

## Corporate Monitoring

### Appendix 3 (8) – Other Corporate Items

#### Budget Monitoring Report as at 31<sup>st</sup> March 2020

#### 1 Summary

The provisional outturn position at 31<sup>st</sup> March (Q4) for Other Corporate Items is (£24.775m) a surplus of (£13.187m) against a budget of (£11.587m). An increase of (£2.161m) compared to that reported in December (Q3). The outturn is summarised in the table below.

Original Budget £m	Service Area	Revised Budget £m	Provisional Outturn £m	Outturn Variance £m	Q3 Variance £m	Change in Variance £m
(34.867)	Depreciation Charge to Services	(34.867)	(34.867)	0.000	0.000	0.000
0.843	Precepts Paid	0.857	0.857	0.000	0.000	0.000
13.988	Inflation & Contingency	8.762	0.000	(8.762)	(7.133)	(1.629)
<b>(20.036)</b>	<b>Sub Total - Other Items</b>	<b>(25.248)</b>	<b>(34.010)</b>	<b>(8.762)</b>	<b>(7.133)</b>	<b>(1.629)</b>
4.888	Residual Pension Costs	4.888	4.685	(0.203)	(0.150)	(0.053)
5.924	Past Service Pension Contributions	5.924	5.665	(0.259)	(0.259)	0.000
(1.391)	Cross Cutting Savings	(2.091)	0.000	2.091	2.091	0.000
(1.000)	Dividend from Cumbria County Holdings	(0.500)	0.000	0.500	0.500	0.000
0.059	Other items	5.440	(1.115)	(6.555)	(6.075)	(0.480)
<b>8.480</b>	<b>Sub Total - Corporately Charged</b>	<b>13.661</b>	<b>9.235</b>	<b>(4.426)</b>	<b>(3.893)</b>	<b>(0.533)</b>
<b>(11.556)</b>	<b>TOTAL</b>	<b>(11.587)</b>	<b>(24.775)</b>	<b>(13.187)</b>	<b>(11.026)</b>	<b>(2.161)</b>

The key variances to the revised budget at the end of Q4 are a surplus of (£13.187m), an increase of (£2.161m) to that reported at Q3:

- Inflation (8.762m)
- Residual Pension Costs (£0.203m)
- Past Service Pension Costs (£0.259m)
- Cross Cutting Savings £2.091m
- Dividend from Cumbria County Holdings Ltd £0.500m
- Other Items (£6.554m)

## **2 Transfers from or to Earmarked Reserves**

2.1 The following increase to or creation of EMR is requested:

- £0.529m deferred income to CNDR reserve.
- £0.141m Brexit grant funding to reserve.
- £1.335m additional Business Rates income to Volatility Reserve.
- £0.051m unused RCCOs from directorates transferred to Capital Fund Reserve.

2.2 As at Q4 there have been the following drawdowns from EMRs

- £0.011m from the Elections earmarked reserve as reported at the end of Q1.
- £0.742m from Fleet earmarked reserve reported at the end of Q2.
- £2.333m from Volatility earmarked reserve reported at the end of Q3.

## **3 Request for Revenue Contribution to Capital**

3.1 There are no requests for revenue contributions to Capital as at the end of Q4.

## **4 Service Position**

4.1 Corporately Charged – (£13.188m)

The final underspend at Q4 is (£13.187m), an increase of (£2.161m) to that reported at Q3. The key variances are:-

- Inflation – forecast underspend of (£8.762m) as there were no further allocations required from the inflation budget, compared to (£7.133m) reported at Q3.
- Residual Pension Payments an underspend of (£0.203m) compared to (£0.150m) reported at Q3.
- Past Service Pension Costs – underspend of (£0.259m) due to paying the full year in advance and receiving a reduction in the payment for doing so.
- Cross Cutting Savings – overspend of £2.091m, as reported at Q3, due to non-achievement of savings from the deep dive review and Information Advice & Guidance MTFP savings.
- Dividend from Cumbria County Holdings Ltd – there is a shortfall of £0.500m on the dividend this year which is unchanged from Q3. However, the budget for the year has been revised from £1.000m to £0.500m in March 2020. This is due to the impact of the COVID19 pandemic. The directors of Cumbria County Holdings Ltd took a decision in March 2020 not to pay the remaining expected £0.500m dividend as a result of the current uncertainty. £0.500m has been drawn down from the COVID19 grant to replace the lost dividend.
- Other Items:  
Business Rates – following a review of the NNDR1 forms completed by the District Councils for 2019/20 there is an estimated additional (£4.335m) of Business Rate income and related S31 grants due for this financial year an

increase of (£1.335m) from Q3. The additional £1.335m has been transferred to the volatility earmarked reserve.

Release of (£0.529m) deferred income in line with the agreed accounting treatment to release the £10.574m re-financing gain received in December 2018 over the remaining 20 years of the CNDR PFI scheme.

Earmarked Reserve – (£0.742m) release of earmarked reserve held to fund the replacement of the Highways Fleet, release of (£2.333m) from the Volatility Reserve, release of (£0.500m) of COVID19 grant to meet the £0.500m dividend income not received from Cumbria County Holdings Ltd as a result of the pandemic.