

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

	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	168,322	185,618	(17,296)	50,188	Benefits payment spend currently forecasted to be lower than budgeted 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. Forecast based on latest figures from Anglia Revenues Partnership.
Total Net Benefits (income) or expenditure:	168,322	185,618	(17,296)	50,188	
Income from Business Rates	12,615,142	12,615,142	0	0	Business Rate income currently forecasted to be on budget Overall forecast includes: (£6,776,000) section 31 grants higher than budgeted (£879,000) increased share of Suffolk pool income (£308,000) reduced levy payable to pool. 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	(15,921,521)	(15,921,519)	(2)	0	Formula Grant income forecasted to be on budget 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	(5,347,325)	(4,700,019)	(647,306)	0	Forecast income higher than budgeted 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 (£100,000) New Burdens grant for Restart grant administration (£52,000) Additional burdens income for Self Isolation grant administration (£25,000) COVID-19 Job Retention Scheme grant (£10,000) additional Council Tax administration grant funding (£23,000) Waste and Resources action plan grant.
Total income from external grants, business rates and council tax:	(8,653,704)	(8,006,396)	(647,308)	0	

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Income from external contributions and reimbursements	(4,236,894)	(4,189,504)	(47,390)	0	<p>Overall Income forecasted to be lower than budgeted:</p> <p>Income lower than budgeted: £61,000 lower benefit payments towards temporary accommodation £27,000 reduced sponsorship income £92,000 reduced income from external organisations for facilities and utilities reimbursements, offset with reduced premises spend</p> <p>Income higher than budgeted: (£228,000) income from Suffolk County Council, including improved net recycling credits as a result of improved commodity prices.</p>
Income from Service Level Agreements (SLAs)	(943,476)	(944,600)	1,124	0	<p>Income forecasted to be higher than budgeted</p> <p>Includes service level agreements for the provision of ICT, payroll, facilities and financial services to outside bodies.</p>
Income from ticket sales, commission and memberships	(1,465,823)	(1,800,075)	334,252	615,459	<p>Income forecasted to be lower than budgeted</p> <p>Overall forecast shortfall of around £615,000 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.</p>
Income from other Leisure sales	(371,760)	(433,356)	61,596	75,064	<p>Income forecasted to be lower than budgeted</p> <p>Forecast income reductions across our leisure sites, mainly arising as a result of COVID-19. Around £79,000 of this variance relates to reduced hire charges for the Apex, partly offset by additional income from Moyses Hall and the Abbey Gardens.</p>
Income from Planning Fees	(1,646,591)	(1,627,500)	(19,091)	0	<p>Income forecasted to be higher than budgeted</p> <p>Based on income received to date, Planning Application fees are currently expected to be broadly in line with the budget, however this will be kept under close review due to the significant nature of this income.</p> <p>Variance includes a small net increase in overall forecast for Planning Performance Agreements and Pre-Application Fees.</p>

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Income from Building Regulation Fees	(329,000)	(359,850)	30,850	0	Income currently forecasted to be lower than budgeted Based on current levels of activity.
Income from Refuse collection, disposal fees and sales of scrap materials	(4,578,750)	(4,652,802)	74,052	0	Income currently forecasted overall to be lower than budgeted Income lower than budgeted: £99,000 Corporate "best case" Trade Waste target not currently looking likely to be achieved. £40,000 Trade Waste income £32,000 Street Cleansing Income higher than budgeted: (£35,000) Bulky and Clinical Waste collections as a result of buoyant commodity prices.
Income from Car Parking	(6,655,601)	(8,234,042)	1,578,441	1,657,170	Income currently forecasted to be lower than budgeted 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	(1,781,120)	(1,902,368)	121,248	27,563	Income currently forecasted to be lower than budgeted £90,000 Solar Farm income currently forecasted to be slightly lower than budgeted, based on the first 6 months activity (full budget £1,400,000), largely due to generation during May to August. £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 continue to be closely monitored over the remainder of the year as the Community Energy plan develops.
Income from Licensing	(368,785)	(458,562)	89,777	89,876	Income currently forecasted to be lower than budgeted 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 and the decision not to charge for street trading during the COVID-19 restrictions.

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Income from Markets	(290,000)	(359,140)	69,140	69,140	Income currently forecasted to be lower than budgeted 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	Income currently forecasted to be in line with the budget 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	(1,931,516)	(2,083,735)	152,219	0	Income currently forecasted to be lower than the budget Income lower than budget: £91,000 Landscapes £28,000 Grasscutting £60,000 Tree Maintenance above 3 all based on current income levels and expectations around future contracts £73,000 Mildenhall Hub reduced renewables income as a result of previously reported delay in occupancy and commissioning of Ground Source Heat Pump Income higher than budget: (£7,000) Land Charges search fees (£24,000) Council Tax Court Fees (£12,000) CCTV income (£65,000) Additional Car Parking administration fees due to timings in the provision of the service.
Income from Rentals	(6,253,917)	(6,300,429)	46,512	0	Income currently forecasted to be lower than budgeted £33,000 void industrial and business units £29,000 shop rents - losses on 2 shops and delayed lease commencement £27,000 other property rentals - rent free period given Income currently forecasted to be higher than budgeted (£38,000) office rentals, primarily Provincial House.

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Income from investment interest and dividends received	(497,506)	(465,185)	(32,321)	0	Income currently forecasted to be higher than budgeted Includes the following budgets: (£45,000) Interest on investments (£40,000) Dividends (Verse) (£380,000) Loan Interest (including Barley Homes). Increased forecast relates to investment income, based on higher balances than originally anticipated.
Total income from Sales, contributions and reimbursements:	(31,999,054)	(34,459,463)	2,460,409	2,534,272	
Total income (excluding Benefits):	(40,652,758)	(42,465,859)	1,813,101	2,534,272	
Expenditure - total cost of employment	29,550,006	29,607,023	(57,017)	836,060	Employment costs currently forecasted to be lower than budgeted 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 Outbreak Control initiatives, funded through external grant income. Current forecast underspend is mainly due to vacant posts.
Percentage of total spend	70.9%	72.0%	-10.3%		

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Expenditure - premises costs	5,617,716	5,436,197	181,519	0	Overall costs currently forecasted to be higher than budgeted Costs currently forecasted to be higher than budgeted £182,000 increased contract cleaning costs £36,000 increased premises insurance £33,000 increased electricity costs Costs currently forecasted to be lower than budgeted (£99,000) business rates lower than budgeted, mainly due to expected loss of a customer not materialising (£32,000) lower expected costs on Grounds Maintenance over a number of areas Plus several smaller variances.
Percentage of total spend	13.5%	13.2%	32.8%		
Expenditure - transport and related costs	1,580,511	1,548,330	32,181	0	Costs currently forecasted to be higher than budgeted £22,000 plant hire for Tree Maintenance Plus a number of smaller variances.
Percentage of total spend	3.8%	3.8%	5.8%		
Expenditure - supplies and services costs	9,876,013	9,661,907	214,106	868,199	Costs currently forecasted to be higher than budgeted Costs higher than budgeted £25,000 Tools and equipment purchases, mainly in Waste Services £65,000 Temporary accommodation costs £100,000 increase in bad debt provision as a result of COVID-19 Costs lower than budgeted (£33,000) Promotion and Marketing Plus a number of smaller variances. The COVID-19 impact includes the bad debt provision increase, plus purchases of ICT equipment, leisure support and locality budgets.
Percentage of total spend	23.7%	23.5%	38.7%		
Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	2,476,950	2,438,516	38,434	0	Costs currently forecast to be lower than budgeted £40,000 Off-Street Car Parks cash collection fees (RinGo and Six Card payment costs).
Percentage of total spend	5.9%	5.9%	6.9%		

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Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	3,135,850	3,135,850	0	0	Spend currently forecasted to be in line with the budget 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	7.5%	7.6%	0.0%		
Net expenditure - contributions to or (from) reserves (excluding employee-related and premises contributions which are included under their respective expenditure headings)	(10,576,306)	(10,720,888)	144,582	0	Net contributions to reserves forecasted to be higher than budgeted (£18,000) contribution towards clearance costs for College Heath Road Offices (£97,000) IlluminAbbey event forecast income transferred to reserves for future investment (£52,000) Housing Options Outreach Services, offset with increased costs in the service £106,000 net increased contributions to the Car Park Development Reserve for future investment £115,000 benefits COVID-19 assumptions £1,506,000 Transfer to the General Fund balance included in this budget heading. Proposed to utilise an element of this transfer in order to bring the year end position to budget as shown in the proposed funding section below.
Percentage of total spend	-25.4%	-26.1%	26.1%		
Total expenditure (excluding Benefits):	41,660,740	41,106,935	553,805	1,704,259	
Net (surplus) or deficit:	1,176,304	(1,173,306)	2,349,610		
Budgeted COVID-19 Pressures	0	1,173,306	(1,173,306)		Included in the original approved budget for 2021 to 2022.
Forecast Year end variance	1,176,304	0	1,176,304	4,288,719	

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Proposed funding:					
Use of COVID-19 Local Authority Support Grant			(755,423)		Represents the COVID-19 Local Authority Support Grant for 2021 to 2022. Contributed to the COVID-19 reserve, proposed to utilise the full remaining balance towards the current forecast deficit.
Part utilisation of General Fund			(420,881)		Part utilisation of the £1,506,000 budgeted transfer to the General Fund as referenced in the Net Reserves above.
Final year end variance after funding:			0		