

Appendix B - income and expenditure - year end forecast against budget - June 2024

	Year end forecast outturn £	Annual budget £	Net (positive) or negative forecast variance £	Variance notes - figures in brackets represent underspends or additional income achieved.
Transfer payments: Net (Income) and expenditure on Benefits	1,824,536	1,824,536	0	<p>Net Benefit position in line with budget</p> <p>Overall gross budgets comprises: £26,148,000 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 £113,000 which has been covered by a contribution from the Housing Benefits Equalisation reserve, and includes: £78,000 rent allowances subsidy shortfall due to average rate to date of 98.2 per cent against a budget of 98.5 per cent. £36,000 temporary accommodation rent rebates subsidy shortfall. This is mainly due to the council's current refurbishment programme of its temporary accommodation, and the consequent need to use additional bed and breakfast accommodation for which a lower subsidy rate is received from the government. £8,000 increased external audit fees. (£11,000) additional housing benefit administration subsidy received.</p>
Total Net Benefits (income) or expenditure:	1,824,536	1,824,536	0	
Income from Business Rates	(11,356,747)	(11,356,747)	0	<p>Net overall Business Rate income higher than budgeted</p> <p>The forecast year end position includes: £2,653,000 levy payable to Suffolk pool (proportion of business rate benefit payable to the pool in accordance with statutory provisions), currently on budget. (£52,000) Local Share of Growth (Suffolk pool), currently on budget. (£7,718,000) section 31 grants (provided by Central Government to compensate for national reliefs awarded such as small business rates relief and retail hospitality relief), currently forecasted to be (£33,000) higher than budgeted. (£1,931,000) share of Suffolk pool income (agreed sharing of business rate benefits across Suffolk authorities), currently forecasted to be (£181,000) higher than budgeted (£740,000) Renewable Energy, currently on budget. (£446,000) Enterprise Zones, currently on budget. (£3,123,000) Collection Fund surplus, currently on budget. The net overall (£214,000) increase in income is currently forecasted to be contributed to the Business Rates Equalisation Reserve in anticipation of future fluctuations.</p>

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Income from Finance Settlement: Formula Grant (Business Rate Retention Scheme), Revenue Support Grant, Council Tax and New Homes Bonus Grant	(19,547,653)	(19,543,795)	(3,858)	Formula Grant income slightly higher than the budget Grants received by the council, based on the annual local government finance settlement. These include the following: (£4,903,000) Business Rate Retention scheme income (£448,000) Revenue Support Grant, non-specific grant utilised to support the net cost of services (£881,000) New Homes Bonus grant (£29,000) Services grant, (£3,000) higher than budgeted (£1,439,000) Funding Guarantee Grant, government funding to ensure that councils will see a 3% increase in their core spending power, (£1,000) higher than budgeted (£235,000) Rural Services Delivery Grant, additional grant reflecting the rural nature of the council (£11,609,000) Council Tax income (net of Parish demand).
Income from other grants	(1,971,617)	(1,971,617)	0	Other grant income currently on budget The Budget and forecast year end position includes the following grants: (£82,000) Department of Works and Pensions (DWP) Grant (£40,000) Household Support Fund grant, used for supporting Housing Options initiatives (£974,000) Homelessness Prevention Grant, used to fund Housing Options Services (£469,000) Rough Sleeping Initiative, used for Housing Options Outreach Services (£254,000) Non-Domestic Rates Cost of Collection Allowance, to contribute towards administering the scheme (£142,000) 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.
Total income from external grants, business rates and council tax:	(32,876,017)	(32,872,159)	(3,858)	

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Income from external contributions and reimbursements	(5,083,879)	(4,998,669)	(85,210)	Overall external contributions income higher than budgeted Income higher than budgeted: (£41,000) reimbursement for increased utilities and other costs from other partner organisations sharing our offices due to increased costs (£40,000) increased overall contribution from Suffolk County Council in respect of costs at several shared locations (£4,000) Planning Section 106 monitoring contributions from developers. These are dependent on number, complexity and timings of planning applications.
Income from Service Level Agreements (SLAs)	(1,111,084)	(1,093,274)	(17,810)	Income higher than budgeted Includes service level agreements for the provision of ICT, payroll, facilities and financial services to outside bodies. The increased income relates to ICT services provided.
Income from ticket sales, commission and memberships	(2,016,863)	(2,037,398)	20,535	Income lower than budgeted Income from ticket sales is doing well and expected to be on budget for the year. Overall income is lower than budget due to reduced commission expectations for this year as new concessionaire seeks to establish a customer base and increased consumer confidence.
Income from other Leisure sales	(458,012)	(444,907)	(13,105)	Income higher than budgeted Income from the council's parks and green spaces is currently anticipated to be slightly higher than budgeted for the year.
Income from Planning Fees	(1,526,000)	(2,070,000)	544,000	Income lower than budgeted Year end forecasted income of (£1,526,000) is made up of: (£1,386,000) Planning Application Fees - £534,000 lower than budgeted (27.8 per cent of the budget) (£140,000) Income from Planning Performance Agreements and Pre-application fees - £10,000 lower than budgeted. In recent months the council has seen a 10 per cent downturn in planning applications, reflecting the current slowing down of the housing market and increased interest rates.
Income from Building Regulation Fees	(320,000)	(381,890)	61,890	Income lower than budgeted Whilst income continues to recover slowly, 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 2024 to 2025, built into our projections.

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Income from Refuse collection and sales of scrap materials	(4,998,467)	(4,998,467)	0	<p>Income forecast in line with the budget</p> <p>Year end forecasted income of (£4,998,000) is made up of: (£1,736,000) Garden Waste Collection (£3,005,000) Trade Waste Collection (£68,000) Bulky Waste Collection (fridges, metal and scrap) (£120,000) Sales of Scrap Materials collected (£15,000) Replacement Bin fees (£55,000) Other fees (including street cleansing and clinical waste)</p> <p>All of these income streams are currently on budget for the year.</p>
Income from Car Parking	(8,079,832)	(8,046,832)	(33,000)	<p>Income higher than budgeted</p> <p>Car Parking income continues to recover from the downturn in town centre footfall in recent years, the 2024 to 2025 budget being increased by around (£585,000) in respect of off-street car parks in order to reflect this.</p> <p>The annual budget comprises the following: (£7,652,000) Town Centre on and off-street parking and enforcement income, currently on budget. (£395,000) Parks and Green Space, currently forecasted to be (£33,000) higher than budgeted.</p>
Income from Solar Farm and other energy initiatives	(3,974,435)	(4,088,995)	114,560	<p>Income lower than budgeted</p> <p>The total forecast income for 2024 to 2025 is (£3,125,000), against a budget of (£3,220,000). Based on generation to date, income from the Toggam Solar Farm is currently forecast to fall short of the budget for this financial year by around £72,000. Generation from April to June was 4,224 Mwh against a target of 4,528 mwh, largely due to the unseasonal weather conditions. In addition to this there were 5 days of shut down in May due to works carried out by UK Power Networks on the Lakenheath grid which contributed to the shortfall.</p> <p>Income from feed-in tariffs is budgeted to be on target at (£762,000) and fuel energy is currently forecasted to be lower than the budgeted amount of £160,000 by around £50,000.</p>

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Income from Licensing	(461,081)	(466,532)	5,451	<p>Overall income lower than budgeted Whilst licensing income has been steadily recovering over the past few years, the current forecast is a small overall shortfall.</p> <p>Income lower than budgeted: £10,000 Premises, annual budget (£140,000) £5,000 Gambling, annual budget (£25,000) £6,000 Street Trading , annual budget (£19,000)</p> <p>Income higher than budgeted: (£15,000) Taxis</p>
Income from Markets	(245,866)	(241,866)	(4,000)	<p>Income higher than budgeted Market income has struggled to recover to pre-pandemic levels over the past few years.</p> <p>Lower income expectation was factored into the 2024 to 2025 budget, however based on the year to date it is anticipated that market fees will be slightly higher than anticipated.</p>
Income from other sales	(1,849,195)	(1,836,985)	(12,210)	<p>Overall income higher than budgeted</p> <p>Income lower than budgeted: £30,000 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. £20,000 forecast shortfall in Land Charges income, based on current levels. This is continues to be affected by the slowdown in the housing market.</p> <p>Income higher than budgeted: (£9,000) Renewable Heat Incentive (RHI) income (£3,000) Car Park RinGo administration income (£4,000) CCTV income (£16,000) increased income from other sales, spread across the council's services.</p>

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Income from Rentals	(7,335,321)	(7,207,746)	(127,575)	Overall income higher than budgeted The budget and forecast income comprises: (£2,799,000) Industrial Units, currently (£25,000) lower than budget. There are several vacancies and a major tenant reducing their occupancy, however this has been mitigated by a backdated rent review that has generated additional income. (£1,978,000) Shops, currently £29,000 lower than budget as a result of vacancies (£1,117,000) Land, (£25,000) higher than budget (£206,000) Offices, (£23,000) higher than budget (£555,000) Temporary Accommodation, (£21,000) higher than budget (£553,000) Other Property, (£62,000) higher than budget.
Income from investment interest and dividends received	(1,690,000)	(1,530,275)	(159,725)	Overall net income higher than budgeted: (£320,000) investment interest higher than budgeted, based on higher balances than originally anticipated and improved rates (4.52 per cent against the budgeted 4.0 per cent) due to increases in the Bank of England base rate. This has been forecast to be contributed to the Capital Financing reserve. £160,000 Loan interest lower than budgeted, mainly due to Barley Homes development pipeline. This has been mitigated by a contribution from the Capital Financing Equalisation Reserve.
Total income from Sales, contributions and reimbursements:	(39,150,035)	(39,443,836)	293,801	
Total income (excluding Benefits):	(72,026,052)	(72,315,995)	289,943	
Expenditure - total cost of employment	34,906,956	35,454,490	(547,534)	Employment costs lower 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. It should be noted that £100,000 of this underspend is in respect of the Planning Policy team, offset with a corresponding spend on Place Services consultancy, as shown in the supplies and services section. Currently showing an underspend as a result of vacancies and timing of recruitment, however this category of cost drivers is also dependent on the annual employers pay award. The salary budget for 2024 to 2025 allowed for a pay award assumption of 4 per cent, so any offer in excess of this would result in additional pressure on the overall cost of employment.

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	£	£	£	
Percentage of total spend	49.7%	50.3%	187.4%	
Expenditure - premises: Repairs and maintenance	1,042,363	1,055,638	(13,275)	<p>Overall spend lower than budgeted</p> <p>Spend lower than budgeted: (£29,000) Plant, equipment and fixtures, mainly at Toggam Solar Farm (£22,000) Grounds Maintenance contracts</p> <p>Spend higher than budgeted: £35,000 building repair and maintenance spend higher than budgeted, mainly at Nowton Park £20,000 and Ehringhausen Way, Haverhill £15,000. These costs are funded from the Building Maintenance Reserve (see also reserves appendix D).</p>
Percentage of total spend	1.5%	1.5%	-8.6%	
Expenditure - premises: Utility costs	2,645,813	2,480,364	165,449	<p>Overall spend higher than budgeted</p> <p>£229,000 Electricity higher than budgeted, mainly as a result of increased unit rates and standard charges (£67,000) Gas lower than budgeted £3,000 Water higher than budgeted</p> <p>It should be noted that a proportion of these utility costs are recharged to the council's tenants and partners, as reflected in income from external contributions and reimbursements.</p>
Percentage of total spend	3.8%	3.5%	-56.6%	
Expenditure - premises: Other costs	4,929,682	4,962,291	(32,609)	<p>Overall spend lower than budgeted</p> <p>The main underspend in this area is in facility services, primarily in the council's main offices: (£16,000) West Suffolk House, Bury St Edmunds (£22,000) Haverhill House (£14,000) Mildenhall Hub Plus a number of smaller variances.</p>
Percentage of total spend	7.0%	7.0%	11.2%	

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Expenditure - transport and related costs	2,014,974	2,253,113	(238,139)	<p>Overall spend lower than budgeted</p> <p>Spend lower than budgeted: (£246,000) Vehicle fuel, due to lower overall fuel prices over the year so far. Prices will be kept under close scrutiny for the remainder of the year.</p> <p>Spend higher than budgeted: £8,000 overspend on other vehicle costs, including insurances, vehicle hire, tyres, MOTs, maintenance and so</p>
Percentage of total spend	2.9%	3.2%	81.5%	
Expenditure - supplies and services: Tools, equipment and material costs	1,128,273	1,096,258	32,015	<p>Spend higher than budgeted £23,000 purchase of goods for resale, offset with additional income £6,000 purchase of trees and general materials</p> <p>Plus a number of smaller variances.</p>
Percentage of total spend	1.6%	1.6%	-11.0%	
Expenditure - supplies and services: Computer costs	1,759,454	1,718,077	41,377	<p>Spend higher than budgeted £11,000 Computer Maintenance agreements, reflecting inflationary pressures £22,000 Supplier Support £14,000 implementation and consultancy</p> <p>Plus a number of smaller variances.</p>
Percentage of total spend	2.5%	2.4%	-14.2%	

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Expenditure - supplies and services: Other costs	5,713,623	5,494,573	219,050	Spend higher than budgeted £100,000 Planning Place Services consultancy. Provision of ecology, landscape and arboricultural advice. Not included in the overall variance as currently offset with an equivalent forecast underspend on cost of employment in the Planning Policy service £100,000 fees in respect of planning appeals, barrister support and representation £70,000 increased in Internal Drainage Board levies, reflecting the increased costs of utilities and other inflation £8,000 increased costs of subscriptions, reflecting inflationary pressure £8,000 increase in Royalties and Performing Rights Society (PRS) payments Plus a number of smaller variances.
Percentage of total spend	8.1%	7.8%	-75.0%	
Expenditure - third Party Payments, for example provision of services by other organisations that could be performed in-house.	3,039,046	3,111,316	(72,270)	Spend lower than budgeted (£57,000) Suffolk County Council waste tipping charges as a result of the current price per tonne being lower than budgeted. Plus several smaller variances across the services.
Percentage of total spend	4.3%	4.4%	24.7%	
Expenditure - capital costs, for example interest on borrowing, Minimum Revenue Provision (MRP).	2,418,600	2,418,600	0	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: (£1,409,000) Interest on borrowing lower than budgeted £139,000 Minimum Revenue Provision higher than budgeted The net underspend of (£1,270,000) currently forecasted to be transferred to the Capital Financing Equalisation Reserve pending future required utilisation as projects develop.
Percentage of total spend	3.4%	3.4%	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)	10,600,475	10,446,739	153,736	<p>Net overall contributions to reserves higher than budgeted</p> <p>Reduced contributions to reserves: (£34,000) Civil Parking Enforcement as a result of increased costs across the service</p> <p>Increased contributions from reserves: (£160,000) funding for reduced loan interest from Barley Homes due to development pipeline</p> <p>Increased contribution to reserves: £320,000 increased investment income, contributed to the Capital Financing Reserve £7,000 Industrial Unit service charges collected, to be re-utilised on estate improvements</p> <p>Reduced contributions from reserves: £14,000 reduced contribution towards industrial unit holding costs for Western Way, Bury St Edmunds in respect of business rates £7,000 reduced Housing Options funding as a result of lower costs than budgeted</p>
Percentage of total spend	15.1%	14.8%	-52.6%	
Total expenditure (excluding Benefits):	70,199,259	70,491,459	(292,200)	
Net (surplus) or deficit:	(2,257)	0	(2,257)	
Transfers to(from) General Fund				
Transfer to General Fund	0	0	2,257	Additional forecast contribution to the General Fund reserve. General Fund balance at 31 March 2024 is £5.5 million (the minimum policy level is £5.0 million)
Part utilisation of General Fund	2,256	0	0	
Final year end variance after funding:	(1)	0	0	