

Income and Expenditure - Year End Forecast against Budget

Appendix F

	December 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)	(30,877,257)	(34,904,220)	4,026,963	0	4,026,963	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:	(46,211)	(50,000)	3,789	0	3,789	This forecast variance includes £246k of HB subsidy foregone due to increased use of B&Bs for homelessness provision. This is offset by increases in overpayments recovered.
Income	Income from Business Rates	(1,805,560)	(1,490,070)	(315,490)	315,490	0	£152k Pool Levy payable higher than budgeted; (£120k) Pilot Benefit over and above final forecast for 2018/19, transferred to the BR Pilot Reserve £100k S31 Grant compensation lower than budgeted; (£448k) Share of Suffolk Pooling higher than budgeted. Overall (£181k) benefit transferred to the Business Rates Retention Reserve (see reserves below).
	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	(2,413,873)	(2,267,537)	(146,336)	144,000	(2,336)	(£144k) ARP New Burdens grant transferred to the partnership via Third Party Payments below.
		(20,000,648)	(19,538,822)	(461,826)	459,490	(2,336)	
	Contributions:						
	Contributions - Suffolk County Council	(325,330)	(388,846)	63,516	0	63,516	Forecast income reduction in Blue Bin Recycling Performance Payments (RPPs) as a result of falling worldwide commodity prices.
	Contributions - Other Organisations	(673,063)	(515,332)	(157,731)	166,510	8,779	Variance includes contribution to the council towards Olding Road Skate park Lighting, additional spend associated with this contribution is shown under Premises Costs, plus Lifelink Funding (£153k) transferred to the SP & MTFs Reserve.
	Other Contributions	(456,982)	(320,369)	(136,613)	146,586	9,973	No significant change to budget assumptions.
		(1,455,375)	(1,224,547)	(230,828)	313,096	82,268	
	Reimbursements:						
Service Level Agreement (SLA) Income	(874,208)	(890,634)	16,426	0	16,426	Variance mainly relates to reduced income forecast as a result of a CCTV contract which has not been renewed.	
Other Reimbursements	(2,636,919)	(2,247,444)	(389,475)	70,000	(319,475)	Additional income variance relates to: (£44k) 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; (£131k) Utility Costs reimbursed from Industrial Tenants; (£70k) recovered from Babergh and Mid Suffolk for Legal Services; (£30k) reimbursement of Homelessness prevention costs; (£40k) fees from staff member seconded to Residential Care Services.	
	(3,511,127)	(3,138,078)	(373,049)	70,000	(303,049)		

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Income	Sales:						
	Sales - Tickets	(1,472,780)	(1,221,687)	(251,093)	203,000	(48,093)	Ticket Sale income overall expected to be higher, mainly due to the success of the Apex (£227k) and the Bury Festival (£28k). Related costs held within Supplies & Services below.
	Fees - Planning Income	(1,697,180)	(1,725,600)	28,420	0	28,420	Planning Application Fees are currently forecast to just under budget by around 2%, 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.
	Fees - Building Regulations	(351,000)	(340,000)	(11,000)	0	(11,000)	Based on income levels to date, currently forecasted to be higher than budgeted.
	Fees - Refuse Collection & Disposal	(4,198,848)	(3,985,155)	(213,693)	0	(213,693)	Mainly Trade Waste (£165k) higher than budgeted (£2.62m as per the 2018/19 outturn) as a result of expansion of the Rolonof and Skip Services, plus (£87k) Garden Waste Income higher than budget, partly offset by £15k reserve contribution. NB. as a result of the increased forecast income and price increases the Trade Waste Tipping Charges to the council are forecast £166k higher than budgeted, and Cardboard Rebates £18k higher (see Supplies & Services)
	Fees - Car Parking	(6,392,835)	(6,349,987)	(42,848)	0	(42,848)	Off Street Car Parking currently expected to be on budget. Leisure Service Car Parks currently forecasting income higher than budget.
	Other Sales	(6,085,689)	(5,485,774)	(599,915)	255,000	(344,915)	Income/Expenditure net-off comprises: (£70k) MHCLG Brexit Grant transferred to Suffolk County Council; (£63k) administration fees (including off-street car parks); (£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: £50k reduction in Scrap Sales as a result of commodity prices; £32k reduction in Land Charges income; £36k reduction in Market Income; (£30k) increase in Solar Income; (£40k) increased Feed-in Tariff income; (£92k) from Grounds Maintenance Services; (£15k) increase in Moyses Hall event income; (£11k) Nowton Park event income; (£11k) increased Apex hire & merchandise fees; (£13k) District Highways Admin Fees; and a number of other smaller variances.
		(20,557,077)	(19,466,948)	(1,090,129)	458,000	(632,129)	
	Rental:						
	Rents - Industrial Units	(2,632,723)	(2,601,348)	(31,375)	0	(31,375)	Income forecasted to be slightly above budget.
	Rents - Shops	(1,777,603)	(1,809,988)	32,385	0	32,385	Income forecasted to be lower than budget as a result of vacancies/changes in rental levels.
	Rents - Land	(956,615)	(956,428)	(187)	0	(187)	
	Other Rental	(567,897)	(533,244)	(34,653)	0	(34,653)	Additional (£20k) income for College Heath Road, plus (£15k) Town Centres & Shops
		(5,934,838)	(5,901,008)	(33,830)	0	(33,830)	
Investment Interest & Dividends received	(502,250)	(387,642)	(114,608)	0	(114,608)	Investment interest received on higher cash balances offset by reduced expectation on Verse dividends and Barley Homes loan interest.	
Total Income (excluding Benefits):	(51,961,315)	(49,657,045)	(2,304,270)	1,300,586	(1,003,684)		

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Expenditure	Total Cost of Employment	26,659,482	27,108,820	(449,338)	(55,547)	(504,885)	The current forecast underspend comprises a number of elements, including £68k overtime, £32k other pay, and £210k 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. A large proportion of this forecast underspend (£475k) relates to the expected reduction in the employers pension deficit payment to Suffolk County Council which is dependent on the 3 year triennial valuation. This positive variance has been reflected in a transfer to the Invest to Save reserve (see reserves below).
	%	51%	55%	-20%	4%	-50%	
	Premises Costs	4,764,604	4,722,823	41,781	(33,000)	8,781	Forecast spend includes an additional £13k given to the council in respect of the additional Skate park lighting contribution - see Other Contributions above. Plus £20k additional costs of caretaker at Haverhill House, recovered in other sales.
	%	9%	10%	2%	3%	1%	
	Transport Costs	1,282,257	1,236,154	46,103	0	46,103	Overspend mainly related to fuel costs.
	%	2%	2%	2%	0%	5%	
	Supplies & Services Costs	11,075,629	10,048,447	1,027,182	(363,762)	663,420	Income/Expenditure net-off comprises: (£110k) ICT Hardware Costs, funded from reserves and the ARP Reimbursement; £70k Locality/Community Chest Budgets, offset by lower reserve contributions; (£203k) Artistes/Performers Fees, offset by increased ticket income; (£37k) Temporary Accommodation costs, offset by lower reserve contributions; Forecast Overspend arising from: £79k Professional Fees, including £35k 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, £9k for Garden Waste incab technology implementation funded from the scheme, £25k Planning Policy appeals, (£37k) Local Plan underspend offset within from reserves and £15k in Democratic Services; £40k Legal/Court Fees; £70k Material purchases in Operations; £81k Bank Charges; £78k Bad Debts Provision; £42k on Mobile Phones - increased device numbers; £35k Computer Hardware Purchases; £26k Accommodation Costs (Housing Options); £19k Trade Waste Cardboard Collection Rebates (Roro Service); £15k on Moyses Hall event costs (see Other Sales);
	%	21%	20%	45%	28%	66%	
	Third Party Payments, eg. Provision of services by other organisations that could be performed in-house.	3,130,523	2,617,194	513,329	(379,000)	134,329	£144k 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; £95k Property Services - asset preservation and security; £64k on Off-Street Car Parks; plus £26k additional Tipping Charges associated with forecast increase in Trade Waste income and £90k additional Tipping Charges as a result of increased prices.
	%	6%	5%	22%	29%	13%	

