

## Appendix B - income and expenditure - year end revenue outturn against budget - March 2024

	Year end revenue outturn £	Annual revenue budget £	Net (positive) or negative variance £	Outturn 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 year-end position is a deficit of £186,000 which has been covered by a contribution from the Housing Benefits Equalisation reserve, and includes: £70,000 rent allowances subsidy shortfall due to average subsidy rate of 98.27 per cent against a budget of 98.4 per cent. £272,000 temporary accommodation rent rebates subsidy shortfall due to average subsidy rate of 51.51 per cent compared to a budget of 80 per cent. This is due to the council's current refurbishment programme of its temporary accommodation and the subsequent need to use bed and breakfast accommodation for which a lower subsidy rate is received from the government. (£159,000) additional overpayment recovery. £3,000 other minor variances</p>
<b>Total Net Benefits (income) or expenditure:</b>	<b>38,010</b>	<b>38,010</b>	<b>0</b>	
Income from Business Rates	(6,980,083)	(6,400,600)	<b>(579,483)</b>	<p><b>Net overall Business Rate income higher than budgeted</b></p> <p>The forecast year end position includes: £292,000 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 (£909,000) increased 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) (£283,000) increased local share of growth due to the final tariff adjustment relating to the 2023 revaluation. £305,000 increased levy payable to Suffolk pool (proportion of business rate benefit payable to the pool in accordance with statutory provisions).</p>

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Income from Formula Grant (Business Rate Retention Scheme), Council Tax and New Homes Bonus Grant	(16,828,053)	(16,828,053)	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: (£4,693,000) 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)
Income from other grants	(3,816,872)	(3,743,506)	(73,366)	<b>Other grant income slightly higher than budgeted:</b>  <b>The Budget and year-end outturn position includes the following grants:</b> (£82,000) Department of Works and Pensions Grant (£120,000) COVID-19 outbreak management funding, utilised for public health protection (£34,000) Household Support Fund grant, used for supporting Housing Options initiatives (£972,000) Homelessness Prevention Grant, used to fund Housing Options Services (£483,000) 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 (£252,000) 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 (£27,000) Biodiversity Net Gain grant, utilised towards planning resources in order to ensure new developments fulfil the statutory planning obligations (£28,000) Redmond Review grant, utilised towards increased costs of external audit 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>(27,625,008)</b>	<b>(26,972,159)</b>	<b>(652,849)</b>	

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Income from external contributions and reimbursements	(5,369,537)	(4,708,819)	(660,718)	<p><b>Overall external contributions income higher than budgeted</b></p> <p><b>Income higher than budgeted:</b>            (£440,000) reimbursement for increased utilities and other costs from other partner organisations sharing our offices due to increased costs            (£113,000) increased overall contribution from Suffolk County Council in respect of costs at several shared locations            (£115,000) increased donations in respect of leisure and cultural sites (including Abbey Gardens and The Apex)</p> <p><b>Income lower than budgeted:</b>            £12,000 income from Suffolk County Council. This is due to reduced Net Recycling Performance Payments (RPPs) £22,000. 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. Offset with (£23,000) additional income re: Council Tax Administration, plus some additional income for parks and play provision.            £17,000 Planning Section 106 monitoring contributions from developers. These are dependent on number, complexity and timings of planning applications. I</p> <p>Plus several other smaller income variances</p>
Income from Service Level Agreements (SLAs)	(1,070,299)	(1,076,694)	6,395	<p><b>Income slightly lower 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 cemetery services provided</p>
Income from ticket sales, commission and memberships	(2,059,246)	(1,932,067)	(127,179)	<p><b>Income higher than budgeted</b>            Income from tickets sales has recovered well from the effects of the pandemic and have exceeded the budget for the current year, the year end increase comprising:            (£95,000) increased ticket sales income, after taking account of artists' fees            (£10,000) net increased commission on catering and general sales            (£22,000) increased booking fees and other Apex income</p>
Income from other Leisure sales	(464,519)	(451,803)	(12,716)	<p><b>Income slightly higher than budgeted</b>            (£25,000) increased income from West Stow Country Park</p> <p>This is offset to an extent by £13,000 lower income than budgeted from event hire at the Apex</p>

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Income from Planning Fees	(1,357,695)	(1,624,484)	<b>266,789</b>	<b>Income lower than budgeted</b> Year-end income of (£1,358,000) is made up of: (£1,265,000) Planning Application Fees - £235,000 lower than budgeted (15.7 per cent of the budget) (£93,000) Income from Planning Performance Agreements and Pre-application fees - £32,000 lower than budgeted
Income from Building Regulation Fees	(293,771)	(374,390)	<b>80,619</b>	<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 larger projects commissioned by the Council. The service is also reviewing the potential implications of the Building Safety act
Income from Refuse collection and sales of scrap materials	(4,897,845)	(4,726,624)	<b>(171,221)</b>	<b>Income higher than budgeted</b> Year end income of (£4,898,000) is made up of: (£1,661,000) Garden Waste Collection - (£63,000) higher than budget (£2,972,000) Trade Waste Collection - (£116,000) higher than budget (£61,000) Bulky Waste Collection (fridges, metal and scrap) - £7,000 lower than budget (£156,000) Sales of Scrap Materials collected - (£39,000) higher than budget (£14,000) Replacement Bin fees - £4,000 lower than budget (£33,000) Other fees (including street cleansing and clinical waste) - £36,000 lower than budget
Income from Car Parking	(7,702,274)	(7,341,574)	<b>(360,700)</b>	<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 final year end outturn position is higher than our budgeted amount for town centre parking (£313,000), and slightly above budget for our leisure sites by around (£48,000)

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Income from Solar Farm and other energy initiatives	(4,007,731)	(3,910,430)	(97,301)	<p><b>Income higher than budgeted</b> Income from the Toggam Solar Farm for 2023 to 2024 is (£3,318,000), which is (£98,000) higher than the budget. This is based on generation from April to January of 11,851 Mwh against a target of 11,500 mwh.</p> <p>Income from feed-in tariffs and fuel energy was slightly lower than the budgeted amount of £690,000 by £1,000</p>
Income from Licensing	(494,601)	(451,732)	(42,869)	<p><b>Income higher than budgeted</b> Licensing income levels are generally showing signs of recovery, with the final year end position showing an increase of around (£42,000). This is primarily from Premises Licences (£26,000) and Taxi and Hackney Carriage licences (£15,000), plus some other minor increases</p>
Income from Markets	(261,320)	(266,700)	5,380	<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 at the year end market fees still came in lower than anticipated</p>
Income from other sales	(3,830,398)	(1,949,044)	(1,881,354)	<p><b>Overall income higher than budgeted</b></p> <p><b>Income higher than budgeted:</b> (£1,800,000) backdated leisure VAT claim going back multiple years plus interest, contributed to the Strategic Priorities and MTFs Reserve (VTA) and Capital Financing Reserve (Interest) (£95,000) Vehicle Workshop income, partly offset by increased costs of spare parts and materials (£43,000) Electric Vehicle Charger income (£35,000) Car Park RinGo administration income</p> <p><b>Income lower than budgeted:</b> £94,000 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. £46,000 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. £51,000 CCTV income lower than budgeted as a result of review of facilities with partners</p> <p>plus several smaller positive variances across the services</p>

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Income from Rentals	(7,136,014)	(7,040,941)	(95,073)	<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> £47,000 Shop rental income lower than budgeted (including vacancies and reduced backdated rent review at Ehringhausen Way, Haverhill)</p>
Income from investment interest and dividends received	(3,748,434)	(1,465,275)	(2,283,159)	<p><b>Income higher than budgeted</b></p> <p>Overall interest on investments during the year was (£2,928,000), an improvement of (£2,213,000) on the budget of £715,000. This was due to higher balances being held during the year than originally anticipated and improved rates (our average return rate was 4.9 per cent against the budgeted 3.25 per cent) due to increases in the Bank of England base rate.</p> <p>The year end position also includes an additional (£300,000) over the assumed budgeted dividend from Barley Homes. This has been offset to an extent by £40,000 lower dividend expectation from Verse, (£11,500) share dividend income, and £208,000 lower Barley Homes loan interest receivable as a result of timing of the development pipeline</p> <p>The net overall increase in income has been 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>(42,693,685)</b>	<b>(37,320,578)</b>	<b>(5,373,107)</b>	
<b>Total income (excluding Benefits):</b>	<b>(70,318,693)</b>	<b>(64,292,737)</b>	<b>(6,025,956)</b>	

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Expenditure - total cost of employment	31,873,815	31,274,391	599,424	<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	45.7%	49.3%	9.5%	
Expenditure - premises costs	7,837,454	6,986,829	850,625	<p><b>Overall spend higher than budgeted</b></p> <p><b>Spend higher than budgeted</b></p> <p>£509,000 Electricity higher than budgeted mainly due to increase in overall unit rates once the new Ofgem line loss allowance is factored in.</p> <p>£102,000 Gas higher than budgeted, due to increased unit and standing charges.</p> <p>£77,000 Water higher than budgeted.</p> <p>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.</p> <p>£60,000 increased facility services charges</p> <p>£34,000 increased Service Charges, including costs for new Car Park Fire Alarm System (£48,000)</p> <p>£54,000 Other premises costs (including £62,000 insurance costs).</p> <p><b>Spend lower than budgeted:</b></p> <p>(£38,000) Grounds Maintenance costs lower than budgeted</p> <p>(£27,000) Repairs and maintenance of buildings and facilities, after allowing for reserve funding and some rechargeable elements to partners and other bodies</p>
Percentage of total spend	11.2%	11.0%	13.4%	

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Expenditure - transport and related costs	1,766,992	2,012,210	(245,218)	<p><b>Overall spend lower than budgeted</b></p> <p><b>Spend lower than budgeted:</b>            (£290,000) Vehicle fuel, due to the lower overall fuel prices over the full year.            (£14,000) underspend on other vehicle costs, including insurances, vehicle hire, tyres, MOTs, maintenance and so on</p> <p><b>Spend higher than budgeted:</b>            £60,000 spare parts - external, used in order to generate additional vehicle workshop income</p>
Percentage of total spend	2.5%	3.2%	-3.9%	
Expenditure - supplies and services costs	12,027,355	11,257,858	769,497	<p><b>Spend higher than budgeted</b>            £124,000 increase in External Audit fees over budget, resulting from Public Sector Audit Appointments (PSAA) audit scale fee uplift            £180,000 fees paid for VAT advice in respect of the £1.4m Leisure claim - see also income, funded from the Capital Financing Reserve            £118,000 Planning Place Services consultancy. Provision of ecology, landscape and arboricultural advice            £109,000 fees in respect of planning appeals, barrister support and representation            £144,000 additional costs for computer maintenance agreements, mainly relating to cloud migration            £128,000 Tools and equipment purchase and hire as a result of inflationary pressures            £59,000 events equipment, offset with additional income            £50,000 Subscriptions and other contributions (including £11,000 additional drainage board precepts) mainly as a result of inflationary pressures)            £35,000 general goods and material purchases, resulting from inflationary pressures            £39,000 Services for rent and lease renewals advice and marketing, resulting in additional estates income            £83,000 Supplies and Services efficiencies - savings achieved by underspends in other supplies budgets</p> <p><b>Spend lower than budgeted:</b>            (£334k) reduced Bad Debt Provision</p> <p>Plus a number of smaller variances</p>
Percentage of total spend	17.2%	17.8%	12.1%	



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Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	3,114,841	2,955,763	159,078	<p><b>Spend higher than budgeted</b>            £31,000 increased costs for Haverhill Waste transfer station, reflecting inflationary pressures            £33,000 increased costs for Mildenhall Hub, including postal costs which are recharged to partners            £39,000 Off and On Street Parking, additional transaction fees, reflecting increased income assumptions            £27,000 increased Security, £16,000 at Bury Bus Station, £8,000 for Off-street Car Parks, plus £3,000 District Highways Services            £18,000 Gypsy and Travellers Study            £75,000 Babergh and Mid Suffolk Civil Parking Enforcement income recharges, reflected in higher income collected</p> <p><b>Spend lower than budgeted:</b>            (£99,000) Suffolk County Council waste tipping charges as a result of reduced tonnages            Plus a number of smaller variances across various services</p>
Percentage of total spend	4.5%	4.7%	2.5%	
Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	2,294,200	2,294,200	0	<p>These costs are tied in with our projected borrowing and Minimum Revenue Provision (MRP) requirements during the year, and as such will fluctuate depending on capital project timings:            (£1,337,000) Interest on borrowing lower than budgeted            £148,000 Minimum Revenue Provision higher than budgeted</p> <p>Net underspend of (£1,189,000) transferred to the Capital Financing Equalisation Reserve pending future required utilisation as projects develop</p>
Percentage of total spend	3.3%	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)	10,850,356	6,642,911	4,207,445	<p><b>Net overall contributions to reserves higher than budgeted</b></p> <p><b>Increased contributions to reserves:</b>            £1,800,000 contribution to SP and MTFS (£645,000) and capital financing reserve (£1,155,000) in respect of backdated Leisure VAT claim, see also (£180,000) reserve monies utilised to fund VAT advice on this matter            £3,445,000 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 net zero project utilisation            £97,000 Abbey Gardens Donation to earmarked reserve            £185,000 Off Street Car parking contribution as a result of capital recharge to external partner            £83,000 Civil Parking Enforcement as a result of increased income</p> <p><b>Increased contributions from reserves:</b>            (£180,000) VAT advice in respect of Leisure claim            (£39,000) Abbey Gardens, donations reserve monies utilised towards special events            (£127,000) Housing Options funding for increased accommodation and other costs</p>
Percentage of total spend	15.6%	10.5%	66.4%	
<b>Total expenditure (excluding Benefits):</b>	<b>69,765,013</b>	<b>63,424,162</b>	<b>6,340,851</b>	
<b>Net (surplus) or deficit:</b>	<b>(515,670)</b>	<b>(830,565)</b>	<b>314,895</b>	
<b>Transfers to(from) General Fund</b>				
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	(314,895)	0	(314,895)	Additional contribution from the General Fund reserve to fund net pressures in year. General Fund balance at 31 March 2024 is £5.516 million (the agreed minimum policy level is £5 million)
<b>Final year end variance after funding:</b>	<b>0</b>	<b>0</b>	<b>0</b>	