

Appendix B - income and expenditure - year end forecast against budget - December 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	(203,573)	(199,870)	(3,703)	Benefits payment spend slightly lower than budgeted, partly offset by reserve funding 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.
Total Net Benefits (income) or expenditure:	(203,573)	(199,870)	(3,703)	
Income from Business Rates	1,825,366	1,825,366	0	Net forecast Business Rate income in line with overall budget Forecast year end position includes: (£621,000) section 31 grants higher than budgeted (£380,000) increased share of Suffolk pool income £823,000 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	Formula Grant income in line with budget 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	(3,377,663)	(3,164,743)	(212,920)	Forecast income higher than budgeted (£182,000) additional income for Test and Trace Administration grant, plus several smaller grants Budget and forecast year end position includes the following: (£328,500) COVID-19 outbreak management funding (£260,000) 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.

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Total income from external grants, business rates and council tax:	(18,885,305)	(18,672,385)	(212,920)	
Income from external contributions and reimbursements	(4,082,769)	(3,825,740)	(257,029)	Forecast income higher than budgeted: (£343,000) income from Suffolk County Council, including improved net recycling credits as a result of improved commodity prices (£77,000) reimbursement for utilities and other costs from partners £39,000 reduced income in respect of Shared Legal service and Off Street Car Parks (linked to spend and income recovered) £37,000 reduction in Section 106 monitoring contributions £73,000 reduced reimbursement from Anglia Revenues Partnership as a result of increased costs across the partners.
Income from Service Level Agreements (SLAs)	(923,208)	(891,260)	(31,948)	Forecast income 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	(1,850,112)	(1,853,024)	2,912	Forecast income slightly lower than budgeted 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 (£23,000 lower than budgeted), partly offset by increased commission income.
Income from other Leisure sales	(415,676)	(441,139)	25,463	Forecast income lower than budgeted £35,000 The Apex, primarily room hire. Income recovery continuing.
Income from Planning Fees	(1,675,000)	(1,622,039)	(52,961)	Forecast income higher than budgeted Based on income received to date and knowledge of future developments, planning application income is currently expected to be slightly higher than budget for this financial year (£15,000). Income from Planning Performance Agreements and Pre-application fees are expected to exceed budget by around (38,000)
Income from Building Regulation Fees	(353,000)	(367,050)	14,050	Forecast income lower than budgeted Income continues to recover, forecast year end position 3.8 per cent lower than budgeted.

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Income from Refuse collection, disposal fees and sales of scrap materials	(4,620,977)	(4,664,882)	43,905	Forecast income lower than budgeted £65,000 Replacement bin income lower than budget due to delay in commencement (implemented in June 2022) (£18,000) refuse collection and disposal fees higher than budgeted, primarily on Trade Waste.
Income from Car Parking	(7,223,000)	(8,404,042)	1,181,042	This forecast position is the current worst case scenario given the current trend for car park income. A best case scenario would still be a shortfall of £200,000. 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. This will continue to be closely monitored on an ongoing basis; 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.
Income from Solar Farm and other energy initiatives	(2,576,000)	(2,408,170)	(167,830)	Forecast income higher than budgeted Based on increased generation from April to December 2022 (10,645 Mwh against a target of 9,682 Mwh), income from the Solar Farm is expected to exceed the budget for this financial year. Income from feed-in tariffs is currently expected to be higher than budgeted as a result of continued investment in renewables (£23,000).
Income from Licensing	(398,691)	(401,647)	2,956	Forecast income lower than budgeted Income levels are now showing signs of recovery.
Income from Markets	(259,750)	(359,140)	99,390	Forecast income lower than budgeted: Market income continues to be lower than budgeted and is under review.

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Income from other sales	(2,000,147)	(2,115,708)	115,561	<p>Forecast income lower than budgeted £130,000 General Landscaping £58,000 Vehicle workshop £58,000 Tree Maintenance £11,000 Health and Safety £26,000 Land Charges</p> <p>Forecast income higher than budget: (£90,000) Additional Car Parking administration income (RinGo) (£10,000) income from Electric Vehicle Chargers (£20,000) sales of advertising space (£17,000) increased income from CCTV Plus a number of smaller variances across the services.</p>
Income from Rentals	(6,874,631)	(6,724,111)	(150,520)	<p>Forecast income higher than budgeted (£282,000) Industrial Units rents due to tenant secured in Olding Road £128,000 income lower than budgeted on 17/18 Cornhill as a result of project timings.</p>
Income from investment interest and dividends received	(1,511,515)	(695,275)	(816,240)	<p>Forecast income higher than budgeted Mainly due to (£805,000) Investment interest, based on higher balances than originally anticipated and improved rates due to increases in the base rate.</p> <p>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.</p>
Total income from Sales, contributions and reimbursements:	(34,764,476)	(34,773,227)	8,752	
Total income (excluding Benefits):	(53,649,781)	(53,445,612)	(204,169)	

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Expenditure - total cost of employment	31,810,431	31,115,718	694,713	<p>Forecast employment costs higher 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 2.5 per cent to allow for vacancies and recruitment timings during the year.</p> <p>The year end overspend is mainly due to the effect of the agreed national payrise (around £1.3 million), offset to an extent by robust vacancy management and other savings such as reduced travelling expenses.</p>
Percentage of total spend	57.1%	58.0%	33.3%	
Expenditure - premises costs	6,360,191	5,774,987	585,204	<p>Forecast spend higher than budgeted £377,000 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. £234,000 increased building and plant repair and maintenance costs. It should be noted that a proportion of these costs are recharged to the council's partners. £93,000 increased facilities costs £74,000 Other premises costs (Council Tax, insurance, service charges and so on). (£193,000) reduced Business rates costs as a result of revaluations.</p>
Percentage of total spend	11.4%	10.8%	28.1%	
Expenditure - transport and related costs	2,027,309	1,696,623	330,686	<p>Forecast spend higher than budgeted £277,000 vehicle fuel as a result of inflationary increases £25,000 additional spend on spare parts, recharged to customers through the vehicle workshop £31,000 vehicle hire.</p>
Percentage of total spend	3.6%	3.2%	15.9%	

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Expenditure - supplies and services costs	9,089,312	8,352,983	736,329	<p>Forecast spend higher than budgeted</p> <p>£29,000 increased bank charges as a result of transaction volumes £166,000 Legal and court fees, £98,000 in respect of planning appeals £44,000 Services for property valuations and related advice £54,000 Fees and charges, including enforcement costs £74,000 Computer charges, reflecting a 10 per cent increase in costs of cyber security and licences £173,000 tools, equipment and materials as a result of inflationary increases</p> <p>Plus a number of smaller variances across all services.</p>
Percentage of total spend	16.3%	15.6%	35.3%	
Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	2,980,636	2,836,405	144,231	<p>Forecast spend higher than budgeted</p> <p>£52,000 Off-Street Car Parks cash collection fees (RinGo and Six Card payment costs). See also increased income from convenience fees under other sales £15,000 Shared Legal Services recharge from partner councils £35,000 increased recycling glass disposal costs as a result of contractual changes Plus several smaller variances across services.</p> <p>Plus a number of smaller variances across all services.</p>
Percentage of total spend	5.3%	5.3%	6.9%	
Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	2,268,350	2,268,350	0	<p>Forecast spend in line with the budget</p> <p>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.</p> <p>Any reduced or additional expenditure assumptions in this area are currently compensated for with corresponding contributions to or from the Capital Project Financing Reserve.</p>
Percentage of total spend	4.1%	4.2%	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)	1,192,437	1,600,416	(407,979)	Net overall forecast contributions to reserves lower than budgeted (£48,000) Temporary accommodation as a result of improved budget position (£37,000) Section 106 Monitoring income lower than budgeted Increased forecast contributions from reserves: (£71,000) Severe Weather Emergency Provision costs funded from Homelessness Prevention Reserve (£27,000) funding for equipment repair excesses (£52,000) increased property repair and maintenance funding (£170,000) Temporary Accommodation to cover increased repair and maintenance and utilities costs.
Percentage of total spend	2.1%	3.0%	-19.6%	
Total expenditure (excluding Benefits):	55,728,666	53,645,482	2,083,184	
Net (surplus) or deficit:	1,875,312	0	1,875,312	
Budgeted COVID-19 Pressures	0	474,688	(474,688)	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-19 pandemic.
Year end variance	1,875,312	474,688	1,400,624	
Proposed funding:				
Part utilisation of General Fund	(1,875,312)	(474,688)	(1,400,624)	This additional forecast 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.
Final year end variance after funding:	0	0	0	