

## Appendix B - Income and Expenditure - year end forecast against budget - June 2022

	Year end forecast £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Transfer payments: Net (Income) and expenditure on Benefits	(182,694)	(199,870)	17,176	<b>Benefits payment spend slightly higher than budgeted, partly offset by reserve funding</b> Overall gross budgets comprises: £28,068,000 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>(182,694)</b>	<b>(199,870)</b>	<b>17,176</b>	
Income from Business Rates	1,825,366	1,825,366	0	<b>Net Business Rate income in line with overall budget</b> Forecast year end position includes: £210,000 section 31 grants lower than budgeted (£497,000) increased share of Suffolk pool income £573,000 increased levy payable to pool.  Net overall income reduction increase mitigated by a lower transfer to the Business Rates Equalisation reserve.
Income from Formula Grant (Business Rate Retention Scheme), Council Tax and New Homes Bonus Grant	(17,333,008)	(17,333,008)	0	<b>Formula Grant income in line with budget</b> Year end position includes the following: (£4,524,000) Business Rate Retention scheme income (£1,756,000) New Homes Bonus grant (£312,000) Services grant (£10,741,000) Council Tax income (net of Parish demand).
Income from other grants	(3,166,587)	(3,164,743)	(1,844)	<b>Forecast income slightly higher than budgeted</b> Budget and forecast year end position includes the following: (£328,500) COVID-19 outbreak management funding (£150,000) Household Support Fund grant (£656,000) Homelessness Prevention grant (£475,000) Rough Sleeping Initiative (£207,000) Revenue Support Grant (£181,000) Rural Services Delivery Grant All of the above are fully committed for utilisation against services during the year.
<b>Total income from external grants, business rates and council tax:</b>	<b>(18,674,229)</b>	<b>(18,672,385)</b>	<b>(1,844)</b>	

## Appendix B - Income and Expenditure - year end forecast against budget - June 2022

	Year end forecast £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from external contributions and reimbursements	(3,723,750)	(3,493,707)	<b>(230,043)</b>	<b>Forecast income higher than budgeted:</b> (£191,000) income from Suffolk County Council, including improved net recycling credits as a result of improved commodity prices (£49,000) net increased income from external organisations for facilities and utilities reimbursements, offset with some increased premises spend.
Income from Service Level Agreements (SLAs)	(892,047)	(891,260)	<b>(787)</b>	<b>Forecast income slightly higher than budgeted</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	(1,843,537)	(1,853,024)	<b>9,487</b>	<b>Forecast income slightly lower than budgeted</b> Whilst events income at the Apex is recovering strongly, there are still some income streams that are not yet back up to pre-COVID levels, for example membership fees (£21,000 lower than budgeted), partly offset by increased commission income.
Income from other Leisure sales	(442,993)	(441,139)	<b>(1,854)</b>	<b>Forecast income slightly higher than budgeted</b> Income recovering well across all leisure sites, and expected to slightly exceed pre-COVID levels.
Income from Planning Fees	(1,627,000)	(1,622,039)	<b>(4,961)</b>	<b>Forecast income slightly higher than budgeted</b> Based on income received to date and knowledge of future developments, planning application income is currently expected to be on target for this financial year.
Income from Building Regulation Fees	(350,000)	(367,050)	<b>17,050</b>	<b>Forecast income lower than budgeted</b> Forecast year end position 4.6 per cent lower than budgeted.
Income from Refuse collection, disposal fees and sales of scrap materials	(4,642,015)	(4,664,882)	<b>22,867</b>	<b>Forecast income lower than budgeted</b> £8,000 Street Cleansing income £15,000 Replacement bins due to slight delay in commencement (implemented in June 2022)  Trade and Garden Waste income currently forecasted to be on budget at the year end.

## Appendix B - Income and Expenditure - year end forecast against budget - June 2022

	Year end forecast £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from Car Parking	(7,456,000)	(8,404,042)	<b>948,042</b>	<p><b>This forecast position is the current worst case scenario given the current trend for car park income. A best case would still be a shortfall of £200,000.</b></p> <p>This is due to continued reduced numbers in our car parks; whilst these are gradually recovering from the levels seen during COVID-19 lockdown restrictions it is not yet clear if there are now lower levels of activity in the Bury St Edmunds central car parks due to longer term behavioural change, shorter term impacts from the cost of fuel or lower available disposable income.</p> <p>This will continue to be closely monitored in the coming months; however, it is uncertain how quickly this trend will develop, and how any customer behavioural changes will impact on our income in the short and medium term.</p>
Income from Solar Farm and other energy initiatives	(2,321,578)	(2,328,177)	<b>6,599</b>	<p><b>Forecast income lower than budgeted</b> Income from the Solar Farm is expected to be on budget for this financial year. Variance is due to £7,000 forecast income from feed-in tariffs lower than budgeted.</p>
Income from Licensing	(395,357)	(401,647)	<b>6,290</b>	<p><b>Forecast income lower than budgeted</b> Income levels were adversely affected by closure of premises as a result of COVID-19 lockdowns.</p>
Income from Markets	(260,000)	(359,140)	<b>99,140</b>	<p><b>Income lower than budgeted:</b> Market income lower than budgeted due to slow recovery from COVID-19 social distancing and limited trading space.</p>
Income from other sales	(2,128,505)	(2,195,701)	<b>67,196</b>	<p><b>Forecast income lower than budgeted</b> £86,000 Vehicle workshop £58,000 Tree Maintenance £8,000 Land Charges</p> <p><b>Income higher than budget:</b> (£85,000) Additional Car Parking administration income (RinGo).</p>
Income from Rentals	(6,755,089)	(6,619,435)	<b>(135,654)</b>	<p><b>Forecast income higher than budgeted</b> (£282,000) Industrial Units rents due to tenant secured in Olding Road</p> <p><b>Forecast income lower than budgeted</b> £155,000 town centres and shop rents - mainly due to timings of 17/18 Cornhill project.</p>

## Appendix B - Income and Expenditure - year end forecast against budget - June 2022

	Year end forecast £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from investment interest and dividends received	(1,021,149)	(695,275)	<b>(325,874)</b>	<b>Forecast income higher than budgeted</b> (£324,000) Investment interest, based on higher balances than originally anticipated and improved rates due to increases in the base rate.  This variance includes a forecast reduction in loan interest from Barley Homes, based on the projected pipeline of developments for the year and the subsequent need for loan drawdown. This is currently offset with a corresponding forecast increase in the Barley Homes dividend. This will be managed within the wider context of the capital project financing reserve.
<b>Total income from Sales, contributions and reimbursements:</b>	<b>(33,859,020)</b>	<b>(34,336,518)</b>	<b>477,498</b>	
<b>Total income (excluding Benefits):</b>	<b>(52,533,249)</b>	<b>(53,008,903)</b>	<b>475,654</b>	
Expenditure - total cost of employment	30,785,508	31,106,669	<b>(321,161)</b>	<b>Forecast employment costs 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 2.5 per cent to allow for vacancies and recruitment timings during the year.  The year end underspend is mainly due to the management of vacant posts.
Percentage of total spend	57.1%	58.5%	<b>-44.8%</b>	
Expenditure - premises costs	5,852,823	5,347,992	<b>504,831</b>	<b>Forecast costs higher than budgeted</b> £400,000 Electricity, Gas and Water costs higher than budgeted, due to increased energy costs worldwide and the council's energy contract renewal part way through the year. £96,000 increased building and plant repair and maintenance costs.
Percentage of total spend	10.9%	10.1%	<b>70.4%</b>	
Expenditure - transport and related costs	1,957,545	1,696,623	<b>260,922</b>	<b>Forecast spend higher than budgeted</b> £260,000 vehicle fuel as a result of inflationary increases.
Percentage of total spend	3.6%	3.2%	<b>36.4%</b>	

## Appendix B - Income and Expenditure - year end forecast against budget - June 2022

	Year end forecast £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Expenditure - supplies and services costs	8,707,604	8,310,019	<b>397,585</b>	<b>Forecast spend higher than budgeted</b> £29,000 increased bank charges as a result of transaction volumes £97,000 legal and court fees £47,000 computer software, reflecting a 10 per cent increase due to increased costs of cyber security and licences £66,000 Housing Options temporary accommodation costs £48,000 tools, equipment and materials as a result of inflationary increases Plus a number of smaller variances across all services.
Percentage of total spend	16.1%	15.6%	<b>55.5%</b>	
Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	2,925,779	2,836,405	<b>89,374</b>	<b>Forecast spend higher than budgeted</b> £89,000 Off-Street Car Parks cash collection fees (RinGo and Six Card payment costs). See also increased income from convenience fees under other sales.
Percentage of total spend	5.4%	5.3%	<b>12.5%</b>	
Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	2,268,350	2,268,350	<b>0</b>	<b>Forecast spend 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	4.2%	4.3%	<b>0.0%</b>	
Net expenditure - contributions to or (from) reserves (excluding employee-related and premises contributions which are included under their respective expenditure headings)	1,427,935	1,642,715	<b>(214,780)</b>	<b>Net overall forecast contributions to reserves lower than budgeted</b> (£52,000) Civil Parking Enforcement as a result of overall higher costs and reduced income (£100,000) Temporary accommodation as a result of improved budget position  <b>Increased forecast contribution from reserves:</b> (£55,000) Housing Options Outreach Service to fund additional service costs.
Percentage of total spend	2.6%	3.1%	<b>-30.0%</b>	

## Appendix B - Income and Expenditure - year end forecast against budget - June 2022

	Year end forecast £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
<b>Total expenditure (excluding Benefits):</b>	<b>53,925,544</b>	<b>53,208,773</b>	<b>716,771</b>	
<b>Net (surplus) or deficit:</b>	<b>1,209,601</b>	<b>0</b>	<b>1,209,601</b>	
Budgeted COVID-19 Pressures	0	474,688	<b>(474,688)</b>	Included in the original approved budget for 2022 to 2023. Provision to be used to offset the continued impact on our income streams as a result of recovering from the COVID pandemic.
<b>Year end variance</b>	<b>1,209,601</b>	<b>474,688</b>	<b>734,913</b>	
<b>Proposed funding:</b>				
Part utilisation of General Fund	(1,209,601)	(474,688)	<b>(734,913)</b>	This additional £735,000 utilisation is based on the worst case scenario for car park income recovery. A best case recovery would not require any further utilisation of the General Fund.
<b>Final year end variance after funding:</b>	<b>0</b>	<b>0</b>	<b>0</b>	