

**Forest Heath District Council Financial Forecast – Revenue, Capital and Reserves**

**Forecast Revenue Position**

The forecast revenue outturn position currently shows an **overall underspend of £53k** (0.14% of the gross budget). A summary by Assistant Director can be found in **Appendix G** with comments for variances by cost centre in **Appendix H**.

The forecast revenue underspend is comprised of a number of positive and negative variances, the most significant of which are detailed in the table below. We will continue to monitor the position closely.

Further detail on the remainder of areas is available in **Appendix H**.

**Forest Heath District Council Major Forecast Variances over £25k.**

<p><b>2018/19 Current Forecast variance: Over / (under)  £000s</b></p>	<p><b>FHDC Details / proposed action</b></p>
	<p><b><u>Interest and Capital Project Financing</u></b></p> <p>This includes a number of different items relating to the revenue elements around Capital Financing as well as investment income.</p> <p>As business cases come forward the financing of those business cases make provision for borrowing costs (minimum revenue provision and external borrowing costs). However, actual external borrowing would only take place when the Council’s treasury management activities identify such a need. For example, this could be when the Council’s cash flow management activities anticipate that an external cash injection is required to maintain the appropriate level of cash balances for the Council to operate and fulfil its budget and service delivery requirements.</p> <p>The variance below includes assumptions around the timing of our Investing in our Growth Agenda capital fund’s overall performance, that is intended to generate a net income stream of around £200k per annum, after allowing for the cost of borrowing and the minimum revenue provision.</p> <p>As projects from this fund are confirmed the budgets will be updated accordingly, and the figures shown assume that we will utilise the</p>

<b>2018/19 Current Forecast variance: Over / (under)  £000s</b>	<b>FHDC Details / proposed action</b>
<p>(202) - 193  <b><u>(9)</u></b></p>	<p>monies set aside for savings in external borrowing in order to offset the timing of this fund's performance.</p> <p><b><u>Interest and Capital Project Financing (continued)</u></b></p> <p>The variances are shown below:</p> <p><b>Growth Commission:</b> Interest Payable on Borrowing Minimum Revenue Provision Income Assumptions</p> <p><b>Total Forecast Underspend</b></p>
<p>(34)</p>	<p><b><u>Trade Waste</u></b></p> <p>Income from Trade Waste is currently expected to exceed the budgeted levels by around £53k, slightly offset by additional costs of providing the service.</p>
<p>0</p>	<p><b><u>Employees Expenses</u></b></p> <p>The budgets for Employees expenses are comprised of a number of elements, including Basic Salaries, Employers National Insurance and Pensions, reserve and other funding where appropriate, Agency Staff costs, and assumptions around vacancy management.</p> <p>These are monitored on a monthly basis, with particular attention given to areas such as Agency Staff spend.</p> <p>At this point in the year, spend on employees costs is expected to be broadly in line with the overall budget.</p>

## **Forecast Capital Programme**

The Council is currently forecasting to spend **£8.8m** of its capital budget of £44.87m for 2018/19. Around £34.9m is likely to be re-profiled into 2019/20 as a result of project timings and more accurate project spend profiling.

The following table gives a high level summary of capital expenditure against budget for 2018/19. Further detail by individual capital project can be found in **Appendix I**.

<b>Assistant Director</b>	<b>2018/19 Revised Full Year Budget</b>	<b>2018/19 Actual Spend to Date</b>	<b>2018/19 Forecast Spend</b>	<b>2018/19 External Grant Funded</b>	<b>2018/19 Carried Forward</b>	<b>2018/19 Forecast Over / (under) Spend</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Resources & Performance	3,922	0	422	0	3,500	0
Human Resources	14	0	14	0	0	0
Families & Communities	261	0	261	0	0	0
Planning & Regulatory	2,233	339	1,251	37	0	(1,019)
Operations	16,608	81	6,085	0	10,523	0
Growth	21,828	769	769	0	20,909	(150)
<b>Totals:</b>	<b>44,866</b>	<b>1,189</b>	<b>8,802</b>	<b>37</b>	<b>34,932</b>	<b>(1,169)</b>

## **Forecast Earmarked Reserves**

The council's balance on Earmarked Revenue Reserves at the end of the financial year is currently forecasted to be around **£11.5m**. Details of the individual reserve balances and movements during the year can be found in **Appendix J**.