

Appendix B - Income and Expenditure - year end outturn against budget - March 2022

	Year end actual £	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	102,456	185,618	(83,162)	46,987	Benefits payment spend lower than budgeted, offset by reduced funding from reserves 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.
Total Net Benefits (income) or expenditure:	102,456	185,618	(83,162)	46,987	
Income from Business Rates	12,615,142	12,615,142	0	0	Business Rate income in line with overall budget Year end position includes: (£6,895,000) section 31 grants higher than budgeted primarily due to additional compensation for COVID-19 related reliefs awarded to businesses (£1,166,000) increased share of Suffolk pool income £550,000 increased levy payable to pool. Balance transferred to the Business Rates Equalisation Reserve for future utilisation in 2022 to 2023 against the collection fund deficit primarily due to COVID-19 related reliefs awarded to businesses.
Income from Formula Grant (Business Rate Retention Scheme), Council Tax and New Homes Bonus Grant	(15,921,520)	(15,921,519)	(1)	0	Formula Grant income in line with budget Year end position 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	(5,759,098)	(4,837,612)	(921,486)	0	Income higher than budgeted Year end position includes the following: (£471,000) COVID-19 Sales, fees and charges compensation higher than budget as a result of greater income reductions than originally anticipated (£285,000) COVID-19 New Burdens funding for grant administration and assurance work (£25,000) COVID-19 Job Retention Scheme grant (£34,000) COVID-19 Clinically Extremely Vulnerable (CEV) grant funding in respect of 2020 to 2021 (£23,000) additional Council Tax administration grant funding (£23,000) Waste and Resources action plan grant plus a number of smaller service-related grants.
Total income from external grants, business rates and council tax:	(9,065,476)	(8,143,989)	(921,487)	0	
Income from external contributions and reimbursements	(4,159,205)	(3,730,633)	(428,572)	0	Overall Income higher than budgeted: Income lower than budgeted: £26,000 reduced sponsorship income Income higher than budgeted: (£278,000) income from Suffolk County Council, including improved net recycling credits as a result of improved commodity prices (£159,000) contributions from other organisations, including One Public Estate funding (£21,000) net increased income from external organisations for facilities and utilities reimbursements, offset with some increased premises spend.
Income from Service Level Agreements (SLAs)	(947,931)	(944,600)	(3,331)	0	Income slightly higher than budgeted Includes service level agreements for the provision of ICT, payroll, facilities and financial services to outside bodies.
Income from ticket sales, commission and memberships	(1,539,892)	(1,800,075)	260,183	650,353	Income lower than budgeted Overall year end shortfall of around £650,000 as a result of COVID-19, offset to a reasonable extent by reductions in performers fees and other associated costs such as commission and so on.

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Income from other Leisure sales	(389,557)	(433,356)	43,799	43,799	Income lower than budgeted Year end income reductions across our leisure sites, mainly arising as a result of COVID-19. The variance includes £100,000 relating to reduced hire charges for the Apex, partly offset by additional income from Moyses Hall and the Abbey Gardens.
Income from Planning Fees	(1,615,882)	(1,627,500)	11,618	0	Income slightly lower than budgeted The year end position for Planning Application fees was slightly lower than budgeted at £28,000 which equates to around 1.85 per cent of the budget. This has been mitigated to an extent by increased income from Planning Performance Agreements (PPAs).
Income from Building Regulation Fees	(348,395)	(359,850)	11,455	0	Income lower than budgeted Year end position 3.18 per cent lower than budgeted.
Income from Refuse collection, disposal fees and sales of scrap materials	(4,682,048)	(4,652,802)	(29,246)	0	Overall income higher than budgeted Income lower than budgeted: £30,000 Street Cleansing £26,000 Black and Blue Bins - charging for replacement bins was implemented from April 2022 Income higher than budgeted: (£24,000) Trade Waste and scrap materials income (£15,000) Garden Waste (£16,000) Black and Blue Bin Collections and Bin sales (£30,000) Bulky and Clinical Waste collections as a result of increased demand

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Income from Car Parking	(6,525,222)	(8,234,042)	1,708,820	1,683,302	<p>Income lower than budgeted</p> <p>This is due to reduced numbers in our car parks; whilst these are gradually recovering from the COVID-19 lockdown restrictions, footfall numbers are still not at the levels previously experienced pre-COVID-19.</p> <p>This will continue to 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 continue into the next steps of recovery.</p> <p>Provision has been made in the 2022 to 2023 budget for the continued impact of COVID-19.</p>
Income from Solar Farm and other energy initiatives	(1,718,242)	(1,902,368)	184,126	38,323	<p>Income lower than budgeted</p> <p>£111,000 Solar Farm income lower than budget (full budget £1,400,000), largely due to lower generation during May to August 2021. A new higher rate has been successfully secured from April 2022.</p> <p>£82,000 income from feed-in tariffs 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 coming financial year as the Community Energy plan develops.</p>
Income from Licensing	(388,968)	(462,062)	73,094	53,343	<p>Income lower than budgeted</p> <p>Income levels have been adversely affected by closure of premises as a result of COVID-19 lockdowns.</p>
Income from Markets	(259,815)	(359,140)	99,325	99,325	<p>Income lower than budgeted:</p> <p>Primarily due to the effects of COVID-19, Market income lower than budgeted due to social distancing and limited trading space.</p>
Income from investing in our growth	(648,315)	(648,315)	0	0	<p>Income in line with the budget</p> <p>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.</p>

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Income from other sales	(2,158,405)	(2,080,235)	(78,170)	15,761	<p>Overall Income higher than budgeted Income lower than budget: £64,000 Grounds Maintenance</p> <p>Income higher than budget: (£15,000) Advertising space income (£128,000) Additional Car Parking administration income (RinGo) due to timings in the provision of the service.</p>
Income from Rentals	(6,766,880)	(6,759,300)	(7,580)	0	<p>Overall income higher than budgeted</p> <p>Income lower than budgeted £64,000 shop rents - reduction on 2 shops and delayed lease commencement £42,000 other property rentals -including Mildenhall Hub occupation timings</p> <p>Income higher than budgeted (£69,000) office rentals, primarily Provincial House (£33,000) Industrial Units rents and service charges (£17,000) Temporary Accommodation.</p>
Income from investment interest and dividends received	(617,853)	(465,185)	(152,668)	0	<p>Income higher than budgeted Includes the following budgets: (£45,000) Interest on investments (£40,000) Dividends (Verse) (£380,000) Loan Interest (including Barley Homes).</p> <p>Increase relates to investment income (£51,000) based on higher balances than originally anticipated, plus (£87,000) loan interest.</p>
Total income from Sales, contributions and reimbursements:	(32,766,610)	(34,459,463)	1,692,853	2,584,206	
Total income (excluding Benefits):	(41,832,086)	(42,603,452)	771,366	2,584,206	

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Expenditure - total cost of employment	29,075,168	29,607,023	(531,855)	643,314	<p>Employment costs lower than budgeted</p> <p>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 2.5 per cent to allow for vacancies and recruitment timings during the year.</p> <p>Includes £840,000 additional costs in respect of COVID-19 Outbreak Control initiatives, funded through external grant income.</p> <p>The year end underspend is mainly due to the management of vacant posts.</p>
Percentage of total spend	70.5%	74.5%	-36.0%		
Expenditure - premises costs	6,031,435	5,436,197	595,238	0	<p>Overall premises costs higher than budgeted</p> <p>Costs Higher than budgeted</p> <p>£159,000 increased facilities management costs £45,000 increased premises insurance £43,000 increased grounds maintenance costs £89,000 increased utilities (electricity, gas and water) £47,000 plant repair and maintenance £279,000 fixtures, repairs and maintenance costs (a proportion of which are rechargeable to tenants)</p> <p>Costs lower than budgeted</p> <p>(£305,000) business rates expenditure lower than budgeted, mainly due to expected liability not materialising, plus reduced rates on some council owned properties as a result of appeals</p> <p>Plus several smaller variances.</p>
Percentage of total spend	14.6%	13.7%	40.3%		

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Expenditure - transport and related costs	1,514,892	1,548,330	(33,438)	0	<p>Overall spend lower than budgeted</p> <p>Spend higher than budgeted: £15,000 plant hire £10,000 vehicle insurance</p> <p>Spend lower than budgeted: (£60,000) spare parts for internal and external use</p> <p>Plus a number of smaller variances.</p>
Percentage of total spend	3.7%	3.9%	-2.3%		
Expenditure - supplies and services costs	10,721,201	10,061,907	659,294	485,951	<p>Costs higher than budgeted</p> <p>Costs higher than budgeted £118,000 Tools, equipment and general materials purchases, including additional spend as a result of COVID-19 £80,000 ICT infrastructure software, licences and maintenance £160,000 Temporary accommodation costs £130,000 Legal and Court fees £150,000 increase in bad debt provision as a result of COVID-19</p> <p>Costs lower than budgeted (£45,000) Catering at West Suffolk House and Mildenhall Hub (£54,000) Fees and charges at the Apex and Car Parks (£37,000) Promotion and Marketing</p> <p>Plus a number of smaller variances.</p> <p>The COVID-19 impact includes the bad debt provision increase, plus purchases of ICT equipment, leisure support and locality budgets.</p>
Percentage of total spend	26.0%	25.3%	44.7%		
Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	2,562,220	2,438,516	123,704	0	<p>Costs higher than budgeted £46,000 Off-Street Car Parks cash collection fees (RinGo and Six Card payment costs) £24,000 College Heath Road decommissioning costs £33,000 Housing Renewals £31,000 CCTV provision</p> <p>Offset with underspends in some smaller areas.</p>
Percentage of total spend	6.2%	6.1%	8.4%		

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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 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	7.6%	7.9%	0.0%		
Net expenditure - contributions to or (from) reserves (excluding employee-related and premises contributions which are included under their respective expenditure headings)	(11,826,604)	(12,489,295)	662,691	0	Net overall contributions from reserves lower than budgeted Increased contributions to reserves: £192,000 net increased contributions to the Car Park Development Reserve for future investment £153,000 additional investment and loan interest transferred to capital project financing reserve £98,000 Industrial rents dilapidations and service charges £26,000 small business grant funding carried forward due to timing of spend £20,000 Land Charges income transition monies carried forward for utilisation in 2022 to 2023 Reduced contributions from reserves: £171,000 overall reduction in reserve contributions, including £81,000 in respect of Housing Benefits as a result of improved year end position
Percentage of total spend	-28.7%	-31.4%	44.9%		
Total expenditure (excluding Benefits):	41,214,162	39,738,528	1,475,634	1,129,265	

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Net (surplus) or deficit:	(515,468)	(2,679,306)	2,163,838	3,760,458	
Budgeted COVID-19 Pressures	0	1,173,306	(1,173,306)		Included in the original approved budget for 2021 to 2022.
Use of COVID-19 Local Authority Support Grant	(699,308)	0	(699,308)		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 year end deficit.
Year end variance	(1,214,776)	(1,506,000)	291,224	3,760,458	
Proposed funding:					
Part utilisation of General Fund	1,214,776	1,506,000	(291,224)		Part utilisation of the £1,506,000 budgeted transfer to the General Fund. This contribution to the reserve has been reduced by the year end deficit of £291,000. The General Fund balance as at 31 March 2022 stands at £6,044,000.
Final year end variance after funding:	0	0	0	3,760,458	