

## Income and Expenditure - year end forecast against budget - June 2021 Appendix F

	Year end forecast £	Annual budget £	Net (positive) or negative variance £	COVID-19 Impact £	Variance notes - figures in brackets represent underspends or additional income achieved.
Transfer payments: Net (Income) and expenditure on Benefits	185,618	185,618	0	183,982	<b>Benefits payments currently forecasted to be on budget</b> Overall gross budgets comprises: £29,404,000 rent allowances, temporary accommodation rebates and discretionary benefits, mostly funded by benefits and rent rebate subsidy, discretionary rent allowance subsidy and overpayments recovered.
<b>Total Net Benefits (income) or expenditure:</b>	<b>185,618</b>	<b>185,618</b>	<b>0</b>	<b>183,982</b>	
Income from Business Rates	12,615,142	12,615,142	0	0	<b>Business Rate income currently forecasted to be on budget.</b> Overall budget includes: £154,000 additional levy payable to the Suffolk Pool (£8,875,000) section 31 grants higher than budgeted. Balance currently transferred to the Business Rates Equalisation Reserve for future utilisation in 2022/23 against the collection fund deficit.
Income from Formula Grant (Business Rate Retention Scheme), Council Tax and New Homes Bonus Grant	(15,921,519)	(15,921,519)	0	0	<b>Formula Grant income forecasted to be on budget</b> Forecast includes the following: (£4,524,000) Business Rate Retention Scheme income (£1,320,000) New Homes Bonus Grant (£10,077,000) Council Tax income (net of Parish demand).
Income from other grants	(5,200,031)	(4,700,019)	(500,012)	0	<b>Forecast income higher than budgeted</b> Forecast includes the following: (£430,000) COVID-19 Sales, fees and charges compensation higher than budget as a result of greater income reductions than originally anticipated (£19,000) Additional burdens income for Self Isolation grant administration (£10,000) additional Council Tax administration grant funding (£23,000) Waste and Resources action plan grant.
<b>Total income from external grants, business rates and council tax:</b>	<b>(8,506,408)</b>	<b>(8,006,396)</b>	<b>(500,012)</b>	<b>0</b>	

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Income from external contributions and reimbursements	(3,814,501)	(4,064,524)	250,023	0	<b>Income forecasted to be lower than budgeted:</b> £27,000 reduced sponsorship income £189,000 reduced income from external organisations for facilities and utilities reimbursements, offset with reduced premises spend £39,000 reduced Anglia Revenues Partnership reimbursement, however overall the partnership budgets are forecasted to provide a small surplus to the council.
Income from Service Level Agreements (SLAs)	(942,604)	(944,600)	1,996	0	<b>Income forecasted to be broadly in line with budget</b> Includes service level agreements for the provision of ICT, payroll, facilities and financial services to outside bodies.
Income from ticket sales, commission and memberships	(1,493,006)	(1,800,075)	307,069	591,000	<b>Income forecasted to be lower than budget</b> Overall forecast shortfall of around £600,000 as a result of COVID-19, offset to an extent by reductions in performers fees and other associated costs such as commission and so on.
Income from other Leisure sales	(325,986)	(433,356)	107,370	97,000	<b>Income forecasted to be lower than budget</b> Forecast income reductions across our leisure sites, mainly arising as a result of COVID-19. Around £78,000 of this variance relates to reduced hire charges for the Apex.
Income from Planning Fees	(1,627,500)	(1,627,500)	0	0	<b>Income forecasted to be in line with budget</b> Based on the first 3 months income received, Planning Application fees are currently expected to be in line with the budget, however this will be kept under close review due to the significant nature of this income.
Income from Building Regulation Fees	(345,793)	(359,850)	14,057	0	<b>Income currently forecasted to be lower than budgeted</b> Based on current levels of activity.
Income from Refuse collection, disposal fees and sales of scrap materials	(4,465,193)	(4,562,802)	97,609	0	<b>Income currently forecasted to be lower than budgeted</b> The budget currently includes an additional £98,000 stretched income target in respect of Trade Waste Collection. Whilst the service is currently expecting to achieve its base target income, the stretched target is not forecasted to be achieved due to the current economic climate. This will be kept under review in the coming months.

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Income from Car Parking	(6,674,225)	(8,234,042)	1,559,817	1,257,000	<b>Income currently forecasted to be lower than budgeted</b> This is due to reduced numbers in our car parks; whilst these are beginning to recover from the COVID-19 lockdown restrictions, footfall numbers are still not at the levels previously experienced. This will be closely monitored in the coming months; however, it is uncertain how quickly this will take place, and how any customer behavioural changes will impact on our income as we move into the next steps of recovery.
Income from Solar Farm and other energy initiatives	(1,852,385)	(1,902,368)	49,983	0	<b>Income currently forecasted to be lower than budgeted</b> £20,000 Solar Farm income currently forecasted to be slightly lower than budgeted, based on the first 3 months activity (full budget £1,400,000). £29,000 income from feed-in tariffs expected to be lower than budgeted. Capital investment in the Community Energy Plan in the previous year was lower than budgeted due to COVID-19 and lockdown restrictions. This has had a knock-on effect on the generation of feed-in tariff income from this scheme. This will be closely monitored over the remainder of the year as the Community Energy plan develops.
Income from Licensing	(377,591)	(436,106)	58,515	54,000	<b>Income currently forecasted to be lower than budgeted</b> Current income forecasts are based on income levels to date and the previous year's actuals. Income levels have been adversely affected by closure of premises as a result of COVID-19 lockdowns and so on.
Income from Markets	(320,000)	(359,140)	39,140	0	<b>Income currently forecasted to be lower than budgeted</b> Primarily due to the effects of COVID-19, market income forecast to be lower than budget due to continued social distancing and limited trading space.
Income from investing in our growth	(648,315)	(648,315)	0	0	<b>Income currently forecasted to be in line with the budget</b> Growth income assumptions are closely tied in with borrowing and Minimum Revenue Provision (MRP) requirements, see also the capital costs section below. Any reduced or additional income assumptions in this area are offset with corresponding contributions to or from the Capital Project Financing Reserve.
Income from other sales	(2,126,916)	(2,106,191)	(20,725)	0	<b>Income currently forecasted to be higher than the budget</b> (£8,000) Strategic Tourism Advertising sales (£7,000) Land Charges search fees (£15,000) Additional RingGo Car Parking fees due to timings in the provision of the service.

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Income from Rentals	(6,097,141)	(6,155,429)	58,288	0	<b>Income currently forecasted to be lower than budgeted</b> £33,000 void industrial and business units £16,000 shop rents - losses on 2 shops offset in part by another resuming lease £11,000 other property rentals - rent free period given Income currently forecasted to be higher than budgeted (£2,000) office rentals.
Income from investment interest and dividends received	(465,185)	(465,185)	0	0	<b>Income currently forecasted to be in line with the budget</b> Includes the following budgets: (£45,000) Interest on investments (£40,000) Dividends (Verse) (£380,000) Loan Interest (including Barley Homes).
<b>Total income from Sales, contributions and reimbursements:</b>	<b>(31,576,341)</b>	<b>(34,099,483)</b>	<b>2,523,142</b>	<b>1,999,000</b>	
<b>Total income (excluding Benefits):</b>	<b>(40,082,749)</b>	<b>(42,105,879)</b>	<b>2,023,130</b>	<b>1,999,000</b>	
Expenditure - total cost of employment	29,632,042	29,632,042	0	840,404	<b>Employment costs currently forecasted to be in line with the budget</b> This heading includes basic pay and associated oncosts such as employers national insurance and pension, plus costs of agency staff, recruitment, training, professional subscriptions and so on. It also includes an allowance of around 2 per cent to allow for vacancies and recruitment timings during the year.  Includes £840,000 additional costs in respect of COVID-19, for example Test and Trace and Outbreak Control initiatives, funded through external grant income.
Percentage of total spend	72.7%	72.7%	0.0%		

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Expenditure - premises costs	5,457,046	5,502,138	(45,092)	0	<b>Costs currently forecasted to be lower than budgeted</b> (£115,000) business rates lower than budgeted, mainly due to expected loss of a customer not materialising <b>Costs currently forecasted to be higher than budgeted</b> £22,000 increased contract cleaning costs £17,000 increased service charges Plus several smaller variances.
Percentage of total spend	13.4%	13.5%	-180.3%		
Expenditure - transport and related costs	1,454,189	1,441,359	12,830	0	<b>Costs currently forecasted to be higher than budgeted</b> £5,000 Grounds maintenance plant hire £6,000 vehicle hire, black and blue bin refuse collection Plus several smaller variances.
Percentage of total spend	3.6%	3.5%	51.3%		
Expenditure - supplies and services costs	9,433,501	9,329,094	104,407	515,472	<b>Costs currently forecasted to be higher than budgeted</b> £100,000 increase in bad debt provision as a result of COVID-19  The COVID-19 impact includes the bad debt provision increase, plus purchases of ICT equipment, leisure support and locality budgets.
Percentage of total spend	23.1%	22.9%	417.5%		
Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	2,412,019	2,419,016	(6,997)	0	<b>Costs currently forecast to be slightly lower than budgeted</b> Lower third party costs anticipated on internal facilities and leisure events.
Percentage of total spend	5.9%	5.9%	-28.0%		

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Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	3,135,850	3,135,850	0	0	<b>Spend currently forecasted to be in line with the budget</b> These costs are tied in with our projected borrowing and Minimum Revenue Provision (MRP) requirements during the year, and Growth income assumptions as mentioned above. Any reduced or additional expenditure assumptions in this area are currently compensated for with corresponding contributions to or from the Capital Project Financing Reserve.
Percentage of total spend	7.7%	7.7%	0.0%		
Net expenditure - contributions to or (from) reserves (excluding employee-related and premises contributions which are included under their respective expenditure headings)	(10,752,685)	(10,712,545)	(40,140)	0	<b>Contributions from reserves forecasted to be higher than budgeted</b> (£20,000) contribution towards costs of planning appeals and legal fees (£13,000) additional funding provided for Homelessness Rough Sleeper costs (£7,000) reduced contributions to reserves in several other areas.  £1,506,000 Transfer to the General Fund balance included in this budget heading. Proposed to utilise a small amount of this transfer in order to bring the year end position to budget as shown in the table below.
Percentage of total spend	-26.4%	-26.3%	-160.5%		
<b>Total expenditure (excluding Benefits):</b>	<b>40,771,962</b>	<b>40,746,954</b>	<b>25,008</b>	<b>1,355,876</b>	
<b>Net (surplus) or deficit:</b>	<b>874,831</b>	<b>(1,173,307)</b>	<b>2,048,138</b>		

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Budgeted COVID-19 Pressures	0	1,173,306	(1,173,306)		Included in the original approved budget for 2021 to 2022.
<b>Forecast Year end variance</b>	<b>874,831</b>	<b>(1)</b>	<b>874,832</b>	<b>3,538,858</b>	
<b>Proposed funding:</b>					
Use of COVID-19 Local Authority Support Grant			(871,543)		Represents the COVID-19 Local Authority Support Grant for 2021 to 2022. Contributed to the COVID-19 reserve, proposed to utilise the full balance towards the current forecast deficit.
Part utilisation of General Fund			(3,289)		Part utilisation of the budgeted transfer to the General Fund as referenced in the Net Reserves above.
<b>Final year end variance after funding:</b>			<b>0</b>		