

Note 23: Usable Reserves**Appendix C**

| 2018/19 £000s | | 2019/20 £000s | Note |
|------------------|---|------------------|------|
| <u>1,552</u> | Unearmarked General Fund Balance | <u>1,552</u> | a |
| | Earmarked General Fund Reserves | | |
| <u>4,112</u> | Budget Support Fund | <u>4,533</u> | b |
| <u>4,122</u> | | <u>4,533</u> | |
| | Earmarked Revenue Reserves | | |
| 566 | Innovation Fund | 454 | c |
| 747 | Capital Phasing Reserve | 948 | d |
| 551 | Insurance Fund | 657 | e |
| 200 | Commissioned Services | 200 | f |
| 55 | Pension Reserve | - | g |
| 125 | Breathing Apparatus | 125 | h |
| 334 | Property Reserve | - | i |
| 141 | Levy Account Surplus | - | j |
| - | Council Tax Collection Fund Deficit | 400 | k |
| - | Ringfenced Grants | 34 | l |
| <u>2,719</u> | | <u>2,818</u> | |
| | Earmarked Capital Reserves | | |
| 2,173 | Capital Investment Programme | 852 | m |
| 271 | Capital Receipts Reserve | - | n |
| <u>2,444</u> | | <u>852</u> | |
| <u>10,837</u> | Total Reserves | <u>9,755</u> | |

Usable Reserves are the Authority's main financial reserves and are earmarked to meet future expenditure liabilities and to manage financial risks as detailed below. Movements in these reserves are detailed in Note 5.

- This amount will be maintained to meet any unforeseen circumstances which might arise. The value of this reserve reflects the Authority's assessment of a range of financial risks which may occur over the next four years. The availability of this reserve will enable the Authority to manage these issues and avoid the need for additional in-year budget reductions over and above those already planned. These risks include the impact of potential shortfalls in the Authority's share of Business Rates income.
- This reserve is earmarked to support the budget in 2020/21 and future years.
- This reserve was created primarily to fund domestic sprinkler installations. This reserve will be used over a number of years as detailed projects are identified and implemented.
- This reserve will be used over a number of years to smooth the interest and loan repayment costs which are charged to the annual budget. The reserve recognises that the annual charges, which arise from the use of Prudential Borrowing to fund part of the approved Asset Management Plan, are uneven and therefore avoids temporary increases/decreases in the annual charge to the revenue budget.
- This reserve has been established to support the self-insured insurance fund which provides for payments that fall within the Authority's insurance policy excesses.
- This reserve is earmarked to manage income volatility and to provide a longer lead time to manage temporary income reductions.
- Following the latest actuarial valuation, this reserve was created to fund the lump sum contribution of the pension cost relating to the LGPS.
- This amount has been set aside to meet the costs of replacing the breathing apparatus telemetry in line with the replacement programme included in the Asset Management Plan.
- This was earmarked to fund projects delayed from 2018/19 to 2019/20.
- This amount related to the Authority's share of the one off Business Rates levy account funding distributed by the Government and was allocated to support the 2019/20 budget.

- k) This reserve is earmarked to offset a forecast Collection Fund deficit from an increase in Local Council Tax Support households from the economic impact of COVID19. This will avoid the income reduction impacting on services.
- l) This reserve is earmarked for specific commitments in 2020/21 or future years in accordance with grant conditions.
- m) This reserve will be used to partly fund the Authority's Asset Management Plan which is designed to address operational requirements covering the Authority's buildings, including Fire Stations and operational fire fighting and rescue vehicles. It is planned to use this funding over the next two to three years. Expenditure on the Authority's buildings will ensure facilities meet operational requirements detailed in the Integrated Risk Management Plan and help deliver ongoing revenue savings in future years, including removing back log maintenance requirements. Expenditure on operational vehicles will ensure the Authority maintains its operational effectiveness and is able to respond to the significant risks within the Authority's area.
- n) These reserves are set aside to fund future Capital projects.