

Appendix G – Forest Heath District Council Financial Outturn – Revenue, Capital & Reserves

Revenue Outturn Position

The year end revenue outturn position shows an **underspend of £157,000** (0.42% of the gross budget). A summary by Assistant Director can be found in **Appendix H** with comments for variances by cost centre in **Appendix I**.

This net underspend includes several budgets that have been earmarked to carry forward as a result of timing of spend, which amounts to £120,000.

The revenue underspend is comprised of a number of positive and negative variances, the most significant of which are detailed in the table below. The majority of these variances have been reported throughout the year and have been taken into consideration when setting the 2019/20 budget.

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

Forest Heath District Council Major Variances over £50,000.

2018/19 Outturn variance: Over / (under) £000s	FHDC Details / proposed action
	<p><u>Interest and Capital Project Financing</u></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 £200,000 per annum, after allowing for the cost of borrowing and the minimum revenue provision.</p>

2018/19 Outturn variance: Over / (under) £000s	FHDC Details / proposed action
<p>44 (615) (906) 1,161 (14) 341</p> <p><u>11</u></p>	<p><u>Interest and Capital Project Financing (continued)</u></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 monies set aside for savings in external borrowing in order to offset the timing of this fund's performance.</p> <p>The variances are shown below:</p> <p>Interest Receivable Interest Payable on Borrowing Minimum Revenue Provision Income Assumptions Dividend Income Contributions to Earmarked Reserves</p> <p>Total Forecast overspend</p>
<p>103</p>	<p><u>Planning & Regulatory Services: Development Control</u></p> <p>This overspend is mainly due to Planning application income being lower than budgeted due to fewer major applications received in this financial year. This position will be monitored closely from 2019/20 onwards as part of the ongoing budget setting process.</p>
<p>(149)</p>	<p><u>Planning & Regulatory Services: Solar Farm</u></p> <p>As one of our key areas of investment, the Solar Farm has performed strongly this financial year and has exceeded generation targets in all months other than April.</p> <p>Lower than budgeted Maintenance Costs, Business Rates & Insurance also contribute to the year end underspend. £50,000 has been carried forward to 2019/20 to mitigate unforeseen repairs and maintenance in the future.</p>
<p>81</p>	<p><u>Operations: Recycling Collection (Blue Bin)</u></p> <p>Recycling Performance Payment (RPP) income received net of the gate fee from SCC has decreased to £30.61 from £44.21 (figure used to budget) for approx. 4,000 tonnes collected annually. This is due to significant movement in the global commodity market for the materials collected. There is also a 17/18 residual balance as February and March 2018 tonnage estimates were higher than actual.</p>

2018/19 Outturn variance: Over / (under) £000s	FHDC Details / proposed action
(51)	<p><u>Operations: Compostable Collection (Brown Bin)</u></p> <p>Garden Waste income is in line with the budget. The underspend is mainly due to supplies and services, and a slightly lower payment to SCC than anticipated.</p> <p>The service is currently on track to achieve the budgeted break-even position by 2019/20, given that there is still some uncertainty around the impact of the revised agreement with SCC.</p>
(58)	<p><u>Operations: Trade Waste</u></p> <p>Income from the Trade Waste and Rolonof service continues to exceed the budgeted levels. To be kept under review as part of the ongoing budget setting process.</p>
(113)	<p><u>Operations: Industrial & Business Units</u></p> <p>Income from rents has exceeded the budget as a result of better occupancy than anticipated. A further consequence of this is that the council has not had to pick up the cost of business rates on as many empty properties, which has also contributed to this positive variance.</p>
57	<p><u>Operations: Off Street Car Parking</u></p> <p>Whilst Car Parking income recovered towards the end of the financial year, the final position was £29,000 lower than budgeted. In addition to this business rates (£12,000) and third party payments (£18,000) have been higher than anticipated.</p>
50	<p><u>Growth: Strategic Property</u></p> <p>The overspend in this area has mainly arisen as a result of timings around capital projects within our capital programme. At this point in time the council has not been able to capitalise as much staff time as originally budgeted due to the time differences between feasibility scoping and actual crystallisation of the projects.</p>

Capital Programme

The Council has spent **£6.2m** of its capital budget of £45.0m for 2018/19. Around £38.1m is requested to be re-profiled into 2019/20 onwards as a result of project timings and updated 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 J**.

Assistant Director	2018/19 Revised Full Year Budget	2018/19 Actual Spend to Date	2018/19 External Grant Funded	2018/19 Carry Forward Requested	2018/19 Over / (under) Spend
	£000s	£000s	£000s	£000s	£000s
Resources & Performance	3,922	184	0	3,566	(172)
Human Resources	14	9	0	0	(5)
Families & Communities	311	0	0	311	0
Planning & Regulatory	2,330	1,301	61	915	(175)
Operations	16,558	3,760	0	12,633	(165)
Growth	21,858	989	0	20,689	(180)
Totals:	44,993	6,243	61	38,114	(697)

Earmarked Reserves

The council's balance on Earmarked Revenue Reserves at the end of the financial year is **£15.5m**. Details of the individual reserve balances and movements during the year can be found in **Appendix K**.