

Income and Expenditure - Year End Forecast against Budget

Appendix F

	September 2019	Year End Forecast £	Annual Budget £	Forecast Variance £	Income / Expenditure Net-Off £	Net Forecast Variance £	Variance Notes - figures in brackets represent underspends or additional income achieved.
Housing Benefits	Transfer Payments, eg. Housing Benefits	31,284,046	35,345,402	(4,061,356)	0	(4,061,356)	Forecast currently based on the mid-year subsidy return from the Anglia Revenues Partnership ARP)
	Government Grants Outside Aggregate External Funding (AEF)	(30,873,445)	(34,904,220)	4,030,775	0	4,030,775	Forecast currently based on the mid-year subsidy return from the Anglia Revenues Partnership ARP)
	Overpayments Recovered	(453,000)	(491,182)	38,182	0	38,182	Forecast currently based on the mid-year subsidy return from the Anglia Revenues Partnership ARP)
	Total Benefits:	(42,399)	(50,000)	7,601	0	7,601	
Income	Income from Business Rates	(1,789,906)	(1,490,070)	(299,836)	299,836	0	£123k S31 Grant compensation lower than budgeted; £77k Pool Levy payable higher than budgeted; (£381k) Share of Suffolk Pooling higher than budgeted. Overall (£181k) benefit transferred to the Business Rates Retention Reserve (see reserves below), plus: (£119k) Pilot Benefit over and above final forecast for 2018/19, transferred to the BR Pilot Reserve
	Council Tax Income	(9,481,825)	(9,481,825)	0	0	0	On budget.
	Grants:						
	Formula Grant - Business Rate Retention Scheme	(4,451,218)	(4,451,218)	0	0	0	On budget.
	New Homes Bonus Grant	(1,848,172)	(1,848,172)	0	0	0	On budget. Grant transferred to the Strategic Priorities & MTFS Reserve in line with budget report.
	Other Grants	(2,432,669)	(2,315,537)	(117,132)	120,564	3,432	(£120k) ARP New Burdens grant transferred to the partnership via Third Party Payments below.
		(20,003,790)	(19,586,822)	(416,968)	420,400	3,432	
	Contributions:						
	Contributions - Suffolk County Council	(358,188)	(388,846)	30,658	0	30,658	Forecast income reduction in Blue Bin Recycling Performance Payments (RPPs) as a result of falling worldwide commodity prices.
	Contributions - Other Organisations	(523,530)	(515,332)	(8,198)	13,000	4,802	Variance includes contribution to the council towards Olding Road Skate park Lighting, additional spend associated with this contribution is shown under Premises Costs.
	Other Contributions	(400,749)	(320,369)	(80,380)	83,762	3,382	No significant change to budget assumptions.
		(1,282,467)	(1,224,547)	(57,920)	96,762	38,842	
	Reimbursements:						
	Service Level Agreement (SLA) Income	(871,892)	(890,634)	18,742	0	18,742	Variance mainly relates to reduced income forecast as a result of a CCTV contract which has not been renewed.
	Other Reimbursements	(2,607,408)	(2,247,444)	(359,964)	94,677	(265,287)	Additional income variance relates to: (£36k) additional income from SCC for additional desk space at West Suffolk house; (£100k) income within Car Parks relating to unplanned Business Rates and Electricity charges recouped on car parking from Derbyshire CC; (£83k) recovered from Babergh and Mid Suffolk for Legal Services; (£34k) fees from staff member seconded to Residential Care Services.
		(3,479,300)	(3,138,078)	(341,222)	94,677	(246,545)	

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Income	Sales:						
	Sales - Tickets	(1,323,453)	(1,221,687)	(101,766)	0	(101,766)	Ticket Sale income overall expected to be higher, mainly due to the success of the Apex (£77k) and the Bury Festival (£28k). Related costs held within Supplies & Services below.
	Fees - Planning Income	(1,664,549)	(1,725,600)	61,051	0	61,051	Planning Application Fees are currently forecast to be lower than budgeted, based on the year to date position and current knowledge of potential future applications. However, due to the nature of the planning process and what developments come forward, this position may change. It is partially offset by higher Pre-Application and Planning Performance Agreement income
	Fees - Building Regulations	(355,000)	(340,000)	(15,000)	0	(15,000)	Based on income levels to date, currently forecasted to be higher than budgeted.
	Fees - Refuse Collection & Disposal	(4,221,988)	(3,985,155)	(236,833)	0	(236,833)	Mainly Trade Waste (£165k) higher than budgeted (£2.62m as per the 2018/19 outturn) as a result of expansion of Rolonof & Skip Service, plus (£75k) Garden Waste Income higher than budget, partly offset by £12k reserve contribution. NB. as a result of the increased forecast income the Trade Waste Tipping Charges to the council are forecast £26k higher than budgeted, and Cardboard Rebates £25k higher (see Supplies & Services)
	Fees - Car Parking	(6,377,356)	(6,343,487)	(33,869)	0	(33,869)	Off Street Car Parking currently expected to be on budget. Leisure Service Car Parks currently forecasting (£34k) income higher than budget.
	Growth Income	(462,183)	(462,183)	0	0	0	
	Other Sales	(5,848,712)	(5,405,774)	(442,938)	192,200	(250,738)	Income/Expenditure net-off comprises: (£70k) MHCLG Brexit Grant transferred to Suffolk County Council, (£102k) DEFRA grant re; Pollution Prevention - see Third Party Payments, and £20k Haverhill House Security Income offset in Contract Cleaning Additional income above budget includes: (£93k) from Grounds Maintenance and Service Level Agreements; (£14k) increase in Moyses Hall event income; (£12k) Nowton Park event income; (£14k) increased Apex hire & merchandise fees; (£72k) administration fees (including off-street car parks) (£13k) District Highways Admin Fees; and a number of other smaller variances.
		(20,253,241)	(19,483,886)	(769,355)	192,200	(577,155)	
	Rental:						
	Rents - Industrial Units	(2,977,607)	(2,961,116)	(16,491)	0	(16,491)	Income forecasted to be slightly above budget.
	Rents - Shops	(1,455,623)	(1,450,220)	(5,403)	0	(5,403)	Income forecasted to be slightly above budget.
	Rents - Land	(955,620)	(956,428)	808	0	808	
	Other Rental	(456,206)	(420,265)	(35,941)	0	(35,941)	Additional (£20k) income for College Heath Road, plus (£15k) Town Centres & Shops
		(5,845,056)	(5,788,029)	(57,027)	0	(57,027)	
	Investment Interest & Dividends received	(469,250)	(387,642)	(81,608)	0	(81,608)	Investment interest received on higher cash balances offset by reduced expectation on Verse dividends and Barley Homes loan interest.
	Total Income (excluding Benefits):	(51,333,104)	(49,609,004)	(1,724,100)	804,039	(920,061)	

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	September 2019	Year End Forecast £	Annual Budget £	Forecast Variance £	Income / Expenditure Net-Off £	Net Forecast Variance £	Variance Notes - figures in brackets represent underspends or additional income achieved.
Expenditure	Total Cost of Employment	27,281,083	27,156,819	124,264	(49,646)	74,618	The current forecast overspend comprises a number of elements, including £63k overtime, £10k other pay, and £140k staff time that can be capitalised once projects come to fruition. This is offset to an extent by vacant posts and associated other salary costs.
	%	53%	55%	7%	6%	8%	
	Premises Costs	4,661,938	4,642,823	19,115	(33,200)	(14,085)	Forecast spend includes an additional £13k given to the council in respect of the additional Skate park lighting contribution - see Other Contributions above.
	%	9%	9%	1%	4%	-2%	
	Transport Costs	1,278,363	1,236,154	42,209	0	42,209	Fuel and spare parts currently forecasted to be overspent.
	%	2%	2%	2%	0%	4%	
	Supplies & Services Costs	10,901,591	10,028,447	873,144	(143,793)	729,351	Forecast Overspend arising from: £151k Professional Fees, including £36k valuations and rent reviews of commercial properties as part of the Invest for Growth agenda, which is in place to generate income and other benefits, £10k for Garden Waste in-cab technology implementation funded from the scheme, £25k Planning Policy appeals, £37k Local Plan cost funded from reserves and £16k in Democratic Services; £37k Materials purchases in Operations; £60k Bank Charges; £78k Bad Debts Provision; £100k Property Services - asset preservation and security; £22k Bury Festival artists fees (see Other Sales); £68k Apex Artists fees (see Other Sales); £40k on Mobile Phones - increased device numbers; £90k ICT Hardware Costs, funded from reserves and the ARP Reimbursement; £19k Trade Waste Cardboard Collection Rebates (Roro Service); £35k on Moyses Hall event costs (see Other Sales);
	%	21%	20%	50%	18%	78%	
	Third Party Payments, eg. Provision of services by other organisations that could be performed in-house.	2,993,524	2,582,194	411,330	(292,564)	118,766	£120k relates to ARP New Burdens grant paid to the Partnership - see also Other Grants above; £101k re Prevention of Pollution relating to Defra funding - see Fees Other above; £64k on Off-Street Car Parks; plus £26k additional Tipping Charges associated with forecast increase in Trade Waste income
	%	6%	5%	24%	36%	13%	
Expenditure	Capital Costs, eg. Interest on borrowing, Minimum Revenue Provision	1,668,080	1,668,080	0	0	0	No change to borrowing assumptions
	%	3%	3%	0%	0%	0%	
	Net Contributions to/(from) Reserves (excluding Employee-related contributions which are included under the Total Cost of Employment)	2,616,562	2,344,486	272,076	(284,836)	(12,760)	The net reserves forecast is primarily comprised of contributions to the Business Rates reserves, and a number of smaller variances across other services: £181k Business Rates equalisation reserve re: net effect of Pooling Benefit, Levy & S31 Grants - see Business Rates above. £119k Business Rates Pilot Reserve re: Pilot Benefit - see Business Rates above.
	%	5%	5%	16%	35%	-1%	
	Total Expenditure (excluding Benefits);	51,401,141	49,659,003	1,742,138	(804,039)	938,099	
	Net (Surplus) / Deficit:	25,638	(1)	25,639	0	25,639	