**Narrative for cashflow report to May 2023**

The current report for May 2023 is based on the original forecast assumptions from September as detailed below.

The opening cash balance at the bank on 1st Sept 2022 was £783,792.

The forecast figures and notes give a breakdown of the monthly forecast of income and expenditure expected through the bank.

The forecast shows an expected cashflow deficit of (£279,924) throughout the year.

**Income –** April lettings income lower as we had half term which was not accounted for in the simple forecast.

ESFA income was significantly higher than forecast in May as we received the 1st payment for the Mainstream Schools Additional Grant which was over £100k.

Other income was also significantly up in May, mainly due to Active Essex grant funding for the pool coming in.

**Expenditure** – Staffing costs for April and May are below forecast as we had some leavers at the end of March and the forecast hasn’t been updated to reflect that yet.

All other Expenditure for May was higher than forecast as we had two lots of energy bills go through the BACS payments as well as payments for some capital works that took place during the April school holiday.

**Summary**

Actual closing balance for May is £200k higher than forecast in Sept and no cashflow issues are expected up to the end of the year.

**Report Guide**

The initial forecast is based on the budgeted figures that affect cashflow, plus any other known information which will affect funds going in or out of the bank. Cashflow is different from budget, and does not reflect the overall budget position, only banking funds throughout the year. The Forecast is reviewed in Jan and April to keep it as accurate as possible.

The report includes all tabs of the Excel workbook which are:

* **Forecast Current** **(Sept)–** this is where we forecast the cashflow for the year. This page is updated in Jan and April to reflect revised cashflow patterns throughout the year.
* **Actuals** – This shows actual income and expenditure compared to forecast for each month.
* **Notes** – this shows the breakdown of categories and how\why we have forecast the way we have. This is mainly operational but I’ve left it in for reference.
* **Archive Forecast –** this is where we retain the previous forecast for comparison and reference.
* **Archive Notes** – this is where we retain the previous forecast notes for comparison and reference.

It’s worth noting that “actual” staffing expenditure on the cashflow analysis is taken from the BACS report which includes extras like additional hours, sports coaching, tutors etc.. Some of these are funded from other cost centres on the budget so the forecast figure (based on budget) will not always match but will give a reasonable indicator. This may result in staffing expenditure looking higher than expected in some months which will be monitored and reviewed but is not a cause for concern.