

## Appendix B - income and expenditure - year end forecast against budget - December 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	38,010	38,010	0	<p><b>Net Benefit position in line with budget</b></p> <p>Overall gross budgets comprises: £25,006,000 rent allowance payments, £726,000 temporary accommodation rent rebates and £169,000 discretionary housing payments, mostly funded by government subsidy and recovery of overpayments.</p> <p>The forecast year end position is a deficit of £190,000 which has been covered by a contribution from the Benefits reserve, and includes: £132,000 rent allowances subsidy shortfall due to average rate to date of 98.03 per cent against a budget of 98.4 per cent. £158,000 temporary accommodation rent rebates subsidy shortfall due to average rate to date of 55.06 per cent compared to a budget of 80 per cent. This is due to the council's current refurbishment programme of its temporary accommodation. The programme is expected to be completed by the new year and as a result the subsidy rate should increase. Therefore, the forecast has been based on a rate of 60 per cent. (£100,000) additional overpayment recovery.</p>
<b>Total Net Benefits (income) or expenditure:</b>	<b>38,010</b>	<b>38,010</b>	<b>0</b>	
Income from Business Rates	(7,078,046)	(6,400,600)	(677,446)	<p><b>Net overall Business Rate income higher than budgeted</b></p> <p>The forecast year end position includes: £629,000 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 (£529,000) reduced share of Suffolk pool income as a result of lower than budgeted business rates income across Suffolk authorities including West Suffolk (agreed sharing of business rate benefits across Suffolk authorities) (£777,000) reduced levy payable to Suffolk pool (proportion of business rate benefit payable to the pool in accordance with statutory provisions).</p>
Income from Formula Grant (Business Rate Retention Scheme), Council Tax and New Homes Bonus Grant	(16,828,053)	(16,828,053)	0	<p><b>Formula Grant income in line with budget</b></p> <p>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).</p>

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Income from other grants	(3,761,227)	(3,743,506)	(17,721)	<p><b>Other grant income slightly higher than budgeted:</b></p> <p><b>The Budget and forecast year end position includes the following grants:</b>                      (£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 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>
<b>Total income from external grants, business rates and council tax:</b>	<b>(27,667,326)</b>	<b>(26,972,159)</b>	<b>(695,167)</b>	

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Income from external contributions and reimbursements	(4,950,292)	(4,708,819)	(241,473)	<p><b>Overall external contributions income higher than budgeted</b></p> <p><b>Income higher than budgeted:</b>                      (£164,000) reimbursement for increased utilities and other costs from other partner organisations sharing our offices due to increased costs                      (£87,000) increased overall contribution from Suffolk County Council in respect of costs at several shared locations                      (£16,000) increased donations in respect of leisure and cultural sites (Abbey Gardens, The Apex and so on)</p> <p><b>Income lower than budgeted:</b>                      £10,000 income from Suffolk County Council. This is due to reduced Net Recycling Performance Payments (RPPs) £25,000. 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. Also includes £18,000 reduced Tree Maintenance income.                      £27,000 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)	(1,046,564)	(1,041,315)	(5,249)	<p><b>Income slightly higher than budgeted</b>                      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	(1,927,907)	(1,932,067)	4,160	<p><b>Income slightly lower than budgeted</b>                      Income from tickets sales has recovered well from the effects of the pandemic and is currently forecasted to be higher than budgeted by around (£24,000) for the year.                      The overall forecast shortfall in income relates mainly to commission on sales.</p>
Income from other Leisure sales	(434,464)	(451,803)	17,339	<p><b>Income lower than budgeted</b>                      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>

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Income from Planning Fees	(1,579,000)	(1,624,484)	45,484	<b>Income lower than budgeted</b> Year end forecasted income of (£1,605,000) is made up of: (£1,475,000) Planning Application Fees - £25,000 lower than budgeted (1.67 per cent of the budget) (£104,000) Income from Planning Performance Agreements and Pre-application fees - £20,000 lower than budgeted.
Income from Building Regulation Fees	(338,000)	(374,390)	36,390	<b>Income lower than budgeted</b> 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	(4,849,530)	(4,726,624)	(122,906)	<b>Income higher than budgeted</b> Year end forecasted income of (£4,850,000) is made up of: (£1,653,000) Garden Waste Collection - (£55,000) higher than budget (£2,953,000) Trade Waste Collection - (£96,000) higher than budget (£67,000) Bulky Waste Collection (fridges, metal and scrap) - on budget (£119,000) Sales of Scrap Materials collected - (£1,600) higher than budget (£13,000) Replacement Bin fees - £5,000 lower than budget (£44,000) Other fees (including street cleansing and clinical waste) - £26,000 lower than budget
Income from Car Parking	(7,651,027)	(7,341,574)	(309,453)	<b>Income higher than budgeted</b> 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 higher than our budgeted amount for town centre parking (£279,000), and slightly above budget for our leisure sites by around (£30,000).

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	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Forecast variance notes - figures in brackets represent underspends or additional income achieved.
Income from Solar Farm and other energy initiatives	(3,995,338)	(3,910,430)	<b>(84,908)</b>	<p><b>Income higher than budgeted</b> Based on generation to date, income from the Toggam Solar Farm is currently forecast to exceed the budget for this financial year by around (£113,000). The total forecast income for 2023 to 2024 is (£3,333,000). This is based on generation from April to December of 10,175 Mwh against a target of 9,685 mwh.</p> <p>Income from feed-in tariffs is currently forecasted to be lower than the budgeted amount of £664,000 by around £24,000.</p>
Income from Licensing	(490,333)	(451,732)	<b>(38,601)</b>	<p><b>Income higher than budgeted</b> Licensing income levels are generally showing signs of recovery, with the current forecast year end position showing an increase of around £39,000, primarily from Premises Licences (£30,000) and Environmental Permitting (£9,000).</p>
Income from Markets	(246,000)	(266,700)	<b>20,700</b>	<p><b>Income lower than budgeted</b> Market income has struggled to recover to pre-pandemic levels.</p> <p>This lower income expectation was factored into the 2023 to 2024 budget, however based on the year to date it is anticipated that market fees will still be lower than anticipated.</p>
Income from other sales	(1,966,954)	(1,984,423)	<b>17,469</b>	<p><b>Overall income lower than budgeted</b></p> <p><b>Income lower than budgeted:</b> £55,000 Battery Energy Storage System (BESS) income, as a result of an increasingly competitive sales market. Options are currently being pursued by the service in order to maximise income going forward. £62,000 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. £36,000 CCTV income lower than budgeted as a result of review of facilities with partners</p> <p><b>Income higher than budgeted:</b> (£100,000) Vehicle Workshop income, offset to an extent by increased costs of spare parts and materials (£31,000) Electric Vehicle Charger income plus several smaller positive variances across the services.</p>

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Income from Rentals	(7,151,793)	(7,040,941)	(110,852)	<p><b>Overall income higher than budgeted</b></p> <p><b>Income higher than budgeted:</b> (£142,000) improved income expectations from land, temporary accommodation and other property</p> <p><b>Income lower than budgeted:</b> Includes forecast shortfall of £50,000 on retail units within the property portfolio, however these costs of initial letting are funded from the Capital Equalisation Reserve. £32,000 reduced expectations for Industrial and Business Unit Rent, pending rent reviews.</p>
Income from investment interest and dividends received	(3,409,167)	(1,465,275)	(1,943,892)	<p><b>Income higher than budgeted</b></p> <p>Mainly due to Investment interest, based on higher balances than originally anticipated and improved rates (4.55 per cent against the budgeted 3.25 per cent) 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>
<b>Total income from Sales, contributions and reimbursements:</b>	<b>(40,036,370)</b>	<b>(37,320,578)</b>	<b>(2,715,792)</b>	
<b>Total income (excluding Benefits):</b>	<b>(67,703,696)</b>	<b>(64,292,737)</b>	<b>(3,410,959)</b>	
Expenditure - total cost of employment	31,626,700	31,274,391	352,309	<p><b>Employment costs higher than budgeted</b></p> <p>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 salary budget for 2023 to 2024 allowed for a pay award assumption of 4 per cent. The final award of £1,925 for scale points 1 to 43, and 3.88 per cent from points 44 upward, leads to a cost increase of around £577,000. This is mitigated to an extent by close vacancy management and recruitment, offset with increased anticipated spend on overtime and agency costs within services.</p>
Percentage of total spend	46.9%	49.3%	8.8%	

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Expenditure - premises costs	7,781,016	6,986,829	<b>794,187</b>	<p><b>Overall spend higher than budgeted</b></p> <p><b>Spend higher than budgeted</b>                      £124,000 Gas higher than budgeted, due to increased unit and standing charges.                      £325,000 Electricity higher than budgeted.                      £56,000 Water higher than budgeted.                      It should be noted that a large proportion of these utility costs are recharged to the council's tenants and partners, as reflected in income from external contributions and reimbursements.                      £53,000 increased facility services charges                      £36,000 increased spend on plant and equipment repair and maintenance, including Solar PV cleaning and repairs                      £58,000 increased Service Charges, including costs for new Car Park Fire Alarm System (£48,000)                      £60,000 increased Grounds Maintenance costs, including £19,000 gritting and £14,000 additional landscaping costs in respect of Mildenhall Hub (£22,000 of this is recoverable from partners)                      £66,000 Other premises costs (Council Tax, insurance, and so on).</p>
Percentage of total spend	11.5%	11.0%	<b>19.9%</b>	
Expenditure - transport and related costs	2,020,461	2,012,210	<b>8,251</b>	<p><b>Overall spend higher than budgeted</b></p> <p><b>Spend higher than budgeted:</b>                      £53,000 spare parts - external, used in order to generate additional vehicle workshop income                      £63,000 overspend on other vehicle costs, including insurances, vehicle hire, tyres, MOTs, maintenance and so on</p> <p><b>Spend lower than budgeted:</b>                      (£108,000) Vehicle fuel, due to the lower overall fuel prices over year so far. Prices will be kept under close scrutiny for the remainder of the year.</p>
Percentage of total spend	3.0%	3.2%	<b>0.2%</b>	

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	£	£	£	
Expenditure - supplies and services costs	12,010,603	11,257,858	<b>752,745</b>	<p><b>Spend higher than budgeted</b></p> <p>£118,000 increase in External Audit fees over budget, resulting from Public Sector Audit Appointments (PSAA) audit scale fee uplift</p> <p>£116,000 Planning Place Services consultancy. Provision of ecology, landscape and arboricultural advice</p> <p>£100,000 fees in respect of planning appeals, barrister support and representation</p> <p>£74,000 additional costs for computer maintenance agreements, including cloud migration</p> <p>£87,000 Tools and equipment purchase and hire as a result of inflationary pressures</p> <p>£63,000 Subscriptions and other contributions (including £11,000 additional drainage board precepts) mainly as a result of inflationary pressures)</p> <p>£79,000 general goods and material purchases, resulting from inflationary pressures</p> <p>£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	17.8%	17.8%	<b>18.9%</b>	
Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	3,132,018	2,955,763	<b>176,255</b>	<p><b>Spend higher than budgeted</b></p> <p>£31,000 increased costs for Haverhill Waste transfer station, reflecting inflationary pressures</p> <p>£35,000 increased costs for Mildenhall Hub, including postal costs which are recharged to partners</p> <p>£60,000 Off Street Car Parks, additional transaction fees, reflecting increased income assumptions</p> <p>£39,000 increased Security, £16,000 of which relates to Bury Bus Station, and £10,000 Events security at the Apex</p> <p>Plus a number of smaller variances across various services.</p>
Percentage of total spend	4.6%	4.7%	<b>4.4%</b>	
Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	2,294,200	2,294,200	<b>0</b>	<p><b>Spend in line with the budget</b></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	3.4%	3.6%	<b>0.0%</b>	



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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)	8,542,138	6,642,911	<b>1,899,227</b>	<b>Net overall contributions to reserves higher than budgeted</b>  <b>Increased contributions to reserves:</b> £1,944,000 contribution to capital financing reserve in respect of increased investment interest as detailed above, plus additional Barley Homes £300,000 dividend budgeted for 2024 to 2025 £100,000 contribution to Invest to Save Reserve in respect of timings of Hydrotreated Vegetable Oil fuel implementation, for future project utilisation £25,000 Civil Parking Enforcement as a result of increased income  <b>Reduced contributions to reserves:</b> (£29,000) lower S106 Monitoring contribution income forecast for the year  <b>Increased contributions from reserves:</b> (£14,000) Non-distributed costs, contribution in respect of cost of change (£10,000) Abbey Gardens, donations reserve monies utilised towards special events (£9,000) Nowton Park new parking machine funded from Car Parking Reserve (£101,000) Housing Options funding for increased accommodation and other costs
Percentage of total spend	12.7%	10.5%	<b>47.7%</b>	
<b>Total expenditure (excluding Benefits):</b>	<b>67,407,136</b>	<b>63,424,162</b>	<b>3,982,974</b>	
<b>Net (surplus) or deficit:</b>	<b>(258,550)</b>	<b>(830,565)</b>	<b>572,015</b>	
<b>Transfers to(from) General Fund</b>				
Transfer to General Fund	830,565	830,565	<b>0</b>	Approved contribution to General Fund in respect of 2022 to 2023 budgeted replenishment required
Part utilisation of General Fund	(572,015)	0	<b>(572,015)</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>	