

## Appendix F - Income and Expenditure - year end forecast against budget - December 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	256,374	185,618	70,756	50,188	<b>Benefits payment spend currently forecasted to be lower than budgeted</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.  Forecast based on latest figures from Anglia Revenues Partnership.
<b>Total Net Benefits (income) or expenditure:</b>	<b>256,374</b>	<b>185,618</b>	<b>70,756</b>	<b>50,188</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 forecast includes: (£6,858,000) section 31 grants higher than budgeted (£879,000) increased share of Suffolk pool income £334,000 increased 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	<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).

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Income from other grants	(5,635,933)	(4,837,612)	(798,321)	0	<p><b>Forecast income higher than budgeted</b></p> <p>Forecast includes the following:</p> <p>(£428,000) COVID-19 Sales, fees and charges compensation higher than budget as a result of greater income reductions than originally anticipated</p> <p>(£100,000) New Burdens grant for Restart grant administration</p> <p>(£95,000) COVID-19 Additional burdens income for Self Isolation grant administration</p> <p>(£22,000) COVID-19 post payment assurance New Burdens Grant</p> <p>(£25,000) COVID-19 Job Retention Scheme grant</p> <p>(£29,000) COVID-19 Welcome Back Grant funding</p> <p>(£34,000) COVID-19 Clinically Extremely Vulnerable (CEV) grant funding in respect of 2020 to 2021</p> <p>(£23,000) additional Council Tax administration grant funding</p> <p>(£23,000) Waste and Resources action plan grant.</p>
<b>Total income from external grants, business rates and council tax:</b>	<b>(8,942,312)</b>	<b>(8,143,989)</b>	<b>(798,323)</b>	<b>0</b>	

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Income from external contributions and reimbursements	(4,332,926)	(4,189,504)	(143,422)	0	<p><b>Overall Income forecasted to be higher than budgeted:</b></p> <p><b>Income lower than budgeted:</b>                      £59,000 lower benefit payments towards temporary accommodation                      £27,000 reduced sponsorship income                      £29,000 reduced income from external organisations for facilities and utilities reimbursements, offset with reduced premises spend</p> <p><b>Income higher than budgeted:</b>                      (£228,000) income from Suffolk County Council, including improved net recycling credits as a result of improved commodity prices                      (£14,000) contributions from other organisations.</p>
Income from Service Level Agreements (SLAs)	(915,457)	(944,600)	29,143	0	<p><b>Income forecasted to be lower than budgeted</b>                      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	(1,444,328)	(1,800,075)	355,747	708,790	<p><b>Income forecasted to be lower than budgeted</b>                      Overall forecast shortfall of around £709,000 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	(373,404)	(433,356)	59,952	61,900	<p><b>Income forecasted to be lower than budgeted</b>                      Forecast income reductions across our leisure sites, mainly arising as a result of COVID-19. Around £84,000 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	(1,590,000)	(1,627,500)	37,500	0	<p><b>Income currently forecasted to be lower than budgeted</b>                      Based on the first 9 months income received, Planning Application fees are currently expected to be slightly lower than budgeted, 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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	Year end forecast £	Annual budget £	Net (positive) or negative variance £	COVID-19 Impact £	Variance notes - figures in brackets represent underspends or additional income achieved.
Income from Building Regulation Fees	(335,000)	(359,850)	24,850	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	(4,578,695)	(4,652,802)	74,107	0	<b>Income currently forecasted overall to be lower than budgeted</b> <b>Income lower than budgeted:</b> £99,000 Corporate "best case" Trade Waste target not currently looking likely to be achieved. £32,000 Street Cleansing £26,000 Black and Blue Bins collection in respect of replacement bins  <b>Income higher than budgeted:</b> (£50,000) Trade, Garden Waste and scrap materials income (£31,000) Bulky and Clinical Waste collections as a result of buoyant commodity prices.
Income from Car Parking	(6,531,601)	(8,234,042)	1,702,441	1,600,607	<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	(1,788,034)	(1,902,368)	114,334	27,563	<b>Income currently forecasted to be lower than budgeted</b> £84,000 Solar Farm income currently forecasted to be slightly lower than budgeted, based on the first 9 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	(385,059)	(462,062)	77,003	36,476	<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.

## Appendix F - Income and Expenditure - year end forecast against budget - December 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.
Income from Markets	(265,000)	(359,140)	94,140	89,140	<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	(1,972,124)	(2,080,235)	108,111	0	<b>Income currently forecasted to be lower than the budget</b> <b>Income lower than budget:</b> £91,000 Landscapes £29,000 Grasscutting £60,000 Tree Maintenance £12,000 Vehicle Workshop the above are all based on current income levels and expectations around future contracts £10,000 The Apex £71,000 Mildenhall Hub reduced renewables income as a result of delayed occupancy and commissioning of Ground Source Heat Pump <b>Income higher than budget:</b> (£37,000) Facilities (Haverhill House and College Heath Road) (£24,000) Council Tax court fees (£12,000) CCTV income (£91,000) Additional Car Parking administration fees due to timings in the provision of the service.
Income from Rentals	(6,252,108)	(6,300,429)	48,321	0	<b>Income currently forecasted to be lower than budgeted</b> £15,000 void industrial and business units £55,000 shop rents - losses on 2 shops and delayed lease commencement £34,000 other property rentals - rent free period given plus Mildenhall Hub occupation timings <b>Income currently forecasted to be higher than budgeted</b> (£40,000) office rentals, primarily Provincial House.

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Income from investment interest and dividends received	(492,111)	(465,185)	(26,926)	0	<b>Income currently forecasted to be higher than budgeted</b> 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.
<b>Total income from Sales, contributions and reimbursements:</b>	<b>(31,904,162)</b>	<b>(34,459,463)</b>	<b>2,555,301</b>	<b>2,524,476</b>	
<b>Total income (excluding Benefits):</b>	<b>(40,846,474)</b>	<b>(42,603,452)</b>	<b>1,756,978</b>	<b>2,524,476</b>	
Expenditure - total cost of employment	29,339,609	29,607,023	(267,414)	838,872	<b>Employment costs currently forecasted to be lower than budgeted</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 Outbreak Control initiatives, funded through external grant income.  Current forecast underspend is mainly due to vacant posts.
Percentage of total spend	70.4%	71.8%	-66.4%		

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Expenditure - premises costs	5,591,243	5,436,197	155,046	0	<p><b>Overall costs currently forecasted to be higher than budgeted</b>  <b>Costs currently forecasted to be higher than budgeted</b>                      £213,000 increased contract cleaning costs                      £40,000 increased premises insurance                      £39,000 increased grounds maintenance costs                      £105,000 fixtures, repairs and maintenance costs (a proportion of which are rechargeable to tenants)</p> <p><b>Costs currently forecasted to be lower than budgeted</b>                      (£243,000) business rates lower than budgeted, mainly due to expected loss of a customer not materialising, plus reduced rates on some council owned properties as a result of appeals                      Plus several smaller variances.</p>
Percentage of total spend	13.4%	13.2%	38.5%		
Expenditure - transport and related costs	1,574,406	1,548,330	26,076	0	<p><b>Costs currently forecasted to be higher than budgeted</b>                      includes the following increased spend:                      £5,000 spare parts                      £6,000 plant hire                      £10,000 vehicle insurance                      Plus a number of smaller variances.</p>
Percentage of total spend	3.8%	3.8%	6.5%		
Expenditure - supplies and services costs	10,513,181	10,061,907	451,274	867,320	<p><b>Costs currently forecasted to be higher than budgeted</b>  <b>Costs higher than budgeted</b>                      £138,000 Tools, equipment and general materials purchases, including additional spend as a result of COVID-19                      £78,000 ICT infrastructure software, licences and maintenance                      £120,000 Temporary accommodation costs                      £150,000 increase in bad debt provision as a result of COVID-19</p> <p><b>Costs lower than budgeted</b>                      (£30,000) Catering at West Suffolk House and Mildenhall Hub                      (£35,000) 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.</p>

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	Year end forecast	Annual budget	Net (positive) or negative variance	COVID-19 Impact	Variance notes - figures in brackets represent underspends or additional income achieved.
	£	£	£	£	
Percentage of total spend	25.2%	24.4%	112.0%		
Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	2,492,380	2,438,516	53,864	0	<b>Costs currently forecast to be higher than budgeted</b> £40,000 Off-Street Car Parks cash collection fees (RinGo and Six Card payment costs) £20,000 College Heath Road decommissioning costs Offset with underspends in some smaller areas.
Percentage of total spend	6.0%	5.9%	13.4%		
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	7.5%	7.6%	0.0%		

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Net expenditure - contributions to or (from) reserves (excluding employee-related and premises contributions which are included under their respective expenditure headings)	(10,999,298)	(10,983,295)	(16,003)	0	<p><b>Net contributions from reserves forecasted to be higher than budgeted</b></p> <p><b>Increased contributions to reserves:</b> £132,000 net increased contributions to the Car Park Development Reserve for future investment</p> <p><b>Reduced contribution to reserves:</b> (£41,000) Housing Options temporary Accommodation</p> <p><b>Increased contributions from reserves:</b> (£18,000) contribution towards clearance costs for College Heath Road Offices (£66,000) Net IlluminAbbey event funded from reserve (£40,000) Families and Communities (£67,000) Housing Options Solutions and Outreach Services, offset with increased costs in the service (£100,000) Housing Benefits</p> <p><b>Reduced contributions from reserves:</b> £184,000 benefits COVID-19 assumptions</p> <p>£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.</p>
Percentage of total spend	-26.4%	-26.6%	-4.0%		
<b>Total expenditure (excluding Benefits):</b>	<b>41,647,371</b>	<b>41,244,528</b>	<b>402,843</b>	<b>1,706,192</b>	

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<b>Net (surplus) or deficit:</b>	<b>1,057,271</b>	<b>(1,173,306)</b>	<b>2,230,577</b>		
Budgeted COVID-19 Pressures	0	1,173,306	<b>(1,173,306)</b>		Included in the original approved budget for 2021 to 2022.
<b>Forecast Year end variance</b>	<b>1,057,271</b>	<b>0</b>	<b>1,057,271</b>	<b>4,280,856</b>	
<b>Proposed funding:</b>					
Use of COVID-19 Local Authority Support Grant			<b>(697,332)</b>		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			<b>(359,939)</b>		Part utilisation of the £1,506,000 budgeted transfer to the General Fund as referenced in the Net Reserves above.
<b>Final year end variance after funding:</b>			<b>0</b>		