

Written response to: Business & Transformation Scrutiny Panel

Resolution: Members of the Panel requested clarity regarding the original General Fund Reserves contribution of £582,800 and the net spend to date contribution from reserves of £918,571.

Written response from: Principal Accountant

Response: The original contribution to General Fund Reserves was budgeted at £582,800. The budgeted amount is now an overall contribution from reserves of £759,600 (General Fund Reserve & Earmarked Reserves). The changes approved are detailed in the table below:

	£
Original budgeted contribution to Reserves	582,800
Carry forward requests approved	(710,800)
Release of Promoting Carlisle Reserve	(10,000)
Transfer into Planning Services Reserve	22,200
Release of Building Control Reserve	(34,900)
Transfer into Cremator Replacement Reserve	22,900
Release of General Carry Forward Reserve	(17,000)
Release of Revenue Grants Reserve	(508,200)
Release of Car Park Improvement Reserve	(106,600)
Revised budgeted contribution From Reserves	(759,600)

As at the end of June, the Council was reporting an overspend position of £548,652. This would result in an additional call on reserves although part of this overspend can be funded from projected additional Business Rates Retention income as detailed below which leave an additional call on general fund reserves of £158,971:

	£
Total overspend to end June	548,652
Funded by additional Business Rate Retention	(389,727)
Variances on Precepts & RSG	46
Balance to be funded from Reserves over and above budgeted amount	158,971

Based on the above, the total funding required from reserves as at the end of June is therefore as follows:

	£
Budgeted contribution from reserves	759,600
Funding required from reserves to fund the overspend to date	158,971
Revised funding required from reserves	<u>918,571</u>

Please note the above doesn't take account of the release of the General Fund Reserve to fund the emergency works at the Central Plaza.

Date: 27 September 2018