

## Appendix B - income and expenditure - year end outturn against budget - March 2023

	Year end outturn £	Annual budget £	Net (positive) or negative variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Transfer payments: Net (Income) and expenditure on Benefits	(182,082)	(199,870)	17,788	<b>Net Benefit position slightly worse than budgeted</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>(182,082)</b>	<b>(199,870)</b>	<b>17,788</b>	
Income from Business Rates	1,825,366	1,825,366	0	<b>Net overall Business Rate income in line with overall budget</b> The year end outturn position includes: (£961,000) section 31 grants (provided by Central Government to compensate for national reliefs awarded such as small business rates relief and retail hospitality relief) higher than budgeted (£1,152,000) increased share of Suffolk pool income as a result of more than budgeted business rates income across Suffolk authorities including West Suffolk (agreed sharing of business rate benefits across Suffolk authorities) £2,240,000 increased levy payable to Suffolk pool (proportion of business rate benefit payable to the pool in accordance with statutory provisions).  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> Grants received by the council, based on the annual local government finance settlement. These include 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).

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Income from other grants	(3,462,334)	(3,164,743)	(297,591)	<p><b>Income higher than budgeted</b>                      (£200,000) additional income for Test and Trace Administration grant                      (£37,000) Business Grant post-scheme recovery grant                      (£10,000) Self Isolation Payments funding                      The above government grants, which were all COVID-related, were "one-off" for 2022 to 2023 administrative grants plus several smaller grants</p> <p><b>Budget and year end position includes the following:</b>                      (£328,500) COVID-19 outbreak management funding, utilised for public health protection                      (£260,000) Household Support Fund grant, used for supporting Housing Options initiatives                      (£656,000) Homelessness Prevention Grant, used to fund Housing Options Services                      (£475,000) Rough Sleeping Initiative, used for Housing Options Outreach Services                      (£207,000) Revenue Support Grant, non-specific grant utilised to support the net cost of council services                      (£181,000) Rural Services Delivery Grant, additional grant reflecting the rural nature of the council                      All of the above are fully committed for utilisation against services during the year.</p>
<b>Total income from external grants, business rates and council tax:</b>	<b>(18,969,976)</b>	<b>(18,672,385)</b>	<b>(297,591)</b>	
Income from external contributions and reimbursements	(4,686,216)	(3,875,740)	(810,476)	<p><b>Income higher than budgeted:</b>                      (£469,000) income from Suffolk County Council. This is predominantly due to increased Recycling Performance Payments (RPPs). These are based on prices for recycled materials which are traded worldwide, net of the operational costs. Although operating costs increased, this was more than offset by higher material values which were sustained for longer than anticipated. A revised RPP credit is factored into the 2023 to 2024 budget.                      (£273,000) reimbursement for increased utilities and other costs from other partner organisations sharing our offices                      (£178,000) increased reimbursement from Anglia Revenues Partnership as a result of reduced net costs across the other partner councils, linked primarily to "one-off" government grants for the administration of the Energy Bills Support Scheme Payments.                      £52,000 reduced income in respect of Shared Legal service with Babergh Mid Suffolk Councils, and Off Street Car Parks (linked to spend and income recovered)                      £25,000 reduction in Planning Section 106 monitoring contributions from developers.</p>

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Income from Service Level Agreements (SLAs)	(910,802)	(891,260)	(19,542)	<b>Income 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	(1,891,072)	(1,853,024)	(38,048)	<b>Income higher than budgeted</b> Whilst events income at the Apex is recovering strongly, it is yet to reach previous levels and the ticket Sales outturn position is around £24,000 lower than budgeted. There are other income streams that are still recovering, for example membership fees, £18,000 lower than budgeted. The improved year end position is largely due to increased commission income from catering (£77,000)
Income from other Leisure sales	(444,094)	(441,139)	(2,955)	<b>Income slightly higher than budgeted</b> Comprises various smaller variances across a number of leisure sites.
Income from Planning Fees	(1,744,233)	(1,622,039)	(122,194)	<b>Income higher than budgeted</b> (£23,000) Planning Application Fees (£100,000) Income from Planning Performance Agreements and Pre-application fees.
Income from Building Regulation Fees	(358,610)	(367,050)	8,440	<b>Income lower than budgeted</b> Income continues to recover, year end position 2.3 per cent lower than budgeted.
Income from Refuse collection and sales of scrap materials	(4,707,227)	(4,664,882)	(42,345)	<b>Income lower than budgeted</b> £60,000 Replacement bin income lower than budget. The new estimated budget target was an assumption based on previous demand. Whilst the implementation of the new charging policy was delayed (implemented in June 2022), the charges are being targeted at applicable replacement household bins. This has been factored into the 2023 to 2024 budget.  <b>Income higher than budgeted:</b> (£102,000) refuse collection and sales of scrap material, including plastic and cardboard. Income was higher than budgeted due to the sustained high recycled material values during the year.

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Income from Car Parking	(7,156,737)	(8,404,042)	<b>1,247,305</b>	<p><b>Income lower than budgeted</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 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.</p> <p>This lower income expectation has been factored into the 2023 to 2024 budget.</p>
Income from Solar Farm and other energy initiatives	(2,594,972)	(2,408,170)	<b>(186,802)</b>	<p><b>Income higher than budgeted</b></p> <p>As a result of increased generation from April 2022 to March 2023 (12,415 Mwh against a target of 11,385 Mwh), income from the Toggam Solar Farm exceeded the budget for this financial year by (£172,000).</p> <p>Income from feed-in tariffs and sales of fuel energy income was also higher than budgeted as a result of continued investment in renewables (£25,000).</p>
Income from Licensing	(387,158)	(401,647)	<b>14,489</b>	<p><b>Income lower than budgeted</b></p> <p>Licensing income levels are generally showing signs of recovery, however the year end position includes lower income from premises licences of £23,000.</p>
Income from Markets	(252,168)	(359,140)	<b>106,972</b>	<p><b>Income lower than budgeted:</b></p> <p>The Markets income has struggled to recover to pre-pandemic levels. Whilst this is lower than budgeted, it is subject to ongoing review and actions from the recent markets review.</p> <p>This lower income expectation has been factored into the 2023 to 2024 budget.</p>

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Income from other sales	(2,015,244)	(2,115,708)	100,464	<p><b>Overall income lower than budgeted:</b></p> <p><b>Income lower than budgeted</b>                      £127,000 General Landscaping, as a result of prioritising internal demand from council owned land across the District. Increased council demand is factored into the 2023 to 2024 budget.                      £35,000 Vehicle workshop. The income target was associated with implementation of an Authorised Testing Facility (ATF) at the West Suffolk Operational Hub (WSOH) to Undertake heavy goods vehicle MOTs. Due to an embargo on new facilities during the pandemic, combined with a post pandemic change to the ATF application criteria, alternative income opportunities were sought. This has included the team offering alternative services and securing maintenance agreements with third party fleet operators. Service demand and the associated income has been increasing steadily although current service capacity will restrict income growth. This has been factored into the 2023 to 2024 budget.                      £65,000 Tree Maintenance income, offset in part by reduction in salary costs, factored into the 2023 to 2024 budget                      £43,000 Land Charges, as a result of migration of income to the Land Registry, factored into the 2023 to 2024 budget                      £29,000 Renewable Heat Incentive income, as a result of faulty Ground Source Heat Pump at Mildenhall Hub for 4 months</p> <p><b>Income higher than budget:</b>                      (£117,000) Additional Car Parking administration income (Ringo), to offset increased costs, factored in to the 2023 to 2024 budget                      (£15,000) income from Electric Vehicle Chargers (invested by West Suffolk), factored in to the 2023 to 2024 budget                      (£32,000) Strategic Marketing income                      (£20,000) Increased income from CCTV, factored into the 2023 to 2024 budget                      (£39,000) other sales, factored into the 2023 to 2024 budget                      Plus a number of smaller variances across the services.</p>
Income from Rentals	(7,310,146)	(6,724,112)	(586,034)	<p><b>Income higher than budgeted</b>                      (£388,000) Industrial Units rents due to unplanned tenant secured in Olding Road                      (£300,000) additional income from backdated rent review and lease surrender premium</p> <p><b>Income lower than budgeted:</b>                      £85,000 income lower than budgeted on 17/18 Cornhill as a result of project timings.</p> <p>Plus a number of smaller variances.</p>

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Income from investment interest and dividends received	(2,031,730)	(695,275)	(1,336,455)	<p><b>Income higher than budgeted</b> Mainly due to (£1,317,000) Investment interest, based on higher balances than originally anticipated and improved rates due to increases in the Bank of England base rate.</p> <p>This variance includes a reduction in loan interest from Barley Homes, based on the projected pipeline and timing of developments for the year and the subsequent need for loan drawdown. This is currently offset with a corresponding increase in the Barley Homes dividend. This will be managed within the wider context of the capital project financing reserve.</p>
<b>Total income from Sales, contributions and reimbursements:</b>	<b>(36,490,409)</b>	<b>(34,823,228)</b>	<b>(1,667,181)</b>	
<b>Total income (excluding Benefits):</b>	<b>(55,460,385)</b>	<b>(53,495,613)</b>	<b>(1,964,772)</b>	
Expenditure - total cost of employment	31,610,916	31,115,718	495,198	<p><b>Employment costs higher 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 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 pay inflation (around £1.3 million total impact in year), offset to a large extent by robust vacancy management to manage and mitigate the impact in year and other savings such as reduced travelling expenses.</p>
Percentage of total spend	55.8%	57.9%	16.6%	

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Expenditure - premises costs	6,610,640	5,774,987	<b>835,653</b>	<p><b>Spend higher than budgeted</b>                      £502,000 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, factored into the 2023 to 2024 budgets                      £305,000 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.                      £116,000 Increased facilities costs, in part due to additional provisions at provincial house Haverhill, an element recharged where buildings shared, factored into the 2023 to 2024 budgets                      £118,000 Other premises costs (Council Tax, insurance, service charges and so on).</p> <p><b>Spend lower than budgeted:</b>                      (£201,000) reduced Business rates costs as a result of revaluations. Factored into the 2023 to 2024 budget.</p>
Percentage of total spend	11.7%	10.8%	<b>27.9%</b>	
Expenditure - transport and related costs	1,821,652	1,696,623	<b>125,029</b>	<p><b>Spend higher than budgeted</b>                      £212,000 vehicle fuel as a result of inflationary increases, factored into the 2023 to 2024 budget                      £55,000 vehicle hire, additional costs as a result of timings in the vehicle replacement programme</p> <p><b>Spend lower than budgeted:</b>                      (£100k) Hydrogenated Vegetable Oil (HVO) fuel costs - contributed to reserves for future utilisation due to delay in implementation as a result of increased costs.</p>
Percentage of total spend	3.2%	3.2%	<b>4.2%</b>	

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Expenditure - supplies and services costs	9,183,668	8,404,500	<b>779,168</b>	<p><b>Spend higher than budgeted</b></p> <p>£32,000 increased bank charges as a result of increased transaction volumes, factored into the 2023 to 2024 budget</p> <p>£50,000 Legal and court fees, including £32,000 ARP costs recharged from Legal Shared Service, factored into the 2023 to 2024 budget</p> <p>£104,000 fees in respect of planning appeals</p> <p>£103,000 professional advice for Development Control, large element of which is recharged through Planning Performance Agreement income.</p> <p>£40,000 Services for rent and lease renewals advice and marketing, resulting in additional estates income</p> <p>£33,000 postages, based on increased volumes, some of which is recovered from partners</p> <p>£51,000 Fees and charges, including £42,000 additional enforcement costs, factored into 2023 to 2024 budget</p> <p>£103,000 Computer charges, reflecting a 10 per cent increase in costs of cyber security and licences. These are funded from reserves on a rolling five year programme, and reviewed in the light of inflationary impacts and technology changes.</p> <p>£256,000 tools, equipment and materials. Expenditure has been impacted by non-budgeted inflationary increases (up to 10 per cent), resulting from higher commodity prices for fuel, energy, steel and so on. Key areas of additional cost include the purchase of household wheeled bins to meet housing growth and bin replacements, which experienced an average price increase of 18 per cent, combined with the need to upfront purchase the bins to reflect the 16 week delivery lead time - our stock holding has increased by £58,000 to avoid running out of bins. Other key areas are the purchase of plastic sacks, Personal Protective Equipment (PPE) and the recondition/repair of skips used for the trade waste service. We continue to monitor these areas of expenditure moving forward.</p> <p>Plus a number of smaller variances across all services.</p>
Percentage of total spend	16.2%	15.7%	<b>26.0%</b>	



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Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	2,870,051	2,886,405	(16,354)	<p><b>Spend lower than budgeted</b>                      (£199,000) Waste Tipping Charges. This is based of an estimated waste data figure for Quarter 4. The lower Waste Tipping Charge is due to lower quantities of waste collected during the year and requiring disposal. The cost of disposal has increased by 6% for 2023 to 2024, and whilst this is offset by increased service charges to customers, the overall disposal cost is sensitive to increases in the quantity of waste that customers dispose of.</p> <p>£60,000 Off-Street Car Parks cash collection fees (Ringo and Six Card payment costs). See also increased income from convenience fees under other sales, factored into the 2023 to 2024 budget                      £10,000 Shared Legal Services recharge from partner councils                      £14,000 The Apex, work associated with events (e.g. seating)                      £19,000 Noise Control, additional equipment purchases                      £33,000 increased recycling glass disposal costs as a result of changing contractor, factored in the 2023 to 2024 budget</p> <p>Plus a number of smaller variances across all services.</p>
Percentage of total spend	5.1%	5.4%	-0.5%	
Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	2,259,947	2,268,350	(8,403)	<p><b>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.</p>
Percentage of total spend	4.0%	4.2%	-0.3%	

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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)	2,330,340	1,548,900	781,440	<p><b>Net overall contributions to reserves higher than budgeted</b></p> <p><b>Increased contributions to reserves:</b>                      £658,000 contribution to capital financing reserve in respect of borrowing assumptions and investment interest as previously assumed during the year                      £100,000 contribution in respect of Hydrogenated Vegetable Oil (HVO) implementation. The transition to HVO fuel as a replacement for diesel has not progressed due to overall significant increase in the cost of fuel.                      £261,000 backdated rent review income contributed to building maintenance reserve to offset increased repair and maintenance costs</p> <p><b>Reduced contribution to reserve:</b>                      (£75,000) Civil Parking Enforcement as a result of increased costs</p> <p><b>Increased contributions from reserves:</b>                      (£53,000) for ICT equipment purchases in year                      (£21,000) other parks and play provision commuted sums                      (£46,000) Trade Waste skip purchases                      (£47,000) Housing Options - Outreach Services, increased costs as a result of more rough sleepers being accommodated.                      (£83,000) Temporary Accommodation costs higher than anticipated due to increased repair and maintenance and utilities costs throughout the year.</p>
Percentage of total spend	4.1%	2.9%	26.1%	
<b>Total expenditure (excluding Benefits):</b>	<b>56,687,214</b>	<b>53,695,483</b>	<b>2,991,731</b>	
<b>Net (surplus) or deficit:</b>	<b>1,044,747</b>	<b>0</b>	<b>1,044,747</b>	
Budgeted contribution from the General Fund in respect of income recovery pressures	0	474,688	(474,688)	Included in the original approved budget for 2022 to 2023. The year-end outturn position is included in the adverse variances shown above, particularly in the income areas that are still recovering, for example car parking and market income.
<b>Year end variance</b>	<b>1,044,747</b>	<b>474,688</b>	<b>570,059</b>	

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<b>Proposed funding:</b>				
Part utilisation of General Fund	(1,044,747)	(474,688)	<b>(570,059)</b>	Additional contribution from the General Fund reserve to fund net pressures in year. General Fund balance at 31 March 2023 is £5m (agreed policy level)
<b>Final year end variance after funding:</b>	<b>0</b>	<b>0</b>	<b>0</b>	