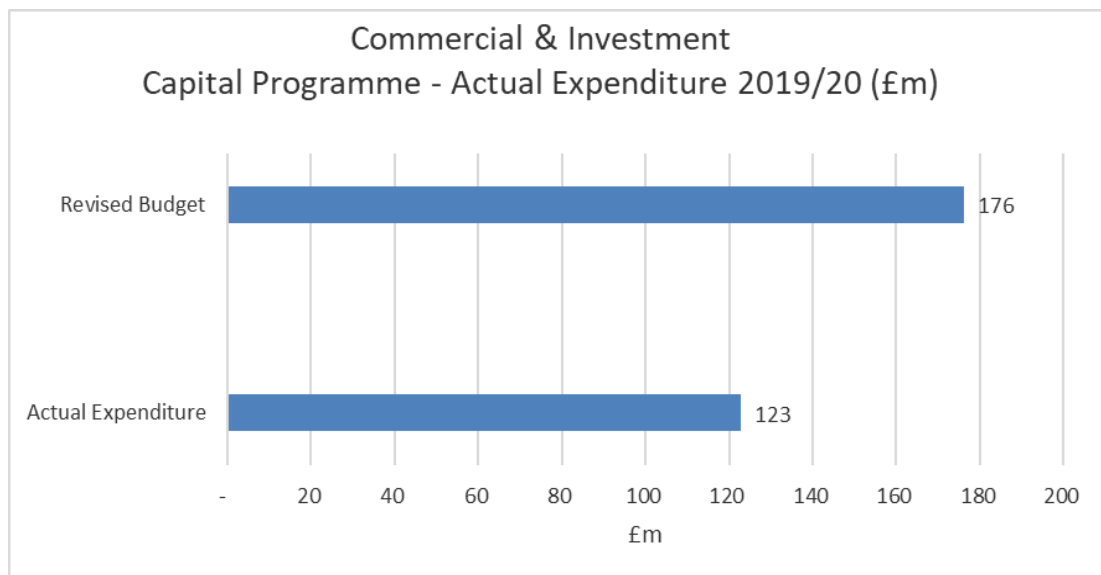
The remaining adverse change £324k is the result of bringing the service in line with the recently introduced accounting standard IFRS 15. This was a one-off adjustment involving changing the year in which income is recognised and will not be repeated in future years.

A detailed explanation of the revenue position for Commercial and Investment Committee can be found in Annex 2.

## 2. Capital Executive Summary

### 2.1 Expenditure

Commercial and Investment Committee ended the year with expenditure of £122.7m on the Capital Programme, against a revised budget of £176.1m:



In-year, an underspend of £53.4m is reported as the final position for C&I; this is in addition to the Capital Variations budget of £26.3m.

### Significant Issues

#### Housing

Housing Schemes ended the year with an underspend of -£46.7m. This is an increase of -£10m since the February forecast, and relates to the final loan for 2019-20 that was expected to be issued at the end of March following agreement by C&I Committee. Due to Covid-19 the March C&I Committee was cancelled; therefore this loan was unable to be issued before the end of the year.

#### Investment in CCC portfolio

The Spoke Buildings scheme ended the year with an underspend of £1.4m, which is an increase of £436k since February. It was previously expected that the Papworth move would take place in April/early May, however this has been pushed back to June (which has in turn meant works were taking place after year end).

Covid-19 has also impacted some of the planned work for the Spokes projects, as where possible imminent moves have been postponed unless deemed critical.

#### Shire Hall Relocation

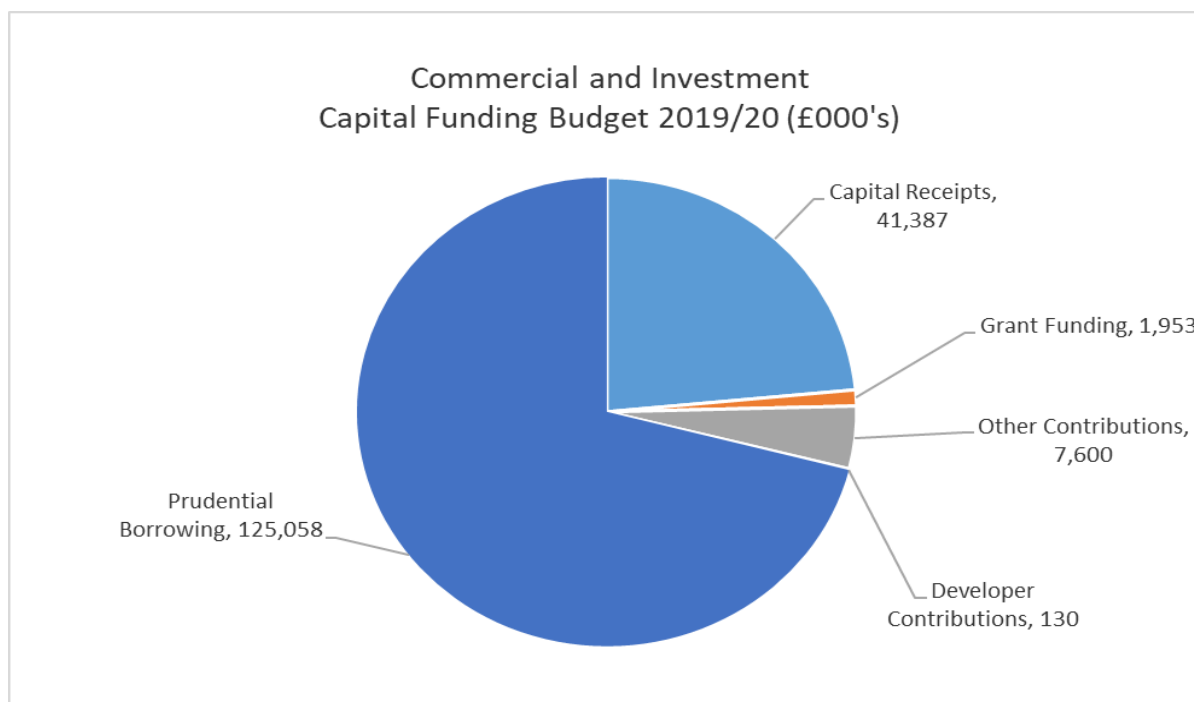
The relocation to Alconbury scheme ended the year with an underspend of £4.0m, which is an increase of £2.5m since February. Delays to work starting onsite due to site remediation issues (now resolved) resulted in an increase in the amount of project costs needing to be pushed back into next financial year.

## The Stanground Closed Landfill Energy Project

The Stanground Close Landfill Energy Project ended the year with an underspend of £316k, all of which is an increase since February. Stage one and the majority of stage two of the Investment Grade Proposal (IGP) have been completed. However, development of a planning application has proven much more time consuming than initially projected, with new surveying of great crested newt populations defining the timeline. The final stages of the IGP are now scheduled to complete in December 2020 with planning timelines continuing to define the critical path.

## **2.2 Funding**

Commercial and Investment Committee had a capital budget of £176.1m in 2019/20, which is funded by the following capital resources:



A detailed explanation of the capital programme position for Commercial and Investment Committee can be found in Annex 3.

There is one new significant variance to report this month.

### LGSS Law Equity Funding

General Purposes Committee agreed the equity share capital investment in LGSS Law within the 2020/21 Business Plan, noting that it may be possible to accelerate this expenditure. The other shareholders of the company agreed to the purchase of the share capital by March 2020, meaning that the capital spend will be brought forward to 2019/20. This has increased the prudential borrowing requirement in year by £475k; however this is a timing issue only.

### **3. Savings Tracker Summary**

The savings tracker is produced three times a year. The quarter 4 report is included in 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 Service Level Finance & Performance Report Finance & Performance Report for C&I - Close 2019/20

Forecast Outturn Variance (Feb)		Budget 2019/20	Actual Close 2019/20	Variance	
£000's		£000's	£000's	£000's	%
<b>Commercial Activity</b>					
798	Property Investments	-4,700	-3,758	942	20%
-304	Shareholder Company Dividends	-206	-481	-275	-134%
675	Housing Investment (This Land Company)	-5,728	-5,073	655	11%
350	Contract Efficiencies & Other Income	-449	0	449	100%
-328	CCLA Managed Investment	0	-303	-303	0%
-25	Renewable Energy Investments	-271	-324	-53	-19%
<b>1,166</b>	<b>Commercial Activity Total</b>	<b>-11,354</b>	<b>-9,940</b>	<b>1,414</b>	<b>12%</b>
<b>Property Services</b>					
328	Facilities Management	5,380	5,744	364	7%
0	Property Services	655	692	37	6%
-46	Property Compliance	205	147	-58	-28%
<b>281</b>	<b>Property Services Total</b>	<b>6,240</b>	<b>6,583</b>	<b>343</b>	<b>6%</b>
<b>Strategic Assets</b>					
-141	County Farms	-4,062	-4,226	-163	-4%
60	Strategic Assets	813	938	124	15%
<b>-80</b>	<b>Strategic Assets Total</b>	<b>-3,249</b>	<b>-3,288</b>	<b>-39</b>	<b>1%</b>
<b>Traded Services</b>					
10	Traded Services - Central	0	32	32	19004%
-42	ICT Service (Education)	-200	-263	-63	-32%
0	Professional Development Centres	-71	-105	-34	-48%
86	Cambridgeshire Music	5	188	182	3459%
299	Outdoor Education (includes Grafham Water)	-77	659	736	954%
<b>353</b>	<b>Traded Services Total</b>	<b>-343</b>	<b>511</b>	<b>853</b>	<b>249%</b>
<b>1,720</b>	<b>Total</b>	<b>-8,706</b>	<b>-6,134</b>	<b>2,572</b>	<b>30%</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.

Service	Current Budget £000	Outturn Actual £000	Outturn Variance	
			£000	%
<b>Property Investments</b>	<b>-4,700</b>	<b>-3,758</b>	<b>942</b>	<b>20</b>

The Property Investments budget underachieved by £942k for the following reasons:

- The occupancy of Brunswick House (student accommodation) was below target for the 2019/20 academic year, creating an underachievement of income of £336k. There is a brand new competing property in the vicinity of Brunswick House; however, the Council is confident the offer and location of Brunswick House overall will remain very appealing to students for the years ahead, and active/varied marketing activity was continuing via the operator of the accommodation up until the impact of Covid-19.
- A further commercial property investment in South Cambridgeshire completed on 31<sup>st</sup> January 2020, several months later than original anticipated due to delays in receiving information as part of the purchase process and due diligence. The delay resulted in £478k less rental income than originally forecast; this is therefore a timing issue, and it is important the Council was able to satisfactorily complete its due diligence before completing. The scale of the purchase has also changed from the original Business Case – whilst the purchase price has decreased, the scope of units included within the purchase has also reduced which has decreased the return by £40k for 2019/20. The overall return on yield on this investment, however, remains the same and the remaining unit is subject to a put and call arrangement which could lead to the Council owning the entire site with a higher overall revenue income.
- The level of capital receipts available to fund property investment in 2019/20 has reduced; as a result, additional borrowing has been required which has increased the cost of financing by £256k in 2019/20. This was approved in two phases by GPC in November 2019 and January 2020. There were two reasons why additional borrowing was required; firstly due to changes in the timing (and amounts) of overage to be received from This Land, as well as timing of other disposals. Secondly, due to the decision to release up to £20m of capital receipts in order to invest in multi-class credit. On further investigation it has been determined that the multi-class credit investment can be funded through treasury management activity, and therefore it does not require capital receipts funding. As such, £11.6m of the capital receipts originally earmarked for multi-class credit have instead been retained to fund future investment. The additional financing costs will be more than off-set in future years by income from the additional investment, however as the investment will not be made until after the end of this financial year, there is a timing lag.
- The Covid-19 pandemic has resulted in the loss of £17k of rental income on some properties towards the end of March.

These underachievements of income have been partially off-set by a £188k increase in return on some of the properties, mainly as a result of increased rental income following scheduled rent reviews.

<b>Shareholder Company Dividends</b>	<b>-206</b>	<b>-481</b>	<b>-275</b>	<b>-134%</b>
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The Shareholder Company Dividends budget has overachieved by £275k in 2019/20. This is due to the estimate for the dividend to be received from ESPO, which is higher than budgeted.



<b>Housing Investment (This Land Company)</b>	<b>-5,728</b>	<b>-5,073</b>	<b>655</b>	<b>11%</b>
<p>There is an underachievement of income of £655k on Housing Investment. This relates to interest received on loans made to This Land; the underachievement is a result of delays in making those loans and/or changes to the value of loans to be issued during 2019/20.</p>				
<b>Contract Efficiencies &amp; Other Income</b>	<b>-449</b>	<b>0</b>	<b>449</b>	<b>100%</b>
<p>The Contract Efficiencies &amp; Other Income budget underachieved by £449k in 2019/20. This is due to the targets for savings and additional income not being met in the year. However, work is underway to achieve this target in future years, and will be taken forward by the Commercial Team.</p>				
<b>CCLA Managed Investment</b>	<b>-</b>	<b>-303</b>	<b>-303</b>	<b>-</b>
<p>An investment in the CCLA Managed Investment Fund was approved by Commercial &amp; Investment Committee in February 2019. The investment in this fund made a return of £303k in 2019/20.</p>				
<b>Facilities Management</b>	<b>5,380</b>	<b>5,744</b>	<b>364</b>	<b>7%</b>
<p>The Facilities Management budget overspent by £364k in 2019/20. This is due to additional works following service in operational buildings, which were required for those buildings to meet required standards. However, a higher amount of rent (£150k, back dated to 2018) has been received, which has partially off-set the overspend.</p>				
<b>County Farms</b>	<b>-4,062</b>	<b>-4,226</b>	<b>-163</b>	<b>-4%</b>
<p>The County Farms budget overachieved by £163k. This includes a £98k decrease in expenditure for maintenance, professional fees &amp; utilities and an increase in income of £65k, mainly due to a £54k payment received which related to the previous financial year.</p>				
<b>Strategic Assets</b>	<b>813</b>	<b>938</b>	<b>124</b>	<b>15%</b>
<p>Strategic Assets overspent by £124k. The main pressure was on staffing costs, £89k higher than budgeted, due to use of agency staff and less work on capital projects (therefore reducing the capital recharge). There have also been higher cost this year for mapping services £7k, legal fees £5k and unrecoverable insurance fees £16k.</p>				
<b>Cambridgeshire Music</b>	<b>5</b>	<b>188</b>	<b>182</b>	
<p>Cambridgeshire Music budget has a deficit of £182k at year end. The service continued to mitigate pressures by reducing unused capacity where able, reducing all unnecessary expenditure and ensuring all income was received. There have been higher costs than expected in some overheads which will be scrutinised to achieve savings next year, particularly in relation to travel, systems and building costs.</p> <p>It has been recognised that a new business model is required and key elements of this are to move more delivery staff on to core and variable percentage roles so that spare capacity is not a pressure and can be reduced within the short-term where not needed if demand decreases. In addition, the service has reviewed the way in which it works with settings to encourage growth in activity to achieve economies of scale and operate more effectively in an open market using a mixture of providers to support music education.</p>				

The service is also about to consult on changes to management structure to reduce costs for 2020/21 by an estimated £30k, and other adjustments to improve working practice for staff.

<b>Outdoor Education</b>	<b>-77</b>	<b>659</b>	<b>736</b>	
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Grafham Water Centre ended the year with a deficit of £736k. The underlying pressure on the service worsened by £53k and the closure of the centre in mid-March due to Covid-19 resulted in lost income in the region of £61k.

The remaining adverse change (£324k) is the result of bringing the service in line with the recently introduced accounting standard IFRS 15. This was a one-off adjustment involving changing the year in which income is recognised and will not be repeated in future years.

## ANNEX 3 – Capital Position

### 3.1 Capital Expenditure

Commercial & Investment Capital Programme 2019/20					
Total Scheme Revised Budget £000	Original 2019/20 Budget as per BP £000	Scheme	Revised Budget 2019/20 £000	Actual Spend 2019/20 £000	Variance 2019/20 £000
		<u>Commercial Activity</u>			
164,068	51,907	Commercial Investments	124,605	103,406	(21,199)
153,009	43,067	Housing Schemes	56,847	10,133	(46,714)
3,645	3,280	St Ives Smart Energy Grid	3,378	102	(3,276)
11,399	383	Babraham Smart Energy Grid	452	69	(383)
6,969	292	Trumpington Smart Energy Grid	314	1	(313)
9,745	397	Stanground Closed Landfill Energy Project	454	138	(316)
2,526	246	Woodston Closed Landfill Energy Project	285	13	(272)
23,219	672	North Angle Solar Farm	695	675	(20)
40	-	Light Blue Fibre	20	20	-
		Swaffham Prior Energy Project	290	106	(184)
		LGSS Law Equity	475	475	-
		Cambridgeshire Outdoor Centres	99	43	(56)
374,620	100,244		187,914	115,180	(72,733)
		<u>Property Services</u>			
6,095	600	Building Maintenance	1,433	1,343	(90)
6,150	-	Shire Hall Campus	81	31	(50)
345	-	Office Portfolio Rationalisation	47	36	(11)
3,034	550	Investment in the CCC asset portfolio	3,034	1,594	(1,440)
		Property Asset Database	30	-	(30)
15,624	1,150		4,625	3,004	(1,621)
		<u>Strategic Assets</u>			
1,000	100	Local Plans Representations	100	25	(75)
3,000	300	County Farms Investment	300	282	(18)
-	4,616	MAC Joint Highways Project	-	-	-
1,950	910	Community Hubs - East Barnwell	1,041	-	(1,041)
18,326	5,633	Shire Hall Relocation	7,971	4,016	(3,955)
113	-	Marwick Centre Roof Repairs	113	119	6
295	-	Meads Farm House Replacement	295	23	(272)
24,684	11,559		9,820	4,466	(4,314)
134	81	Capitalisation of Interest Budget	81	77	(81)
(40,969)	(22,591)	Capital Programme Variations Budget	(26,312)	-	26,312
<b>374,093</b>	<b>90,443</b>	<b>TOTAL</b>	<b>176,128</b>	<b>122,727</b>	<b>(53,401)</b>

In-year, an underspend of £53.4m is reported for C&I, in addition to the Capital Variations budget of £26.3m.

### 3.2 Capital Variation

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	Outturn Variance 2019/20 £'000	Capital Programme Variations Budget Used £'000	Capital Programme Variations Budget Used %	Revised Outturn Variance 2019/20 £'000
C&I	-26,312	-79,713	-26,312	100%	-53,401

### 3.3 Capital Funding

Original 2019/20 Funding Allocation as per BP £000	Source of Funding		Revised Funding for 2019/20 £000	Actual Funding - Outturn £000	Variance £000
42,077	Capital Receipts	C&I	41,387	19,681	(21,706)
2,309	Grant Funding	C&I	1,953	106	(1,847)
7,600	Other Contributions	C&I	7,600	-	(7,600)
130	Developer Contributions	C&I	130	-	(130)
38,327	Prudential Borrowing	C&I	125,058	102,940	(22,118)
<b>90,443</b>	<b>TOTAL</b>		<b>176,128</b>	<b>122,727</b>	<b>(53,401)</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 in the following table:

Revised Budget for 2019/20 £'000	Actual Spend 2019/20 £'000	Variance 2019/20 £'000	Breakdown of Variance	
			Underspend/ Overspend £'000	Rephasing £'000
<b>Commercial Investments</b>				
124,605	103,406	-21,199	-	-21,199
<p>General Purposes Committee agreed £73m of additional borrowing to fund commercial property acquisitions this year.</p> <p>C&amp;I Committee also recommended to GPC in January the approval of an additional £20m of budget for investment in a multi-class credit pooled fund, to be funded through capital receipts. These receipts were made available by swapping £20m of capital receipts originally earmarked</p>				

Revised Budget for 2019/20	Actual Spend 2019/20	Variance 2019/20	Breakdown of Variance	
			Underspend/ Overspend	Rephasing
£'000	£'000	£'000	£'000	£'000
<p>for commercial property investments and borrowing an additional £20m to fund that investment instead.</p> <p>However, this investment will now not be made until the start of the new financial year due to the legal advice required, and the technical and procurement arrangements that will need to be put in place. This has created an in-year underspend of £20m.</p> <p>In addition, on further investigation it has been determined that the multi-class credit investment can be funded through treasury management activity, and therefore it does not require capital receipts. As such, an additional £5.8m of capital receipts were used to fund the property purchases with £11.6m of capital receipts being retained to fund future investment.</p> <p>The in-year underspend and changes to funding sources has reduced the capital receipt requirement by £14.2m and the prudential borrowing requirement by £7.0m.</p>				
<b>Housing Schemes</b>				
56,847	10,133	-46,714	-	-46,714
<p>Housing Schemes underspent by £46.7m. This is due to continuing adjustments in relation to the amount and timing of loans due to be issued in 2019/20, and therefore reflects a timing issue. The final loan for 2019/20 was expected to be issued at the end of March following agreement by C&amp;I Committee. Unfortunately, due to Covid-19 the March C&amp;I Committee was cancelled; therefore this loan was unable to be issued before the end of the year.</p> <p>This has reduced the prudential borrowing requirement in year by £46.7m.</p>				
<b>St Ives Smart Energy Grid</b>				
3,378	102	-3,276	-	-3,276
<p>The St Ives Smart Energy Grid scheme underspent by £3.3m in 2019/20. Commencement of work on this project has been delayed due to prolonged negotiations over securing the land title, settling the State Aid position, customer negotiations, retendering the works, and discharging planning conditions.</p> <p>This has reduced the grant funding applied in this year by £1,759k and also reduced the prudential borrowing requirement in year by £1,517k.</p>				
<b>Babraham Smart Energy Grid</b>				
452	69	-383	-	-383
<p>The Babraham Smart Energy Grid scheme underspent by £383k in 2019/20. Development work on the Investment Grade Proposal for the Babraham Smart Energy Grid Project has been slower than anticipated due to uncertainties in the battery energy storage market and the simultaneous development of several large energy projects in 2019/20.</p> <p>This has reduced the prudential borrowing requirement in year by £383k.</p>				

Revised Budget for 2019/20	Actual Spend 2019/20	Variance 2019/20	Breakdown of Variance	
			Underspend/ Overspend	Rephasing
£'000	£'000	£'000	£'000	£'000
<b>Trumpington Smart Energy Grid</b>				
314	1	-313	-	-313
<p>The Trumpington Smart Energy Grid scheme underspent £313k in 2019/20. Pending guidance from the Property team and Members on whether the site will be put forward for housing in the Local Plan, work on any clean energy project at the existing Trumpington Park and Ride site has been suspended.</p> <p>This has reduced the prudential borrowing requirement in year by £313k.</p>				
<b>Stanground Closed Landfill Energy Project</b>				
454	138	-316	-	-316
<p>The Stanground Closed Landfill Energy scheme underspent by £316k. Stage one and the majority of stage two of the Investment Grade Proposal (IGP) have been completed. Development of a planning application has proven much time consuming than initially projected, with new surveying of great crested newt populations defining the timeline. The final stages of the IGP are now scheduled to complete in December 2020 with planning timelines continuing to define the critical path.</p> <p>This has reduced the prudential borrowing requirement in year by £316k.</p>				
<b>Woodston Closed Landfill Energy Project</b>				
285	13	-272	-	-272
<p>The Woodston Closed Landfill Energy scheme underspent by £272k. The Committee approved an officer request to suspend activity on this project in October, due to prohibitive grid connection costs and current uncertainty in the battery service market.</p> <p>This has reduced the prudential borrowing requirement in year by £272k.</p>				
<b>Investment in the CCC asset portfolio</b>				
3,034	1,594	-1,440	-	-1,440
<p>The Spoke Buildings scheme underspent by £1,440k. There has been a delay in the timeline around initiating building work due to delays with the planning process, and therefore expenditure will need to be pushed back into the next financial year.</p> <p>This has reduced the prudential borrowing requirement in year by £1,440k.</p>				
<b>Community Hubs – East Barnwell</b>				
1,041	0	-1,041	-	-1,041
<p>The Community Hubs – East Barnwell scheme incurred no expenditure this year. This is due to difficulties in obtaining the relevant planning permission. Planning and construction costs will be</p>				

Revised Budget for 2019/20	Actual Spend 2019/20	Variance 2019/20	Breakdown of Variance	
			Underspend/ Overspend	Rephasing
£'000	£'000	£'000	£'000	£'000
<p>spent in future years.</p> <p>This has reduced the developer contributions applied this year by £140k and the prudential borrowing requirement in year by £901k.</p>				
<b>Shire Hall Relocation</b>				
7,971	4,016	-3,955	-	-3,955
<p>The relocation to Alconbury scheme underspent by £3,955k. Delays to work starting onsite due to site remediation issues (now resolved) resulted in an increase in the amount of project costs needing to be pushed back into the next financial year.</p> <p>This has reduced the prudential borrowing requirement in year by £3,995k.</p>				
<b>Meads Farm House Replacement</b>				
295	23	-272	-	-272
<p>Commercial and Investment Committee recommended to General Purposes Committee the approval of £295k capital budget for the demolition and rebuilding of the house at Meads Farm which has been deemed structurally beyond economic repair. This project will preserve the value of the asset and the rental income received from it, and will meet the Council's current obligation as a landlord, but will not generate any additional income. The scheme underspent by £272k due to a delay with preparation work required for the demolition.</p> <p>This has increased the prudential borrowing requirement in year by £23k.</p>				
<b>LGSS Law Equity</b>				
475	475	-	-	-
<p>General Purposes Committee agreed the equity share capital investment in LGSS Law within the 2020/21 Business Plan. However, it has been agreed that the capital spend will be brought forward to 2019/20.</p> <p>This has increased the prudential borrowing requirement in year by £475k, however this is a timing issue.</p>				

## ANNEX 4 – Savings Tracker

### Quarter 4 report

Reference	Title	Committee	Original Saving 19 20	Current Forecast Phasing Q1	Current Forecast Phasing Q2	Current Forecast Phasing Q3	Current Forecast Phasing Q4	Forecast Saving 19 20	Variance from Plan £000	% Variance	RAG	Forecast Commentary
F/R.6.001	BP 19/20 Contract Efficiency	C&I	-200	0	0	0	0	0	200	100.00	Black	Any savings made in 2019/20 will go towards the savings target carried forward from 2018/19 which was not met in that year.
F/R.6.108	Energy Efficiency Fund - Repayment of Financing Costs	C&I	-19	0	0	0	-19	-19	0	0.00	Green	
F/R.7.103	County Farms Investment (Viability) - Surplus to Repayment of Financing Costs	C&I	16	0	0	0	0	0	-16	100.00	Blue	
F/R.7.104	County Farms Investment (Viability) - Repayment of Financing Costs	C&I	-16	0	0	0	0	0	16	100.00	Blue	
F/R.7.105	Renewable Energy Soham - Repayment of Financing Costs	C&I	-8	0	0	0	0	-8	0	0.00	Green	
F/R.7.106	Utilisation/commercialisation of physical assets	C&I	-21	0	0	0	0	-21	0	0.00	Green	



Reference	Title	Committee	Original Saving 19 20	Current Forecast Phasing Q1	Current Forecast Phasing Q2	Current Forecast Phasing Q3	Current Forecast Phasing Q4	Forecast Saving 19 20	Variance from Plan £000	% Variance	RAG	Forecast Commentary
F/R.7.113	Invest to Save Housing Schemes - Income Generation	C&I	-1,483	0	0	0	0	-942	541	36.48	Red	Dependent on land values and This Land's readiness for construction loans.
F/R.7.127	Renewable Energy Soham - Surplus to Repayment of Financing Costs	C&I	-5	0	0	0	0	-5	0	0.00	Green	

## ANNEX 5 – Technical Note

### 1. Grant Income Analysis

There is no additional grant income recorded in 2019/20.

### 2. Virements and Budget Reconciliation

	£'000	Reported
<b>Budget as per Business Plan</b>	<b>-9,502</b>	
Movement of Contract Efficiency saving target from Corporate Services	-49	May 2019
Clear Traded Services Central income target from Central Services Risks budget	58	May 2019
Deployment of budget to Housing Investment to mitigate overspends, as agreed by GPC July 2019	122	June 2019
Transfer budget from Debt Charges and Interest for the debt charges relating to the Triangle solar farm	603	August 2019
Transfer insurance budget to County Farms & Facilities Management	63	January 2020
<b>Revised Budget</b>	<b>-8,706</b>	

### 3. Reserve Schedule

Fund Description	Balance at 01 April 2019	Movements in 2019/20	Balance at 31 March 2020	Notes
	£'000	£'000	£'000	
<b><u>Equipment Reserves</u></b>				
The ICT Service (Education)	56	56	0	1
<b><u>Other Earmarked Funds</u></b>				
North Cambridge Academy site demolition costs	600	105	705	2
<b><u>Capital Reserves</u></b>				
General Capital Receipts	20,415	8,783	11,632	3
<b>TOTAL</b>	<b>21,070</b>	<b>8,944</b>	<b>12,337</b>	

#### Notes

- 1 ICT Equipment Reserve was used to replace critical equipment in 2019/20
- 2 Rental income from Bellerbys buildings on the North Cambridge Academy site is being held to offset demolition costs when the lease expires in 2021.
- 3 General Capital Receipts received during 2019/20 have been used to fund the capital programme at year-end, and This Land Capital Receipts have been used for Commercial Investment. £11.6m of receipts have been retained for future investment.