

Income and expenditure - year end forecast against budget - September 2020

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	Year end forecast	Annual budget	Forecast (positive) or negative variance	Income, expenditure or reserves (positive) or negative net-off	Net forecast (positive) or negative variance	Impact attributable to COVID-19	COVID-19 Sales, fees and charges compensation and Arts Council funding	COVID-19 note, grant usage within net position	Variance notes - figures in brackets represent underspends or additional income achieved.
	£	£	£	£	£	£	£	£	
Benefits - transfer payments.	27,816,254	27,316,254	500,000	(500,000)	0	0	0	0	Forecast on budget. Department of Works and Pensions (DWP) have uplifted the Housing Benefits (HB) Subsidy to reflect the projected impact of COVID-19. Forecast assumes equal increase in HB payments.
Benefits - Government grants outside Aggregate External Funding (AEF).	(27,302,622)	(26,802,622)	(500,000)	500,000	0	0	0	0	Forecast on budget. DWP have uplifted the HB Subsidy to reflect the projected impact of COVID-19. Forecast reflects this uplift.
Benefits - overpayments recovered.	(256,816)	(513,632)	256,816	0	256,816	256,816	0	0	Forecast overspend. Assumes only 50 per cent of budgeted recovery due to the impact of COVID-19.
Totals for Benefits:	256,816	0	256,816	0	256,816	256,816	0	0	
Income from Business Rates.	(19,737,654)	(3,733,427)	(16,004,227)	16,004,227	0	0	0	0	On budget. Income, expenditure, reserves net-off comprises: £640,000 pool levy payable higher than budgeted; £15,056,000 Section 31 grant compensation higher than budgeted Overall (£16,004,000) benefit transferred to the Business Rates Retention Reserve (see reserves below) and will be used to offset the Collection Fund deficit resulting from the COVID-19 expanded Business Rate reliefs.
Income from Council Tax.	(9,943,251)	(9,943,251)	0	0	0	0	0	0	On budget. Demand from Collection Fund in year is confirmed. Likely impact of COVID-19 to be seen in year end Collection Fund position.
Grant income:									
Income from Formula Grant - Business Rate Retention Scheme.	(4,523,743)	(4,523,743)	0	0	0	0	0	0	On budget. Demand from Collection Fund in year is confirmed. Likely impact of COVID-19 to be seen in year end Collection Fund position.
Income from New Homes Bonus grant.	(1,811,237)	(1,811,238)	1	(1,200,001)	(1,200,000)	0	0	0	Forecast positive variance. Reduction in the amount of New Homes Bonus transferred to reserve in order to part mitigate the current forecast budget position.
Income from other grants.	(49,657,247)	(45,313,616)	(4,343,631)	229,920	(4,113,711)	(93,482)	4,031,500	0	Forecast positive variance. Income, expenditure, reserves net-off comprises: £200,000 New Burdens funding transferred to Anglia Revenues Partnership, see also Third Party Payments below. Income above budget as a result of COVID-19 comprises: (£3,535,000) COVID-19 Sales, Fees and Charges Compensation grant (£496,000) COVID-19 Culture Recovery grant (£93,000) COVID-19 Job Retention Scheme grant.
	(85,673,132)	(65,325,275)	(20,347,857)	15,034,146	(5,313,711)	(93,482)	4,031,500	0	

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Contributions:									
Income - contributions from Suffolk County Council (SCC).	(376,646)	(359,846)	(16,800)	0	(16,800)	0	0	0	Income higher than budgeted comprises: £34,000 reduction in refuse gate fee incomes (£50,000) higher Civil Parking Enforcement income.
Income - contributions from other organisations.	(599,648)	(399,925)	(199,723)	97,137	(102,586)	0	0	0	Income higher than budgeted. Income, expenditure, reserves net-off comprises: £40,000 SCC Contribution to Haverhill 'One Step Closer' project, see also Supplies and Services £18,000 printing costs to be claimed from 'Safer Places' Funding, see also Supplies and Services £39,000 Section 106 monies in Parks & Play provision, transferred to reserves. Additional income above budget comprises: (£77,000) Housing Severe Weather Emergency Provision (SWEP) grant received (£13,000) Planning Policy contribution to neighbourhood plan costs (£5,000) Abbey Gardens English Heritage management fees (£4,000) East Town Park additional contributions (£2,000) Other Parks & Play provision.
Income - other contributions.	(519,112)	(455,985)	(63,127)	(37,000)	(100,127)	(135,000)	0	0	Income higher than budgeted. Income, expenditure, reserves net-off comprises: (£37,000) project efficiencies in respect of Mildenhall Hub, offset with interest and minimum revenue provision. Income above budget as a result of COVID-19 comprises: Housing Benefit contributions to bed and breakfast higher than budgeted, due to increase in temporary accommodation as a result of COVID-19.
	(1,495,406)	(1,215,756)	(279,650)	60,137	(219,513)	(135,000)	0	0	
Reimbursement Income:									
Income from Service Level Agreements (SLAs).	(932,338)	(838,124)	(94,214)	51,000	(43,214)	0	0	0	Income, expenditure, reserves net-off comprises: £51,000 SCC Share of additional National Health Service (NHS) income as referenced below in Other Reimbursements. Income above budget comprises: £102,000 West Suffolk House, additional income from NHS moving in from mid June 2020, 50 per cent of which is due to SCC.

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Income from other reimbursements.	(2,636,118)	(2,774,668)	138,550	(51,000)	87,550	147,000	0	11,000	Income lower than budgeted. Income, expenditure, reserves net-off comprises: £90,000 SCC share of West Suffolk Operational Hub business rates; (£51,000) SCC Share of additional NHS income for West Suffolk House. Income below budget as a result of COVID-19 comprises: £100,000 reduced costs reimbursed in respect of offices, offset by lower expenditure £59,000 West Suffolk Operational Hub business rates (net of SCC share) £15,000 Babergh Mid Suffolk Legal Services £118,000 Anglia Revenues Partnership - lost enforcement income (partly offset by use of COVID grant). Income above budget includes: (£80,000) income above budget from Babergh Mid Suffolk for parking enforcement (£15,000) CCTV; (£13,000) Housing Development and Strategy; (£14,000) Housing Options - Private Sector Rented Fund.
	(3,568,456)	(3,612,792)	44,336	0	44,336	147,000	0	11,000	
Sales:									
Income - ticket sales.	(13,444)	(1,428,233)	1,414,789	(1,067,500)	347,289	347,289	(70,000)	0	Income lower than budgeted. Income, expenditure, reserves net-off comprises: (£971,000) The Apex; and (£97,000) Bury Festival - reduced artistes fees. Income below Budget as a result of COVID-19 comprises: £1,318,000 The Apex; £93k Bury Festival; £4k Mayoralty & Civic Functions. All are attributable to event cancellation as a result of COVID-19.
Income - Planning Fees.	(1,447,585)	(1,741,000)	293,415	0	293,415	295,207	(156,000)	0	Income below Budget as a result of COVID-19: Planning income budget was set as best case scenario. There was a slight reduction in application numbers and enquiries coming through in April compared to March. This is considered to be attributable to COVID-19 when many firms shut down as an initial reaction, although we did see a continued stream of smaller scale applications, which we suspect was agents working through their existing commissions. May saw a rise in applications and inspection requests as many builders got back to work and sites began to open up again with June-August seeing similar numbers of applications to previous years. As a general trend for 2020 calendar year it is worth noting that application submissions month on month compared to the previous 2 years are about 10 per cent down; this could be attributable to an uncertain market relating to Brexit. A large scale major development for Suffolk Business Park resulted in an improved August forecast compared to July.
Income - Building Regulation Fees.	(323,238)	(352,800)	29,562	0	29,562	29,562	(5,000)	0	Income below Budget as a result of COVID-19: Forecast based on reduced activity over the first few months of the year, however building and housing activity now beginning to pick up.

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Income - Refuse collection and disposal fees.	(3,542,687)	(4,350,021)	807,334	0	807,334	807,334	(349,000)	0	Income below Budget as a result of COVID-19: £489,000 Trade Waste (cancelled subscriptions) £189,000 Garden Waste (cancellations and rebased timings) £22,000 Street Cleansing £12,000 Bulky Collections £97,000 Corporate additional collection targets (linked to Trade and Garden Waste, unlikely to be achieved in the current business climate).
Income - car parking fees.	(3,918,186)	(7,761,782)	3,843,596	0	3,843,596	3,813,596	(2,570,000)	0	Income below Budget as a result of COVID-19: £3,661,000 forecast shortfall, based on the effects of the March-June and November lockdowns, and an anticipated reduction in volumes for the remainder of the year as a result of general market recovery being lower than pre-COVID-19 levels. £183,000 anticipated shortfall on Civil Parking Enforcement and on-street parking.
Income - Investing in our Growth.	(145,000)	(1,449,300)	1,304,300	(1,304,300)	0	0	0	0	Income, expenditure, reserves net-off comprises: (£1,287,000) interest on borrowing; (£1,134,000) minimum revenue provision; £37,000 project efficiencies; £1,080,000 contribution to reserves. Income below budget: Growth projects currently assumed to fall short of the budget, however this is offset by reduced borrowing assumptions and reserves contributions.
Income - other sales.	(4,216,115)	(5,833,264)	1,617,149	86,664	1,703,813	1,428,962	(807,743)	0	Income lower than budgeted. Income, expenditure, reserves net-off comprises: £19,000 Professional fees recharged to Barley Homes (supplies and services); £68,000 Electoral Registration income including bank balances transferred to Elections Reserve. Income below budget as a result of COVID-19 comprises: £32,000 General sales, advertising, scrap materials £32,000 Feed-in tariffs £270,000 Leisure commission, booking fees and memberships £57,000 Land charges fees £145,000 Licensing fees £340,000 Leisure Services Fees, including £170,000 Apex £166,000 Market income £225,000 Christmas Fayre (fully offset with reduced expenditure) £179,000 Grounds maintenance £159,000 Vehicle workshops £44,000 Tree maintenance £170,000 Council Tax administration. Other Income below budget includes: £242k Solar Income variance, partly as a result of a lower unit rate from auction process, offset to an extent by increased generation over the first 3 months of the financial year, plus an improved rate following August auction. Additional reduction in generation towards the end of July due to a broken transformer which now operational again. and several other smaller variances. Partly offset with income above budget: (£270,000) Housing Options - Temporary Accommodation.
	(13,606,255)	(22,916,400)	9,310,145	(2,285,136)	7,025,009	6,721,950	(3,957,743)	0	

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Income from Rentals:									
Income from industrial unit rents.	(2,596,994)	(2,542,448)	(54,546)	0	(54,546)	0	0	0	Income below budget arising from COVID-19 comprises: anticipated reduction in rental income due to a number of tenants exiting premises. This includes two companies which have entered administration. Offset by other income above budget: arising from the extension of use of Olding Rd Logistic Unit by the NHS - (£93,000).
Income from shop rents.	(1,660,079)	(1,803,276)	143,197	0	143,197	143,197	0	0	Income below budget arising from COVID-19: The reduction in rental income from retail assets is partly due to the leasing arrangements where the council receives a percentage of the rents collected by the intermediate landlord which we expect to be negatively impacted by COVID-19.
Income from land rents.	(935,855)	(969,170)	33,315	0	33,315	33,315	0	0	Income below budget arising from COVID-19 comprises: £33,000 less rental forecasted as a result of one of our customer's tenants paying less rent.
Income from other rentals.	(681,898)	(650,860)	(31,038)	0	(31,038)	43,773	0	0	Income below budget arising from COVID-19 comprises: £38,000 Housing Options temporary accommodations; £5,000 Nowton Park Other Income above budget comprises: (£74,000) Office rents higher than budgeted as a result of delayed lease surrender.
	(5,874,826)	(5,965,754)	90,928	0	90,928	220,285	0	0	
Income from investment interest and dividends received.	(417,452)	(431,500)	14,048	(14,048)	0	0	0	0	Income lower than budget comprises: Investment interest currently anticipated to be slightly lower than budgeted, offset with slightly higher dividend income and contribution from reserves.
Total income (excluding benefits):	(110,635,527)	(99,467,477)	(11,168,050)	12,795,099	1,627,049	6,860,753	73,757	11,000	
Expenditure - total cost of employment.	28,109,153	28,430,929	(321,776)	538,000	216,224	250,000	0	0	Additional Spend due to COVID-19 includes: £110,000 Overtime £140,000 Agency staff Other Spend above budget includes: £164,000 Salary capitalisation not expected to be achieved £275,000 impact of 2.75 per cent payrise assumption (2 per cent budgeted) Partly offset by overall underspends on basic pay and associated costs as a result of staff vacancies.
Percentage of total spend	25%	29%	-3%	-4%	-27%				

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Expenditure - premises costs.	5,246,165	5,142,552	103,613	0	103,613	0	0	53,000	Forecast spend higher than budgeted. Additional spend above budget includes: £45,000 West Suffolk Operational Hub project efficiencies, realised across other budget headings; £95,000 Business Rates in respect of Olding Road Depot, currently under scoping for Western Way Development. Expenditure lower than budget includes: (£39,000) West Suffolk Operational Hub business rates (£60,000) Utility costs lower than budgeted as a result of lower premises occupancy.
Percentage of total spend	5%	5%	1%	0%	-13%				
Expenditure - transport and related costs.	1,378,895	1,375,147	3,748	0	3,748	0	0	0	Forecast spend slightly higher than budgeted. Spend above budget comprises: £112,000 Vehicle costs, including parts, maintenance contract, hire of plant and so on. Spend below budget comprises: (£108,000) underspend on vehicle fuel.
Percentage of total spend	1%	1%	0%	0%	0%				
Expenditure - supplies and services costs.	50,388,418	50,830,105	(441,687)	1,019,899	578,212	1,802,951	(73,757)	1,069,800	Overall spend higher than budgeted. Income/expenditure net-Off comprises: (£40,000) Haverhill "One Step Closer" monies offset with SCC contributions (£18,000) External printing to be claimed from Safer Place funding (£19,000) Professional fees reimbursed by Barley Homes (£29,000) feasibility spend offset with lower reserve funding £1,067,000 Artistes fees offset with ticket sales. Additional Spend above budget as a result of COVID-19 comprises: £153,000 Additional management fees support to Abbeycroft Leisure, to be funded from COVID-19 grant. Additional provision provided for; £32,000 increase in Locality Budgets, funded from COVID-19 grant monies; £500,000 Accommodation & prevention costs for Homelessness, funded from COVID-19 grant; £100,000 increase in provision for bad debts, funded from COVID-19 grant; Other spend above budget includes: £30,000 Bank charges; £32,000 Business Software purchase and upgrades; Plus various other smaller variances. Spend below budget includes: (£75,000) reduction in fees and charges at leisure sites and car parks (offset with reductions in income) (£77,000) reduction in special event and promotional spend at leisure sites (offset with reductions in income).
Percentage of total spend	45%	51%	-4%	-8%	-71%				

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Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	2,081,411	2,195,010	(113,599)	(229,920)	(343,519)	(124,702)	0	0	Income, expenditure, reserves net-off comprises: £200,000 New Burdens grant, including £170,000 Business Grant Administration grant; Reduced spend below budget as a result of COVID-19 comprises: (£51,000) lower waste tipping charges as a result of reduced income; (£74,000) Christmas Fayre - event security; (£35,000) Christmas Fayre - traffic management.
Percentage of total spend	2%	2%	-1%	2%	42%	-6%			
Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	920,749	3,341,724	(2,420,975)	2,420,975	0	0	0	0	Income, expenditure, reserves net-off comprises: £1,134,000 Interest on borrowing; £1,287,000 Minimum Revenue Provision. Forecast spend below budget as a result of no intended borrowing in the year. Contributed to the Capital Financing Reserve - as one off benefit and to offset future borrowing rate risk. Also offset with reduced growth income assumptions.
Percentage of total spend	1%	3%	-20%	-19%	0%	0%			
Net expenditure - contributions to or (from) reserves (excluding employee-related contributions which are included under the total cost of employment)	23,328,500	8,152,010	15,176,490	(16,544,053)	(1,367,563)	0	0	(1,133,800)	Income, expenditure, reserves net-off comprises: (£1,080,000) Borrowing interest and Minimum Revenue Provision; (£16,000,000) Business Rates in respect of Section 31 grants, extended reliefs as a result of COVID-19; (£538,000) Pension backfunding credit contributed to reserve (£68,000) Electoral Registration £1,200,000 lower contribution to reserves in respect of New Homes Bonus. Lower net contribution to reserves comprises: (£60,000) Elections budgeted contribution not allocated (£674,000) COVID-19 grant contributed from reserves (£184,000) Lower contribution to reserves than budgeted in Corporate Finance.
Percentage of total spend	21%	8%	127%	129%	169%				
Total expenditure (excluding Benefits):	111,453,291	99,467,477	11,985,814	(12,795,099)	(809,285)	1,928,249	(73,757)	(11,000)	
Net (surplus) or deficit:	1,074,580	0	1,074,580	0	1,074,580	9,045,818	0	0	