

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE COMMITTEE
DATE:	2 MARCH 2020
SUBJECT:	USE OF RESERVES AND BALANCES
PORTFOLIO HOLDER(S):	COUNCILLOR ROBIN WILLIAMS
HEAD OF SERVICE:	MARC JONES (EXT. 2601)
REPORT AUTHOR: E-MAIL:	GARMON WILLIAMS GARMONWILLIAMS@ynysmon.gov.uk
LOCAL MEMBERS:	n/a

A - Recommendation/s and reason/s

1. PURPOSE OF THE REPORT

1.1 The report will set out the Section 151 Officer's assessment on the level of general balances and reserves for 2020/21 and make recommendations as to the allocation of general balances for use during 2020/21.

2. RECOMMENDATIONS

- To note the general policy on reserves and balances adopted 1 March 2016, in Appendix A;
- Approve the amendments to the general policy on reserves and balances adopted 1 March 2016, in Appendix A;
- To set the minimum level of general balances for 2020/21 as £7.11m in accordance with the Section 151 Officer's assessment;
- To plan for an increase in general balances over a 3 to 5 year period in order that the actual level of reserves reaches the minimum level. This increase will be achieved by budgeting for planned annual surpluses;
- To confirm the continuation of the existing earmarked reserves;
- To approve the transfer of both Foster Carer Mortgage and Policy Management System reserves from the earmarked reserves to the General Reserves.

B - What other options did you consider and why did you reject them and/or opt for this option?

No other options considered – not appropriate in this case.

C - Why is this decision for the Executive?

The Constitution requires the Executive to publish its final budget proposals prior to its consideration by the Council.

CH - Is this decision consistent with policy approved by the full Council?

N/A

D - Is this decision within the budget approved by the Council?

N/A

DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	Comments from the SLT have been incorporated into the report
2	Finance / Section 151 (mandatory)	n/a – this is the Section151 Officer’s report
3	Legal / Monitoring Officer (mandatory)	Member of the SLT
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
Appendix A - Proposed general policy on Reserves and Balances Appendix B – Balances to date		
FF - Background papers (please contact the author of the Report for any further information):		

USE OF GENERAL BALANCES AND RESERVES

1. PURPOSE OF THE REPORT

- 1.1 Sections 32 and 43 of the Local Government Finance Act 1992 require Local Authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report formally on the robustness of estimates and the adequacy of proposed reserves when setting a budget requirement and to ensure that there are key protocols for their establishment and use.
- 1.2 The report will set out the Section 151 Officer's assessment on the level of general balances and reserves for 2020/21 and make recommendations as to the allocation of general balances for use during 2020/21.

2. POLICY ON RESERVES AND BALANCES

- 2.1 In addition to the general balances, the Council holds a number of reserves on its balance sheet. The purpose of these reserves is to meet the cost of planned projects or to fund specific items of expenditure as and when they fall due.
- 2.2 The document attached as Appendix A sets out the overall principles and policy relating to determining the level of adequate reserves and balances and how reserves are utilised.

3. GENERAL BALANCES

- 3.1 As at 31 March 2019, the level of general balances stood at £5.912m, a decrease of £987k on the previous year.
- 3.2 As stated in Appendix A, paragraph 5, it is for the Section 151 Officer to assess a number of risks in determining the level of general balances required. These risks are considered below:-
 - **Future Cost Pressures** – As budgets are reduced, the ability of individual services to utilise any spare capacity within their existing budgets to fund unexpected cost pressures is much more difficult and, when cost pressures occur, the funding of these pressures then falls on the general balances. The Council is currently facing budget pressures during 2019/20, notably in Adults, Children's and Education services. The budget for 2020/21 addresses issues surrounding demand in these areas, however, there are risks of further calls being made on general balances and frequent reviews will be undertaken during the year.
 - **Savings** – For the 2020/21 budget, possible savings of £343k have been identified. However, concerns were raised by Members in relation to £57k of the proposed savings. This may change again following consultation with the public. Although there is a risk that not all savings will be achieved, the challenge process that has taken place should ensure that the risk is minimised and that any subsequent call on general balances is not significant.

- **Inflation and Interest Rates** – Pay awards have yet to be agreed for NJC staff. As for Teachers, price inflation of 2.75% applies until September 2020, with any future inflation currently unknown. Inflation currently stands at 1.3% (CPI – December 2019). However, the latest forecast does not show that inflation will rise during 2020/21, with the figure expected to be around 1.8% by the end of 2020/21 financial year. Approximately £58m of the Council’s budget is for supplies and services where the price will increase as inflation increases. A 1% rise in inflation may add £580k to the Council’s costs (around 0.4% of the net budget). Although inflation is still a risk, the Council has sufficient reserves to fund a sudden and sharp rise in inflation. All known contractual inflation have been allowed for within the budget and an average per department inflation of 3% was applied on income.
- **Income** – Ensuring that income budgets are achieved is always difficult to guarantee, particularly in discretionary services where customers can choose whether to purchase the service or not. The 2020/21 budget process has reviewed actual income trends and income budgets have been realigned where it was considered that actual income would be significantly lower than the budget. The risk that income targets will not be achieved cannot be ignored and may result in net expenditure exceeding the overall budget, with the shortfall then having to be funded from general balances.
- **School Balances** – The school balances reserve has fallen significantly with the balance as at 31 March 2019 being £0.631m. It is highly likely that the remaining balance on this reserve will have reduced again during the 2019/20 financial year.
- **Overall Financial Standing of the Council** – The overall financial standing of the Council is currently good, with an acceptable level of general balances and earmarked reserves. The future capital programme is funded and the Council’s Capital Financing Requirements around £25m lower than the operational boundary, and £30m lower than the statutory authorised limit.

3.3 There is no hard and fast rule as to the level of general balances that a Council should maintain, although a rule of thumb exists which indicates that the level of general balances should be 5% of the net revenue budget. The current projection is that the revenue budget will overspend by £1.24m in 2019/20, which will need to be funded from the general reserves. In addition to this, £425k will be moved to a service reserve if approved by the Executive. Taking all these into consideration, it is estimated that the level of general balances will fall to approximately £4.6m at 31 March 2020.

3.4 Holding general balances does provide financial security for the Council, but holding balances unnecessarily results in financial resources not being utilised effectively. Having assessed the underlying financial risks faced by the Council, the limited flexibility that budget holders now have in managing their budgets and the need to release funding to deliver future efficiency savings, it is my assessment that the minimum level of general balances should be set at £7.1m (5% of the proposed net revenue budget for 2020/21).

3.5 The estimated balance as at 31 March 2020 for general balances is £4.6m, £2.5m lower than the calculated minimum. In the current financial circumstances, it is not possible to budget for a budget surplus in order to bring the general reserves balance back to the minimum level and the increase in general reserves must be done more gradually over a period of 3 to 5 years.

4. EARMARKED RESERVES

4.1 Earmarked Reserves fall into distinct categories, which are as follows:-

- Capital Reserves – reserves required to fund the capital programme;
- Restricted Reserves – reserves which are required to fund potential future costs, their use is restricted to a specific purpose and cannot be released for any other purpose, funds that are held by the Client on behalf of a third party or the reserve is linked to the delegated schools budget and cannot be reallocated;
- HRA Reserve – reserves that are ring fenced to the HRA;
- Insurance Reserve – a reserve required to fund the cost of any uninsured losses and policy excesses incurred by the Council;
- Grant Holding Reserves – reserves holding the amount of any unapplied grant received;
- Earmarked Reserves – reserves that have been allocated to services to undertake particular projects.

4.2 The balance of the earmarked reserves as at 31 March 2019 and the projected balance as at the 31 March 2020 for each of the categories is shown in Table 1 below (a full breakdown of each category is attached as Appendix B):-

Table 1
Summary of Earmarked Reserves Balances

Reserve Category	Balance as at 31 March 2019 £	Movement During 2019/20 £	Projected Balance as at 31 March 2020 £
Capital	1,111,408	-116,219	995,189
Earmarked	4,091,954	-667,751	3,424,203
Equal Pay	363,305	-4,818	358,487
Grant Holding	343,907	-99,366	244,541
Insurance	1,250,000	0	1,250,000
Restricted	2,721,787	-447,011	2,274,776
TOTAL	9,882,361	-1,325,165	8,547,196

4.3 The restricted reserve includes a number of significant individual reserves: Supporting People £804k, Recycling Process Income £635k and the North Wales Waste Treatment Plant reserve £679k.

4.4 The Risk and Insurance Manager has assessed that £1.25m is required to adequately cover the potential uninsured losses and excess payments.

4.5 The Foster Carer Mortgage (£66k) reserve was an accounting adjustment made during last year's closure of accounts process. This was due to uncertainty at the time. It is now clear that this reserve can be moved to Children's Services to fund the reclassification of the mortgage to a legal charge rather than being carried as a debt on the Council's balance sheet.

4.6 The Policy Management System (£8k) reserve has no further purposes and we, therefore, recommend that the remaining balance is moved to the ICT Section. This is due to the annual license and maintenance costs for the policy system now becoming a responsibility of the ICT Section.

- 4.7** The HRA Reserve is ring fenced and can only be used to fund expenditure relating to the HRA. The new 30 Year Plan implies that the reserve will be fully utilised by 2020/21, and the funding of new homes will result in a small borrowing requirement. However, it is prudent to keep a balance of £1.3m in order to meet contingencies resulting from unpredicted circumstances.

5. SERVICES RESERVES

- 5.1** It has previously been agreed that a new approach is taken with service year-end under and overspends arising from budgets where the budget holders have control over the costs, which are not demand-led. Services which are underspending on controllable budgets, which are non-demand led, can transfer unspent funds into a service reserve to help manage future pressures or fund future projects where no budget provision exists. The maximum balance of the service reserve will be £75k or 2.5% of the net service budget, whichever is the higher. If a service's underspend on controllable budgets takes the service reserve over the maximum permissible amount any excess funds will be transferred to the Council's general balances. Similarly, if services overspend on controllable budgets, their overspend will also roll-forward to the next financial year. This approach rewards Heads of Services for underspending where possible without impacting on service delivery, but makes Heads of Service more accountable for their spending. This will have the effect of reducing the general reserve and increasing earmarked reserves and will still be within the Council usable reserves. The Section 151 Officer, however, will reserve the right, on an exceptional basis and with the permission of the Executive, to recall these service reserves where needed for financial reasons. Similarly, if an overspend is carried forward, the Section 151 Officer can recommend that all or part of this sum is funded from the general reserve in exceptional circumstances.
- 5.2** Appendix C, based on Quarter 3 forecast outturn for 2020/21, is an example of how this would work and provides the detail. If the Council's outturn is as expected in Quarter 3, i.e. an overall overspend of £1.246m, using the new approach, £1.673m overspend would transfer to the general reserve and £427k underspend would transfer to service reserves.

6. RECOMMENDATIONS

- 6.1** The Executive is requested to approve the following recommendations:-
- 1.** To note the general policy on reserves and balances as noted in Appendix A;
 - 2.** To approve the amendment to the general policy on reserves and balances in point 8 service reserves in Appendix A;
 - 3.** To set the minimum level of general balances for 2020/21 as £7.11m, in accordance with the Section 151 Officer's assessment;
 - 4.** To plan for an increase in general balances over a 3 to 5 year period in order that the actual level of reserves reaches the minimum level. This increase will be achieved by budgeting for planned annual surpluses;
 - 5.** To confirm the continuation of the existing earmarked reserves, Appendix B;
 - 6.** To approve the transfer of both Foster Carer Mortgage & Policy Management System reserves from the earmarked reserves to the General Reserves.

GENERAL POLICY ON RESERVES AND BALANCES

1. Purpose

The Isle of Anglesey County Council is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this policy is to set out the governance arrangements for the Use of Reserves and Balances to ensure they provide the Council with the flexibility it needs and also to ensure they are used to add value to the organisation.

2. Regulatory Context

Sections 32 and 43 of the Local Government Finance Act 1992 require Local Authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

There is no specified minimum level of reserves that an authority should hold, and Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report formally on the adequacy of proposed reserves when setting a budget requirement and to ensure that there are key protocols for their establishment and use.

This policy sets out the framework for the use and management of useable reserves, in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed in accounting policies.

3. Types of Reserves

Useable revenue reserves can be categorised in two ways:-

General reserves, which are contingency to cushion the impact of unexpected events or emergencies; and

Earmarked reserves, which are generally built up to meet known or predicted liabilities.

Earmarked Revenue Reserves are usually created and held for one of the five main reasons below:-

- i. Renewals – to enable services to plan and finance an effective programme of vehicle and equipment replacement and planned property maintenance. These reserves are mechanisms to smooth expenditure so that a sensible replacement programme can be achieved without the need to vary budgets.
- ii. Carry forward of underspend – some services commit expenditure to projects, but cannot spend the budget in year. Reserves are used as a mechanism to carry forward these resources.
- iii. Trading accounts - in some instances, surpluses are retained for future investment.
- iv. Insurance Reserve - to meet the estimate of future claims to enable the Council to meet the excesses not covered by insurance.
- v. Other earmarked reserves will be set up from time to time to meet known or predicted liabilities, for example future predicted budget demand pressures.

Whilst earmarked reserves are set against a specific purpose, general reserves are funds which do not have any restrictions as to their use. Such reserves can be used to smooth the impact of significant pressures across years, offset the budget requirement in year and to mitigate the risks of unexpected events or emergencies.

General reserves can also be used to support investments designed to secure greater base budget savings.

4. Managing Reserves

The Council recognises the need to hold and maintain reserves but also recognises that, by choosing to hold or increase reserves, the Council is allocating resources away from other potential uses and, as such, there is an 'opportunity cost' of holding balances as reserves. For this reason, it is important to set out clearly, and regularly review, the framework through which such reserves are managed.

The management of financial reserves is a key tool of the Council's overall financial strategy, which has two key objectives:-

- Achieving stable and sustainable budgets throughout the medium term; and
- Ensuring resources are effectively focused on priorities.

Underpinning the achievement of these objectives is the recognition of the need to manage risk. This could be increased risks of volatility in planning assumptions as we continue to go through uncertain economic times or the risks to Welsh Government funding as a result of significant future funding reviews. However, it could be that the business seeks to take greater business risks through innovative service delivery to achieve difficult savings targets. The greater the risks, the greater the reserves the Council are likely to need to hold to mitigate against this. It is the appreciation of such risks that must be at the forefront of the Section 151 Officer's mind.

5. Quantifying the Reserves Requirement

Setting the level of general reserves is one of several related decisions in the formulation of the Medium Term Financial Plan (MTFP) and the annual budget. This decision requires account to be taken of the strategic, operational and financial risks facing the Authority. Specifically, the MTFP requires the Council to build up and then maintain general reserves sufficient to cover the key financial risks that it faces.

The Section 151 Officer will need to consider many factors in determining the precise level of reserves, many of which involve an assessment of the risk of assumptions included in the budget and MTFP, together with the Council's financial standing and management.

The key factors are set out below:-

Budget Assumptions;

Financial standing and management;

General cash flow requirements, the outlook for inflation and interest rates;

The overall financial standing of the Council (level of borrowing, debt outstanding etc.); Estimates of the level and timing of capital receipts;

The Council's track record in budget and financial management, including the robustness of its medium term plans;

The potential range of costs of demand led services;

The Council's capacity to manage in year budget pressures; Planned efficiency savings / productivity gains;

The strength of the financial information and reporting arrangements; The financial risks inherent in any significant new funding partnerships; Major outsourcing arrangements or major capital developments;

The Council's virement and end of year procedures in relation to budget under / overspends; The availability of other funds to deal with major contingencies and the adequacy of provisions; The adequacy of the Council's insurance arrangements to cover major unforeseen risks.

An objective evaluation of these factors will be undertaken each year to determine a prudent level of general reserves cover based on an assessment of the above factors. However, the final level of reserves is ultimately subject to the Section 151 Officer's judgement, taking all relevant factors into consideration.

As part of the annual budget recommendation to the Council, the Section 151 Officer will highlight the amounts that are being set aside for reserves.

6. Building Reserves

Should the Section 151 Officer consider that the level of General Reserves requires increasing, this will be achieved as part of the budget setting process, establishing an allocation from the annual budget to achieve the desired level of balances. Contributions to and from General Reserves should be reviewed annually. This will be additional to any amounts needed to replenish reserves that have been consumed in the previous year, to maintain the minimum level of reserves.

Earmarked reserves will be established on a 'needs basis', in line with the planned or anticipated requirements, and will be subject to Committee approval, usually as part of an annual reserves report that goes as part of the year end.

For each such reserve, the Council will define:-

The purpose of the reserve;

How and when the reserve can be used;

Procedures for management and control of the reserve;

A process and timescale for review of the reserve to ensure continuing relevance and adequacy.

This will generally take place at year end.

7. Use of Reserves

Reserves can only be used once, and so should not normally be used to finance recurring planned spending – for example they would not, except under exceptional circumstances, be used to 'balance the budget'.

Where reserves are used to support the delivery of the budget in any one year, for example to smooth funding fluctuations or pressures across years, the Council should ensure the reserves are replenished in the following year if necessary.

Where the Council has used general reserves for investment purposes to generate savings, these would also generally be paid back by the end of the following financial year. In exceptional cases, such as minimising the impact upon services to customers and citizens, more time would be allowed for replenishment, up to a maximum of four years, in line with the medium term planning cycle.

Use of general reserves will be subject to the Section 151 Officer and, in some cases, the Executive Committee's approval. The creation of earmarked reserves will also be subject to the approval of the Section 151 Officer and, once this level of approval has been given, drawdowns against the reserve can be made subject to the criteria being met.

In extreme circumstances, where general reserves have been exhausted due to unforeseen spending pressures within a given financial year, the Council would be able to draw down from its earmarked reserves to provide short term resources, but this would not be sustainable and balances would need to be restored.

Earmarked reserves that have been used to meet a specific liability would not be replenished, having served the purpose for which they were originally established.

8. Service Reserves

Individual service reserves can be created for 2020/21. The balance at the end of the financial year for each service will automatically be transferred into a service reserve. Each service will be advised of their balance once the Statement of Accounts has been produced.

When a service has underspent during the financial year, the balance to a maximum of 2.5% of their net budget or £75k cumulatively, will be transferred into the reserve, any underspend above this amount will be transferred to the general reserves.

Any overspend by a service will be transferred in its entirety to the reserve. The service will then need to produce a plan of how it will repay this overspend and over what timeframe, this will be subject to the approval of the Section 151 Officer and, in some cases, the Portfolio Holder for Finance or the Executive.

Where a service has experienced a significant increase in the demand for services and this has resulted in costs having to exceed the budget available, the Head of Service will be entitled to request that the resulting overspend is funded from the general Council balances rather than the service reserve. Any requests will be subject to approval by the Section 151 Officer and the Portfolio Holder for Finance.

9. Capital Reserves

The capital programme for 2020/21 fully utilises all available reserves down to the minimum level. The future expectation of capital receipts for strategic asset sales has not yet been built into the capital programme.

Good asset management strategies have included in them the replenishment of assets following on from strategic asset sales, so that there will be assets of a strategic value on the balance sheet for future years.

The Authority can also utilise both Capital Receipts and Revenue Contributions Unapplied reserves to fund capital expenditure where necessary.

10. Insurance Reserve

The insurance reserve figure was historically built up over time in order to cover the stop losses under the larger insurance policies. The level of the Insurance Reserve will be reviewed at least annually by the Risk and Insurance Manager and agreed with the Section 151 Officer.

BALANCES TO DATE

APPENDIX B

Directorate	Reserve	Category	As at 31 March 2019	Actual 2019/20 Spend to date	Estimated Remaining 2019/20 Spend	Is a request to carry forward to 2020/21 likely?	Year End Estimate
Corporate	Revenue Contributions Unapplied	CAPITAL EXPENDITURE	1,111,408	- 3,781	120,000	Yes - Project plans span more than one financial year. Balance is held as a contingency to fund capital expenditure.	995,189
Corporate	Equal Pay	EQUAL PAY	363,305	4,818	-	Yes - There is a requirement to keep this reserve until the end of 2021 due to the extension of people's right to claim.	358,487
Corporate	Invest to Save	EARMARKED	401,864	66,355	49,889	Yes - Plans span more than one financial year and all projects are at various stages.	285,620
Corporate	Cost of Change	EARMARKED	280,092	44,099	42,183	Yes - This reserve will be used to fund change projects that require additional funding.	193,810
Corporate	Restricted Contingency Funded Projects	EARMARKED	111,642	-	-	Yes - This reserve will be used to fund projects which have been committed previously from the contingency budget, but there has been some slippage in the plans.	111,642

Directorate	Reserve	Category	As at 31 March 2019	Actual 2019/20 Spend to date	Estimated Remaining 2019/20 Spend	Is a request to carry forward to 2020/21 likely?	Year End Estimate
Corporate - Resources	Insurance (Catastrophe) Reserve	INSURANCE FUND	1,250,000	-	-	Yes - The level of reserve has been deemed acceptable for the size of the Authority by the Insurance Manager.	1,250,000
Council Business - Legal Section	Land Charges Computer System	EARMARKED	8,100	8,100	-	N/A	-
Council Business - Policy	Policy Management System	EARMARKED	8,363	-	-	N/A	8,363
Highways, Property & Waste - Highways	Bus Stop Infrastructure	EARMARKED	54,392	-	-	Yes - This reserve will be used to fund public transport related items in future years.	54,392
Highways, Property & Waste - Highways	Winter Maintenance	EARMARKED	54,480	-	-	Yes - This reserve will be carried forward unless severe weather arises in the final months of the year.	54,480
Highways, Property & Waste - Highways	Airport Highway	RESTRICTED	70,880	-	-	Yes - This reserve will be used towards future running costs of Maes Awyr Mon.	70,880
Highways, Property & Waste - Highways	Highways Restricted Grants Reserve - Flood Grant	RESTRICTED	36,473	-	-	Yes - This reserve will be used towards the funding of future flood projects.	36,473
Highways, Property & Waste - Highways	Highways Restricted Grants Reserve - Coastal Path	RESTRICTED	7,575	-	-	Yes - This reserve will be used towards future running costs for costal path projects.	7,575

Directorate	Reserve	Category	As at 31 March 2019	Actual 2019/20 Spend to date	Estimated Remaining 2019/20 Spend	Is a request to carry forward to 2020/21 likely?	Year End Estimate
Highways, Property & Waste - Waste Management	Spend to Save Public Conveniences	EARMARKED	7,406	7,406	-	N/A	-
Highways, Property & Waste - Waste Management	Waste Reserve / Recycling	GRANT HOLDING	267,476	222,366	-	Yes - This reserve will be used towards funding future recycling costs as per the grant conditions.	45,110
Highways, Property & Waste - Waste Management	North West Wales Treatment Plant	RESTRICTED	1,155,715	477,011	-	Yes - There are plans to spend some of this reserve in 2020/21. A balance of £500k will be required to be kept in reserve.	678,705
Highways, Property & Waste - Waste Management	Recycling Process Income	RESTRICTED	635,130	-	-	Yes - WG grant conditions specify that this must be used for future recycling purposes only.	635,130
Regulation & Economic Development - Economic Development	Beaumaris Pier - Painting	EARMARKED	100,000	-	10,000	Yes - There has been a slippage into the next financial year with work likely to be undertaken during the summer of 2020.	90,000
Regulation & Economic Development - Economic Development	Major Developments	EARMARKED	232,508	33,460	-	Yes - This reserve is to be retained pending final decision on Wylfa Newydd.	199,048

Directorate	Reserve	Category	As at 31 March 2019	Actual 2019/20 Spend to date	Estimated Remaining 2019/20 Spend	Is a request to carry forward to 2020/21 likely?	Year End Estimate
Regulation & Economic Development - Economic Development	Energy Island Economic Development Reserve	EARMARKED	11,979	-	-	Yes - This reserve is to be retained pending final decision on Wylfa Newydd.	11,979
Regulation & Economic Development - Economic Development	Major Developments - Planning	EARMARKED	511,606	119,150	-	Yes - This reserve is to be retained pending final decision on Wylfa Newydd.	392,456
Regulation & Economic Development - Economic Development	Melin Llynnon Operating Costs	EARMARKED	12,708	-	5,000	Yes - Part of the reserve has been allocated to fund a specialist contractor who will undertake a condition survey in relation to the mill.	7,708
Housing	Affordable housing	EARMARKED	250,643	-	- 100,000	Yes - This reserve is to be used to fund future costs for bringing houses into homes.	350,643
Housing	Supporting People Administration	RESTRICTED	774,401	-	- 30,000	Yes - There is a plan to spend this reserve over the next 9 financial years, with the department expected to make additional contributions towards this reserve.	804,401
Learning - Education	Free School Meals	EARMARKED	60,000	- 12,095	-	Yes - This reserve is surplus grant funding from WG in relation to Universal Credit and this is expected to be used in full by the end of the next financial year.	72,095

Directorate	Reserve	Category	As at 31 March 2019	Actual 2019/20 Spend to date	Estimated Remaining 2019/20 Spend	Is a request to carry forward to 2020/21 likely?	Year End Estimate
Learning - Education	TRAC	GRANT HOLDING	36,000	-	- 136,000	Yes - This reserve provides security for any potential European clawbacks, as well as providing a buffer for any deficit in match funding for the remaining years of the project, with the project running until 2023/24.	172,000
Learning - Education	Sick / Adverts Scheme - Primary	RESTRICTED	35,873	-	-	Yes - This reserve is to provide internal insurance for schools who are impacted by staff sicknesses.	35,873
Regulation & Economic Development - Leisure	Leisure (VAT Claim)	EARMARKED	772,633	10,479	90,000	Yes - This reserve will be used to fund future improvements to leisure services.	672,154
Lifelong Learning - Culture	Museum Purchase Fund	RESTRICTED	5,739	-	-	Yes - This is ring fenced funding from donations made to the Oriel and cannot be used for any other purposes.	5,739
Regulation - Planning & Public Protection	Licence Reserve	EARMARKED	16,570	-	-	Yes - There has been a slippage in the plans to upgrade IT equipment into the next financial year.	16,570

Directorate	Reserve	Category	As at 31 March 2019	Actual 2019/20 Spend to date	Estimated Remaining 2019/20 Spend	Is a request to carry forward to 2020/21 likely?	Year End Estimate
Regulation - Planning & Public Protection	Local Development Plan	EARMARKED	167,517	-	-	Yes - This reserve is to fund the local development plan carried out by the Joint Planning Policy Unit on behalf of the Authority for the next two years.	167,517
Regulation - Planning & Public Protection	Buy With Confidence Reserve	EARMARKED	6,234	6,234	-	N/A	-
Regulation - Planning & Public Protection	Planning & Legal Costs	EARMARKED	22,375	-	-	Yes - This is required to cover major legal fees that could arise if the service exceed their budget.	22,375
Regulation - Planning & Public Protection	Bathing Water Prediction Model	EARMARKED	10,000	275	725	Yes - This reserve is used to fund the maintenance cost relating to the Met Station for a period of 10 years, ceasing in 2028/29.	9,000
Regulation - Planning & Public Protection	Planning Capability and Capacity	EARMARKED	75,000	-	- 60,000	Yes - Plans to spend this reserve has slipped into the next financial year. It is likely that this reserve will increase by approximately £60k.	135,000
Resources	Revenues & Benefits	EARMARKED	34,992	-	17,362	Yes - This reserve is to be used to fund temporary staff and consultancy work as and when required.	17,630
Social Services - Adults and Children Services	Corporate Vulnerable Persons	EARMARKED	276,000	-	276,000	N/A	-

Directorate	Reserve	Category	As at 31 March 2019	Actual 2019/20 Spend to date	Estimated Remaining 2019/20 Spend	Is a request to carry forward to 2020/21 likely?	Year End Estimate
Social Services - Adults and Children Services	Transformation	EARMARKED	33,561	-	-	Yes - There are plans to spend this reserve in 2020/21 where it will help cover the costs in relation to learning disabilities fieldwork.	33,561
Social Services - Adults and Children Services	Social Care Staffing Contracts	EARMARKED	271,714	-	-	Yes - This reserve will be used to fund the cost of additional social services agency staff in future years.	271,714
Social Services - Adults and Children Services	Foster Carer Mortgage Reserve	EARMARKED	65,650	-	-	N/A	65,650
Social Services - Adults and Children Services	Joint Funding Reserve SS and Learning	EARMARKED	180,795	-	-	Yes - This reserve is to be used if there is a shortfall in funding from Public Bodies in relation to social care placements.	180,795
Social Services - Adults and Children Services	Nursing Care	EARMARKED	53,129	-	53,129	N/A	0
Transformation - HR	SCWDP	GRANT HOLDING	40,430	-	13,000	Yes - This reserve is to be used to fund the training of a Trainee Social Worker.	27,430
			9,882,361	983,877	351,288		8,547,196

Notes

a = the net annual revenue budget for the Service

b = 2.5% of (a) or £75k whichever is the higher

c = forecast under / over spend for each Service as at the end of quarter 3

ch = the sum which is considered outside the control of the Service and will be charged to the Council's general balances

d = the sum to be retained by each Service as a Service Reserve in the year

dd = the balance of the reserve carried forward for each service

e = the sum that the retained amount (d) is reduced by to ensure that the Service Reserve balance does not exceed the limit (b). This adjustment is credited to the Council's general balances

f = the balance of each Service Reserve carried forward for use in 2020/21

ff = the amount charged to the Council's general balances