

Appendix B - income and expenditure - year end forecast against budget - June 2023

	Year end forecast outturn £	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	52,037	38,010	14,027	Net Benefit position slightly worse than budgeted Overall gross budgets comprises: £25,355,000 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:	52,037	38,010	14,027	
Income from Business Rates	(6,400,600)	(6,400,600)	0	Net overall Business Rate income in line with overall budget The forecast year end position includes: £350,000 section 31 grants (provided by Central Government to compensate for national reliefs awarded such as small business rates relief and retail hospitality relief) lower than budgeted (£750,000) 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) £204,000 increased levy payable to Suffolk pool (proportion of business rate benefit payable to the pool in accordance with statutory provisions). Net overall income increase transferred to the Business Rates Equalisation reserve.
Income from Formula Grant (Business Rate Retention Scheme), Council Tax and New Homes Bonus Grant	(16,828,051)	(16,828,053)	2	Formula Grant income in line with budget Grants received by the council, based on the annual local government finance settlement. These include the following: (£4,693,000) Business Rate Retention scheme income (£815,000) New Homes Bonus grant (£183,000) Services grant (£11,137,000) Council Tax income (net of Parish demand).

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Income from other grants	(3,742,971)	(3,743,506)	535	<p>Other grant income in line with budget:</p> <p>The Budget and forecast year end position includes the following grants: (£82,000) Department of Works and Pensions Grant (£159,000) COVID-19 outbreak management funding, utilised for public health protection (£34,000) Household Support Fund grant, used for supporting Housing Options initiatives (£678,000) Homelessness Prevention Grant, used to fund Housing Options Services (£469,000) Rough Sleeping Initiative, used for Housing Options Outreach Services (£420,000) Revenue Support Grant, non-specific grant utilised to support the net cost of council services (£1,137,000) Funding Guarantee Grant, government funding to ensure that councils will see a 3% increase in their core spending power (£203,000) Rural Services Delivery Grant, additional grant reflecting the rural nature of the council (£245,000) Non-Domestic Rates Cost of Collection Allowance, to contribute towards administering the scheme (£309,000) Council Tax Collection Fund Surplus, arising from council tax collected being more than originally budgeted in previous years estimates (£7,000) Orchestras Live Grant, utilised towards cultural events All of the above are fully committed for utilisation against services during the year.</p>
Total income from external grants, business rates and council tax:	(26,971,622)	(26,972,159)	537	

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Income from external contributions and reimbursements	(4,875,519)	(4,730,309)	(145,210)	<p>Overall external contributions income higher than budgeted:</p> <p>Income higher than budgeted: (£160,000) reimbursement for increased utilities and other costs from other partner organisations sharing our offices due to increased costs (£14,000) increased overall contribution from Suffolk County Council in respect of costs at several shared locations (£10,000) increased income in respect of Shared Legal service with Babergh Mid Suffolk Councils (linked to spend and income recovered)</p> <p>Income lower than budgeted: £12,000 income from Suffolk County Council. This is predominantly due to reduced Net Recycling Performance Payments (RPPs). These are based on prices for recycled materials which are traded worldwide, net of the operational costs. Operating costs have increased, and in addition lower material values have contributed to lower net RPP income overall. £29,000 Planning Section 106 monitoring contributions from developers. These are dependent on number, complexity and timings of planning applications. In previous years the council has been able to fully fund the monitoring function from contributions and prior year balances, however based on current activity levels and future projections it is anticipated that around 40 to 60 per cent will be funded in this way.</p> <p>Plus several other smaller income variances.</p>
Income from Service Level Agreements (SLAs)	(1,036,385)	(1,041,315)	4,930	<p>Income slightly lower than budgeted Includes service level agreements for the provision of ICT, payroll, facilities and financial services to outside bodies. The small shortfall in income relates to facilities services provided.</p>
Income from ticket sales, commission and memberships	(1,927,893)	(1,932,067)	4,174	<p>Income slightly lower than budgeted Income from tickets sales has recovered well from the effects of the pandemic and is currently forecasted to be on budget for the year. The forecast shortfall in income relates mainly to commission on catering and other sales.</p>
Income from other Leisure sales	(426,035)	(451,803)	25,768	<p>Income lower than budgeted The forecast shortfall in income mainly relates to room hire at the Apex, based on current levels of demand and the previous year's outturn.</p>
Income from Planning Fees	(1,625,000)	(1,624,484)	(516)	<p>Income forecasted to be in line with budget Year end forecasted income of (£1,625,000) is made up of: (£1,500,000) Planning Application Fees (£125,000) Income from Planning Performance Agreements and Pre-application fees.</p>

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Income from Building Regulation Fees	(355,000)	(374,390)	19,390	Income lower than budgeted Whilst income continues to recover, the current slowing down of the housing market due to rising interest rates and other economic factors is affecting the forecast year end position. Hourly rates were reviewed for 2023 to 2024, built into our projections, as are income streams such as the initial planning fees for the Advanced Manufacturing Units at Suffolk Business Park. The service is also reviewing the potential implications of the Building Safety act.
Income from Refuse collection and sales of scrap materials	(4,726,745)	(4,726,624)	(121)	Income forecasted to be in line with budget Year end forecasted income of (£4,726,000) is made up of: (£1,598,000) Garden Waste Collection (£2,857,000) Trade Waste Collection (£67,000) Bulky Waste Collection (fridges, metal and scrap) (£117,000) Sales of Scrap Materials collected (£17,500) Replacement Bin fees (£69,000) Other fees (including street cleansing and clinical waste)
Income from Car Parking	(7,352,574)	(7,341,574)	(11,000)	Income slightly higher than budgeted Since the COVID-19 lockdown restrictions, we have seen reduced numbers in our car parks. Whilst these are gradually recovering, it is still not 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. This lower income expectation was factored into the 2023 to 2024 budget. The indications for the year so far are that the forecast outturn position will be in line with our budgeted amount for town centre parking, and slightly above budget for our leisure sites by around (£11,000).
Income from Solar Farm and other energy initiatives	(3,830,778)	(3,831,630)	852	Overall income forecast in line with budget Based on generation to date, income from the Toggam Solar Farm is currently forecast to exceed the budget for this financial year by around (£15,000). The total forecast income for 2023 to 2024 is (£3,235,000). Income from feed-in tariffs is currently forecasted to be slightly lower than budgeted, (£570,000) against a budget of (£585,000).

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Income from Licensing	(438,583)	(451,732)	13,149	Income lower than budgeted Licensing income levels are generally showing signs of recovery, however the current forecast year end position is showing a shortfall of around £13,000.
Income from Markets	(260,700)	(260,700)	0	Forecast income in line with budget: Market income has struggled to recover to pre-pandemic levels. This lower income expectation was factored into the 2023 to 2024 budget, and based on the year to date it is anticipated that market fees will be on budget.
Income from other sales	(1,900,814)	(1,990,423)	89,609	Overall income lower than budgeted: Income lower than budgeted £30,000 Battery Energy Storage System (BESS) income at West Suffolk House, as a result of an increasingly competitive sales market. Options are currently being pursued by the service in order to maximise income going forward. £37,000 forecast shortfall in Land Charges income, based on current levels. This is currently being affected by the slowdown in the housing market, and is in addition to the £70,000 reduction as part of the 2023 to 2024 budget setting process, reflecting the migration of Local Land Charges (LLC1) income to HM Land Registry. £11,000 General Landscaping, as a result of prioritising internal demand from council owned land across the District. Increased council demand was factored into the 2023 to 2024 budget, and will continue to be reviewed. Plus several smaller variances across the services.
Income from Rentals	(7,013,308)	(7,040,941)	27,633	Overall forecast income lower than budgeted: Income higher than budgeted (£15,000) improved income expectations from land, temporary accommodation and other property Income lower than budgeted: £43,000 income lower than budgeted, including a forecast shortfall of £50,000 on retail units within the property portfolio.

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Income from investment interest and dividends received	(2,495,080)	(1,465,275)	(1,029,805)	<p>Income higher than budgeted Mainly due to Investment interest, based on higher balances than originally anticipated and improved rates due to increases in the Bank of England base rate. Also includes an additional £300,000 over the assumed budgeted dividend from Barley Homes.</p> <p>Currently forecasting that this amount will be transferred to the Capital Financing reserve in anticipation of future interest rate and investment fluctuations.</p>
Total income from Sales, contributions and reimbursements:	(38,264,415)	(37,263,268)	(1,001,147)	
Total income (excluding Benefits):	(65,236,037)	(64,235,427)	(1,000,610)	
Expenditure - total cost of employment	31,289,962	31,283,086	6,876	<p>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 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 small year end forecast overspend is mainly due to increased anticipated spend on overtime and agency costs, arising from vacancies within services that need to be covered. At this point in time the forecast assumes a 4 per cent pay rise in line with the approved budget, any increase in the agreed settlement will result in additional pressure on this budget.</p>
Percentage of total spend	48.3%	49.4%	0.5%	

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Expenditure - premises costs	7,169,307	7,006,529	162,778	<p>Overall forecast spend higher than budgeted:</p> <p>Spend higher than budgeted £181,000 Gas higher than budgeted, due to increased unit and standing charges. Overspend relates mainly to operational buildings £117,000 and commercial estate £37,000. It should be noted that a large proportion of these costs are recharged to the council's tenants and partners. £6,000 water charges £17,000 Increased building and plant repair and maintenance costs, after allowing for funding from the maintenance reserve £16,000 Increased facilities costs, in part due to additional provisions at provincial house Haverhill, an element recharged where buildings shared £47,000 Other premises costs (Council Tax, insurance, service charges and so on).</p> <p>Spend lower than budgeted: (£23,000) electricity charges, reflecting the revised budget and contractual changes (£75,000) reduced Business rates costs as a result of revaluations.</p>
Percentage of total spend	11.1%	11.1%	12.0%	
Expenditure - transport and related costs	1,882,143	2,026,110	(143,967)	<p>Overall forecast spend lower than budgeted:</p> <p>Spend higher than budgeted £10,000 spare parts - external, used in order to generate additional vehicle workshop income</p> <p>Spend lower than budgeted: (£113k) Vehicle fuel, due to the reduction in overall fuel prices (£50k) Hydrotreated Vegetable Oil (HVO) implementation timing</p>
Percentage of total spend	2.9%	3.2%	-10.6%	

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Expenditure - supplies and services costs	8,921,949	8,608,289	313,660	<p>Spend higher than budgeted:</p> <p>£90,000 Additional contribution required to the Planning reserve in respect of Local Plan spend £85,000 Planning Place Services consultancy. Provision of ecology, landscape and arboricultural advice £29,000 fees in respect of planning appeals £20,000 increase in postage prices £19,000 Tools, equipment and materials purchases as a result of inflationary pressures £32,000 Subscriptions and other contributions (including £11,000 additional drainage board precepts as a result of inflationary pressures) £20,000 Services for rent and lease renewals advice and marketing, resulting in additional estates income</p> <p>Plus a number of smaller variances.</p>
Percentage of total spend	13.8%	13.6%	23.1%	
Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	2,980,526	2,876,388	104,138	<p>Spend higher than budgeted</p> <p>£31,000 increased costs for Haverhill Waste transfer station, reflecting inflationary pressures £31,000 increased costs for Mildenhall Hub, including postal costs which are recharged to partners £8,000 Event security (The Apex)</p> <p>Plus a number of smaller variances across various services.</p>
Percentage of total spend	4.6%	4.5%	7.7%	
Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	2,268,900	2,268,900	0	<p>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.</p>
Percentage of total spend	3.5%	3.6%	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)	10,212,422	9,297,550	914,872	Net overall contributions to reserves higher than budgeted Increased contributions to reserves: £1,030,000 contribution to capital financing reserve in respect of increased investment interest as detailed above, plus additional Barley Homes dividend in budgeted for 2024 to 2025. Reduced contribution to reserve: (£70,000) Civil Parking Enforcement as a result of increased costs (£29,000) lower S106 Monitoring contribution income forecast for the year Increased contributions from reserves: (£10,000) Abbey Gardens, donations reserve monies utilised towards special events (£5,000) Nowton Park new parking machine funded from Car Parking Reserve (£4,000) funding towards Electric Vehicle chargers from the Green Travel Plan
Percentage of total spend	15.8%	14.7%	67.4%	
Total expenditure (excluding Benefits):	64,725,209	63,366,852	1,358,357	
Net (surplus) or deficit:	(458,791)	(830,565)	371,774	
Transfers to(from) General Fund				
Transfer to General Fund	830,565	830,565	0	Approved contribution to General Fund in respect of 2022 to 2023 budgeted replenishment required
Part utilisation of General Fund	(371,774)	0	(371,774)	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)
Final year end variance after funding:	0	0	0	