

ISLE OF ANGLESEY COUNTY COUNCIL

Report to:	EXECUTIVE COMMITTEE
Date:	12 JULY 2021
Subject:	DRAFT FINAL ACCOUNTS 2020/21 AND USE OF RESERVES AND BALANCES
Portfolio Holder(s):	CLLR ROBIN W.WILLIAMS
Head of Service / Director:	MARC JONES
Report Author: Tel: E-mail:	MARC JONES _ DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
Local Members:	N/A

A –Recommendation/s and reason/s

The report presents the draft Comprehensive Income and Expenditure Statement for 2020/21 and the draft Balance Sheet as at 31 March 2021.

More detailed information is provided on the Council's general balances and earmarked reserves and the report details the proposed use of the reserves and balances in 2021/22 and subsequent years.

The report sets out the level of general balances and earmarked reserves which, in the professional opinion of the Council's Section 151 Officer, is the level required to cover any financial risks faced by the Council, to meet any existing funding commitments made and takes into account any specific restrictions on the use of the funding e.g restrictions imposed by grant conditions. The level of risk faced by the Council can change and the level of general balances and earmarked reserves will be kept under review over the coming months.

It is important to note that the figures are unaudited and may change as a result of the audit process. Once the audit is completed a report of the final Statement of Accounts will be presented to the Governance and Audit Committee and the full Council.

Recommendations:-

1. That the Executive note the draft unaudited main financial statements for 2020/21 (the full Statement of Accounts 2020/21 is published on the following link <https://www.anglesey.gov.uk/documents/Docs-en/Finance/Statement-of-Accounts/2020-2021/Draft-Statement-of-Accounts-2020-to-2021.pdf>)
2. That the Executive note the position of general balances and earmarked reserves and approve the creation of the new reserves noted in Appendix 4 (totalling £5,181,646).
3. That the Executive note the school balances position.
4. That the Executive approve to increase the minimum level of the General Reserve balance to £9m. This sum will reviewed again as the 2022/23 revenue budget is set.

5. That the Executive approve the creation of Service Reserves totaling £1.376m (as per Appendix 1, Table 3).
6. That the Executive authorises the use of up to £3.471m (£1.217m of the General Fund balance and £2.254m of uncommitted earmarked reserves) to be used to fund specific projects designed to meet risks and challenges faced by the Council. The Executive will approve all new projects, prior to their commencement.

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

Not applicable

C – Why is this a decision for the Executive?

The use of reserves and balances is delegated to the Executive in accordance with the Council’s resolution on the Council’s revenue and capital budget 9 March 2021.

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

Yes

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

Yes

DD – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	The proposed use of reserves and balances is designed to address certain risks and issues which the Council is currently facing. This will allow the Council to undertake projects which will help in meeting the long term needs of the Island and its residents.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Yes – addressing risks now mitigate those risks and will prevent future costs.
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	No
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	No

DD – Assessing the potential impact (if relevant):		
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	The decision requested in this report does not have a direct impact on those groups protected under the Equality Act 2010. Any plans for the use of funding would consider the impact on those groups prior to making the final decision to proceed with any project.
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	The decision requested in this report does not have a direct impact on those experiencing socio-economic disadvantage. Any plans for the use of funding would consider the impact on the socio-economic disadvantaged prior to making the final decision to proceed with any project.
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No impact on the Welsh language.

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	The report has been considered by the Chief Executive and SLT prior to it being presented to the Committee. The comments of SLT members have been incorporated into the report.
2	Finance / Section 151 (mandatory)	The Section 151 Officer was responsible for drafting the report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the SLT and any comments made have been considered along with all comments made by SLT members.
4	Human Resources (HR)	Where proposals impact on HR issues the Head of Service has been consulted.
5	Property	Where proposals impact on the Council's property, the Head of Service has been consulted.
6	Information Communication Technology (ICT)	Where the proposals have an impact on the Council's IT service or IT systems, the Head of IT has been consulted.
7	Procurement	Not applicable

8	Scrutiny	The draft statement of accounts were considered by the Governance and Audit Committee at its meeting on 23 June 2021.
9	Local Members	Not applicable
F – Appendices:		
<ul style="list-style-type: none"> • Appendix 1 – Report on the main financial statements, general balances and earmarked reserves • Appendix 2 – Draft Comprehensive Income and Expenditure Statement 2020/21 • Appendix 3 – Draft Balance Sheet as at 31 March 2021 • Appendix 4 – Earmarked Reserves as at 31 March 2021 		
FF – Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • 2020/21 Revenue Budget Outturn report – Executive 21 June 2021 		

1. PURPOSE OF THE REPORT

1.1. The report sets out the draft main financial statements for the financial year 2020/21 and presents a summary of the Council's general balances and earmarked reserves. The report sets out the level of general balances and earmarked reserves which, in the professional opinion of the Council's Section 151 Officer, is the level required to cover any financial risks faced by the Council, to meet any existing funding commitments made and takes into account any specific restrictions on the use of the funding e.g restrictions imposed by grant conditions. Following on from this opinion the report then identifies the maximum potential sum available from general balances and earmarked reserves which could be reallocated in 2021/22 to fund specific projects designed to meet specific risks and challenges faced by the Council or to improve existing assets or to fund the creation of new Council assets..

2. BACKGROUND INFORMATION

2.1. Regulation 10 of the Accounts and Audit (Wales) Regulations 2014, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018 requires that the responsible financial officer must, by no later than 31 May immediately following the end of the financial year, sign and date the statement of accounts and certify that it presents a true and fair view of the financial position of the Council. The Council must then approve and publish its audited financial statements by 31 July immediately following the end of the financial year.

2.2. However, for 2020/21, the Welsh Government has recognised that the pandemic may have an impact on a local authority's staff resources and have extended the timetable allowing Councils until 31 August 2021 to sign their draft statement of accounts and until 30 November 2021 to publish its audited financial statements.

2.3. The draft financial statements for 2020/21 were signed by the Council's Responsible Financial Officer on 15 June 2021 and the audit of the accounts has commenced. It is planned that the audit will be completed over the summer with the final audited accounts being approved by 30 September 2021.

3. DRAFT COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2020/21

3.1. The draft Comprehensive Income and Expenditure Statement (CIES) 2020/21 is presented in Appendix 2.

3.2. The statements summarises the cost of providing services in 2020/21 in accordance with the statutory accounting requirements and covers both the Council Fund and the Housing Revenue Account (HRA) in one financial statements. The CIES includes statutory accounting costs such as depreciation and pension adjustments which are not charged against Council Tax and are therefore reversed out before determining the final position in respect of general balances, earmarked reserves, the HRA account balance and school balances. As a result, the CIES is not directly comparable to the outturn reports that were presented to the Executive in June 2021.

3.3. THE CIES shows that the net cost of services was £127.318m with a surplus of £10.213m on the provision of services. Adjustments are then made for the revaluation of assets and for the re-measurement of the pension liability, to give the final net cost for the year of £24.231m. Adjustments are then made, as shown in Table 1 below, to determine the movement to reserves and balances. The adjustments are detailed in note 7 of the draft Statement of Accounts.

Table 1**Reconciliation of CIES to the Contribution to or from Reserves and Balances for 2020/21**

	£'m	£'m
Total Cost as per the CIES		24.231
Reverse out the surplus on the Revaluation of Assets and the Re-Measurement of the Pension Liability	(34.444)	
Adjustments between Accounting Basis and the Funding Basis under Regulations	(4,041)	
		(38,485)
Contribution (to) / from Reserves and Balances		(14,254)

3.4. The movement in the Council's reserves and balances is shown in Table 2 below:-

Table 2**Summary of the Movements in Council Reserves and Balances as at 31 March 2021**

	Council Fund General Reserve £'m	Council Fund Earmarked Reserves £'m	HRA Reserve £'m	School Balances £'m	Capital Receipts Reserve £'m	Total Useable Reserves £'m
Opening Balance as at 1 April 20	7.060	8.760	8.597	0.197	1.330	25.944
Net Underspend 2020/21 (as per Outturn Reports – Executive June 21)	4.204	-	1.145	-	-	5.349
Net Transfers to / (from) Reserves during the year	0.329	5.319	-	3.819	(0.562)	8.905
Closing Balance as at 31 March 21	11.593	14.079	9.742	4.016	0.768	40.198

4. DRAFT BALANCE SHEET AS AT 31 MARCH 2021

4.1. The draft balance sheet as at 31 March 2021 is shown in Appendix 3.

4.2. The value of the Council's net assets fell from £188.286m to £164.056m during the year. The value of the Council's long term assets increased by £15.065m mainly due to capital expenditure on the Council's property plant and equipment. Current assets increased by £9.509m whilst current liabilities fell by £2.686m, mainly due to a fall of £14.679m in short term borrowing which was offset by an increase of £10.527m in short term creditors.

4.3. The increases in the values of long term assets and net current assets were not sufficient to cover the increase in long term liabilities of £51.490m. The majority of the change in long term liabilities was as a result of an increase of £51.742m in pension liabilities. The value of the scheme's assets increased by £83.463m but the liabilities of the scheme rose by £135.204m. The liabilities of the scheme are an estimate by the Scheme's Actuaries based on a number of assumptions on mortality rates, salary levels etc., with the future values discounted to determine the present value.

- 4.4. The Council's Cash balance increased by £5.693m to £28.738m. The Council's cash balance is impacted by the cost of the provision of services, the movement in net current assets (debtors, creditors etc.) the capital expenditure and the level of long term borrowing. The individual movements of these items are detailed in the cash flow statement and the associated notes.

5. GENERAL FUND BALANCE

- 5.1. The Council's General Fund Balance as at 31 March 2021 stood at £11.593m, which is equivalent to 7.86% of the net revenue budget for 2021/22. The Executive have set the minimum level of the General Fund Balance as 5% of the net revenue budget and this would equate to £7.37m. As a result, the General Fund Balance exceeds this minimum value by £4.223m.
- 5.2. It is unclear what impact the pandemic will have on the demand for Council services in 2021/22 although it is likely that there will be a higher than normal level of demand. In addition, the ongoing restrictions and the requirement to maintain social distancing are reducing the Council's ability to generate income for certain services, mainly car parking and leisure. Although Welsh Government are currently providing financial assistance to cover ongoing additional costs and loss of income, this assistance may come to an end during the second half of the financial year. Given this, there is a significant risk of the Council overspending its revenue budget in 2021/22. It is therefore considered prudent to increase the minimum level of the general fund balance during 2021/22 and possibly 2022/23 until the impacts of the pandemic are clearer. It is the professional opinion of the Section 151 Officer that a minimum value of £9m (6.1% of the net revenue budget 2021/22) is considered to be sufficient to mitigate these risks.
- 5.3. Prior to the pandemic the Executive had approved in principle the transfer of a level of general balances to create service reserves. The level of the reserve for each service would be capped at 2.5% of the Service's net revenue budget or £75,000 whichever is the higher and the annual contribution to or from the Service reserve would be linked to the Service's financial performance during the year. i.e. if a Service underspent in the year then they would be allowed to retain the underspend up to the level of the cap and use the funds for service specific projects. However if the Service overspent in any year, the level of the overspend would come from the Service reserve, although exceptional items such as significant increases in the demand for services would be exempted from the calculation and would still be funded from the Council's General Fund.
- 5.4. The introduction of Service reserves would provide an incentive for Heads of Service to ensure expenditure remained within their budget but would also make them more accountable for overspending as it would have to be funded from service reserves or from future revenue budgets.
- 5.5. Based on the 2020/21 outturn and implementing the cap on the level of reserves, the service reserve for each service would be as follows:-

Table 3
Proposed Level of Service Reserves

Service	Proposed Level of Reserve £	% of the 2020/21 Net Revenue Budget
Learning (including Culture but excluding Schools)	148,600	2.50%
Adult Services	177,270	0.65%
Children's Services	274,280	2.50%
Highways, Waste and Property	381,050	2.50%
Housing	36,730	3.14%
Regulation and Economic Development (including Maritime and Leisure)	103,290	2.50%
Transformation (including HR and ICT)	124,970	2.50%
Council Business	52,770	3.27%
Resources	77,070	2.43%
Total Proposed Service Reserves	1,376,030	

5.6. It is proposed that the Service reserves are used to :-

1. address service performance issues
2. improve business processes
3. meet additional demands for services in 2021/22
4. generate future revenue savings

5.7. After taking into account the requirement to maintain the minimum level of the General Fund Balance at £9m and the use of £1.376m as Service reserves, this would leave £1.217m to be released for use on one off projects. The Executive is requested to authorise the release of this sum to fund specific projects.

6. EARMARKED RESERVES

6.1. Earmarked Reserves are held by the Council to mitigate potential future risks, to meet increases in the demand for certain services, to fund future capital projects, to fund improvements in business processes and service delivery, which are not funded in the annual revenue budget, and to hold unused grants and other contributions. The new reserves created during 2020/21 are shown in Table 4 and the Executive are requested to formally approve the creation of these new reserves totalling £5,181,646. A full list of all the Earmarked Reserves is attached as Appendix 4 but they are summarised into the various categories in Table 5 below.

Table 4

New Earmarked Reserves Created During 2020/2021

Reserve Name	Reserve Total £	Reason for Creating an Earmarked Reserve	Purpose of the Reserve
Children's Service Increased Demand	200,000	To address potential future risks	Provides additional funding in the event of an increase in the number of looked after children above the number allowed for in the revenue budget.
Pay Award 2021/22	485,850	To fund potential future costs	The pay award is now likely to be above the 1% allowed for in the 2021/22 revenue budget. The reserve will fund the additional costs.
Furlough Repayment	399,114	To fund known future costs	The reserve will be used to meet the cost of agreed repayment to the Welsh Government Hardship Fund.
Education – Commuted Sums	129,425	Can only be used for an agreed purpose	Funding held in reserve until it can be used in accordance with the agreement.
Covid Recovery	565,420	To address potential future risks and to improve business processes	Will be used to fund specific projects to deal with the recovery from Covid, including implementing a new way of working.
Small and Rural Schools Grant	33,244	Use is restricted by the conditions of the grant	Earmarked for use in 2021/22 as per the requirements of the grant offer.
Covid Security in Schools	103,426	Use is restricted by the conditions of the grant	Earmarked for use in 2021/22 as per the requirements of the grant offer.
Green Corridor Grant	85,000	Use is restricted by the conditions of the grant	Earmarked for use in 2021/22 as per the requirements of the grant offer.
Storm Grant	186,316	Use is restricted by the conditions of the grant	Earmarked for use in 2021/22 as per the requirements of the grant offer.
AONB Grant	14,261	Use is restricted by the conditions of the grant	Earmarked for use in 2021/22 as per the requirements of the grant offer.
PHW Grant – Spin Bikes	17,000	Use is restricted by the conditions of the grant	Earmarked for use in 2021/22 as per the requirements of the grant offer.
Ash Dieback Coordinator Grant	24,775	Use is restricted by the conditions of the grant	Earmarked for use in 2021/22 as per the requirements of the grant offer.
Electoral Reform Grant	21,000	Use is restricted by the conditions of the grant	Earmarked for use in 2021/22 as per the requirements of the grant offer.

Covid Business Grant Admin Fee	319,801	To fund potential future costs	To fund additional resources to deal with a backlog of work which arose as staffing resources were required to deal with business grants in 2020/21.
Self Isolation Payments	25,781	To fund known future costs	To fund an additional post to deal with self isolation payments. Funding is restricted for this purpose.
Digital Transformation	581,304	Additional funding from Welsh Government	Use to be determined at a later stage. Held in reserve until plans are finalised.
Support for Savings	581,304	Additional funding from Welsh Government	Use to be determined at a later stage. Held in reserve until plans are finalised.
Covid Hardship Funding – Council Tax Collection	768,625	To address potential future risks	Will meet an anticipated increase in the level of Council Tax debts which will be written off as uncollectable. Held in reserve and released to the revenue account as required.
Archaeological Works at Wylfa	625,000	To fund known future costs	Use is restricted by the agreement between the Council and Horizon Nuclear Power Wylfa Ltd.
Feasibility Study – Ysgol Uwchradd Caergybi	15,000	To fund known future costs	To fund the cost of a further assessment of the condition of the roof.
TOTAL	5,181,646		

6.2. Appendix 4 identifies the ongoing commitments for each individual earmarked reserve and identifies reserves, which can be released to fund additional one off expenditure. The Executive is requested to approve the use of £2.254m of uncommitted reserves for future projects.

Tabl 5

Summary of Earmarked Reserves as at 31 March 2021

	Opening Balance as at 1 April 2021	Contributions To / (From) During 2020/21	Closing Balance as at 31 March 2021
	£	£	£
Ongoing Corporate and Service Risks	1,979,995	265,647	2,245,642
Specific Corporate and Service Risks	1,244,040	197,524	1,441,564
Funding of Future Capital Expenditure	1,730,071	393,236	2,123,307
Business Process Improvements	673,328	365,063	1,038,391
Unused Contingency Budgets required for future years	382,515	330,562	713,077
Restricted Grant Holding Reserves	1,289,957	719,684	2,009,641
Other Restricted Reserves	648,811	180	648,991
Unrestricted Grant Holding Reserves	0	2,276,815	2,276,815
Reserves Earmarked for Specific Future Projects	811,438	770,981	1,582,419
TOTAL EARMARKED RESERVES	8,760,155	5,319,692	14,079,847

7. SCHOOL BALANCES

7.1. The level of School balances has increased from £0.197m at the beginning of the financial year to £4.016m at the end of the financial year. The number of schools in deficit has fallen from 13 to 3 (1 primary, 1 secondary and 1 special school). The balances per sector are summarized in Table 5 below.

Table 6

Summary of School Balances

Sector	Balance as at 1 April 2020 £'000	Movement in Year £'000	Closing Balance as at 31 March 2021 £'000
Primary	842	1,933	2,775
Foundation	132	191	323
Secondary	(693)	1,670	977
Special	(84)	24	(60)
TOTAL	197	3,818	4,015

7.2. The increase in school balances is significant and reflects a pattern being reported by other authorities. The reasons for the increase are

1. The Welsh Government provides schools with additional grant funding late in the financial year. The funding will allow schools to help pupils catch up with their education during 2021/22 and so the grants will be utilized by schools during this financial year.
2. The schools received their delegated budgets, prior to the initial lockdown restrictions and as such would have funded the costs faced by schools during a normal school year. The periods of closure reduced the level of expenditure incurred by schools (supply teachers, examination fees, school energy costs, educational materials etc.). A decision was taken not to claw back any surplus budgets from schools and as such schools significantly underspent during 2020/21, with the underspend then being transferred into school balances. This funding will be available for schools to use as deemed necessary during 2021/22.

8. HOUSING REVENUE ACCOUNT BALANCE

8.1. The opening balance of the HRA Account as at 1 April 2020 was £8.597m. During the year, a surplus of £8.390m was generated on revenue activities and £7.245m (net of grants) was spent on capital works and the acquisition / development of new properties. This gives a net surplus of £1.145m and increase the HRA Account balance to £9.742m. This balance is available to fund future investment in the HRA stock.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR YEAR ENDED 31 MARCH 2021

2020/21			Services	Note	2019/20		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000			Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
68,950	(16,017)	52,933	Lifelong Learning		73,291	(15,907)	57,384
43,082	(14,175)	28,907	Adult Services		40,699	(11,431)	29,268
14,914	(4,141)	10,773	Children's Services		11,753	(1,072)	10,681
7,372	(6,091)	1,281	Housing		5,983	(4,098)	1,885
28,175	(9,055)	19,120	Highways, Property and Waste		26,793	(6,390)	20,403
13,330	(8,414)	4,916	Regulation and Economic Development		12,291	(6,317)	5,974
5,754	(416)	5,338	Transformation		5,666	(261)	5,405
33,939	(25,642)	8,297	Resources		26,947	(17,679)	9,268
1,962	(333)	1,629	Council Business		2,245	(412)	1,833
2,146	(1,792)	354	Corporate and Democratic Costs		1,936	(332)	1,604
522	-	522	Corporate Management		482	-	482
7	-	7	Non-distributed costs		418	-	418
12,321	(19,080)	(6,759)	Housing Revenue Account (HRA)		12,591	(18,717)	(6,126)
232,474	(105,156)	127,318	Deficit on Continuing Operations		221,095	(82,616)	138,479
		24,541	Other operating expenditure	12			23,105
		9,333	Financing and investment income and expenditure	13a			8,945
		(171,405)	Taxation and non-specific grant Income	14			(163,380)
		(10,213)	Deficit on Provision of Services				7,149
		(10,039)	Surplus on revaluation of non-current assets	11c			(13,487)
		44,483	Re-measurement of net Pension liability	11ch & 41			(19,492)
		34,444	Other Comprehensive Income and Expenditure				(32,979)
		24,231	Total Comprehensive Income and Expenditure				(25,830)

BALANCE SHEET AS AT 31 MARCH 2021

	Note	31 March 2021 £'000	31 March 2020 £'000
Property, plant and equipment	15	431,645	414,585
Heritage assets	17	2,265	3,640
Investment property	18	5,619	6,189
Intangible assets	19	506	501
Long-term debtors	24	111	166
Long-term Assets		440,146	425,081
Assets held for sale	21	461	763
Inventories	23	339	333
Short-term debtors	24	36,716	32,606
Cash and cash equivalents	25	28,740	23,045
Current Assets		66,256	56,747
Short-term borrowing	44	(2,158)	(16,837)
Short-term creditors	26	(30,956)	(20,429)
Short-term provisions	27	(363)	(413)
Capital grants receipts in advance	37	(3,509)	(1,993)
Current Liabilities		(36,986)	(39,672)
Long-term creditors	26	(156)	(159)
Long-term provisions	27	(4,684)	(4,767)
Long-term borrowing	44	(124,258)	(124,424)
Other long-term liabilities	41	(176,262)	(124,520)
Long-term Liabilities		(305,360)	(253,870)
Net Assets		164,056	188,286
Usable reserves	MRS	40,198	25,944
Unusable reserves	11	123,858	162,342
Total Reserves		164,056	188,286

EARMARKED RESERVES AS AT 31 MARCH 2021

Service	Category	Reserve	Description	New in 2020/21	Balance 1 April 2020 £	Movement in Year £	Balance 31 March 2021 £	Committed / Required for Potential Future Risks £	Available for Use £
Corporate	Ongoing Corporate Risk	Insurance	To cover uninsured losses and policy excesses.	No	1,250,000	0	1,250,000	1,250,000	0
Learning	Ongoing Service Risk	Primary School Sickness Scheme	To cover the cost of sickness in primary schools. Each participating school pays a premium into the reserve.	No	129,857	0	129,857	129,857	0
Property	Ongoing Service Risk	R & M Scheme Primary	Balance of unused funding is held to meet potential increased costs in future years.	No	0	25,647	25,647	25,647	0
Highways, Waste & Property	Ongoing Service Risk	Winter Maintenance	To fund excess gritting / flooding costs during severe winter weather.	No	54,480	40,000	94,480	94,480	0
Children's Services	Ongoing Service Risk	Social Care Staffing Contracts	To fund additional staffing agency costs if increases in number require additional staffing resources.	No	271,714	0	271,714	271,714	0
Learning and Children's Services	Ongoing Service Risk	Joint Funding Reserve	Covers the potential loss of income from other joint funding public bodies. Cannot be included as part of the bad debt provision.	No	180,795	0	180,795	180,795	0
Children's Services	Ongoing Service Risk	Children's Services Increased Demand	Provide additional funding to Children's Services should there be an increase in the number of looked after children in any one year.	Yes	0	200,000	200,000	200,000	0

Service	Category	Reserve	Description	New in 2020/21	Balance 1 April 2020 £	Movement in Year £	Balance 31 March 2021 £	Committed / Required for Potential Future Risks £	Available for Use £
Learning	Ongoing Service Risk	School Closure Reserve	To fund the cost of empty buildings / set up costs for new schools.	No	93,149	0	93,149	93,149	0
TOTAL ONGOING CORPORATE AND SERVICE RISKS					1,979,995	265,647	2,245,642	2,245,642	0
Highways, Waste & Property	Specific Service Risk	Parc Adfer	To fund any additional costs arising from the Parc Adfer project. Balance transferred in year to Covid Recovery Reserve (£250k) and to Revenue Contributions Unapplied Reserve (£661k).	No	911,190	(911,190)	0	0	0
Learning	Specific Service Risk	Schools Rationalisation	Meet additional costs arising from school modernisation, including redundancy costs.	No	35,756	266,190	301,946	301,946	0
Regulation & Economic Development	Specific Service Risk	Local Development Plan	Fund the additional costs of producing the next development plan.	No	167,517	(14,820)	152,697	152,697	0
Corporate	Specific Corporate Risk	Equal Pay	Fund the cost of any outstanding claims, including legal and other professional fees.	No	50,000	(2,988)	47,012	47,012	0
Corporate	Specific Corporate Risk	Pay Award	Meet the cost of the pay award above the sum allowed for in the 2021/22 budget.	Yes	0	485,850	485,850	485,850	0
Learning	Specific Service Risk	Furlough Repayment	To meet the cost of an agreed repayment to the WG Hardship Fund arising from the furlough of catering staff.	Yes	0	399,114	399,114	399,114	0

Service	Category	Reserve	Description	New in 2020/21	Balance 1 April 2020 £	Movement in Year £	Balance 31 March 2021 £	Committed / Required for Potential Future Risks £	Available for Use £	
Regulation & Economic Development	Specific Service Risk	Planning Legal Costs	To meet the cost of legal fees on a planning appeal. Case now closed and the balance has been transferred back to the general fund balance.	No	22,375	(22,375)	0	0	0	
Learning	Specific Service Risk	Melin Llynonn	To fund the cost of remedial works to the Mill.	No	57,202	(2,257)	54,945	54,945	0	
TOTAL SPECIFIC CORPORATE AND SERVICE RISK RESERVES						1,244,040	197,524	1,441,564	1,441,564	0
Corporate	Future Capital Expenditure	Revenue Contributions Unapplied	Used as a source of capital funding as and when required.	No	842,917	363,811	1,206,728	1,206,728	0	
Learning	Future Capital Expenditure	Education – Commuted Sums	Earmarked sums from developers. Used in accordance with the agreement.	Yes	0	129,425	129,425	129,425	0	
Highways, Waste & Property	Future Capital Expenditure	Developer Contribution – Highways	Earmarked sums from developers. Used in accordance with the agreement.	No	25,000	0	25,000	25,000	0	
Regulation & Economic Development	Future Capital Expenditure	Beaumaris Pier Repainting	To part fund the cost of repainting the pier.	No	100,000	(100,000)	0	0	0	
Regulation & Economic Development	Future Capital Expenditure	Leisure (VAT Claim)	To fund future capital investment in Leisure Centres.	No	762,154	0	762,154	762,154	0	
TOTAL FUTURE CAPITAL EXPENDITURE RESERVES						1,730,071	393,236	2,123,307	2,123,307	0
Corporate	Business Process Improvements	Cost of Change	A general reserve which has funded business improvement processes.	No	231,828	0	231,828	0	231,828	
Adults & Children's Services	Business Process Improvements	Service Transformation	Funding for transformational projects in social services.	No	32,525	0	32,525	0	32,525	

Service	Category	Reserve	Description	New in 2020/21	Balance 1 April 2020 £	Movement in Year £	Balance 31 March 2021 £	Committed / Required for Potential Future Risks £	Available for Use £
Resources	Business Process Improvements	Revenues & Benefits system upgrades	Funding improvements to corporate income collection systems.	No	24,762	0	24,762	24,762	0
Corporate	Business Process Improvements	Invest to Save	The balance of £1m allocated in 2016/17 to fund specific projects. Unused balance - CRM £47k, Planning System £8k, Cash systems £25k, Oriel Website £11k, Temp IT staff £47k, Public Protection system £45k.	No	312,118	(128,262)	183,856	138,856	45,000
Corporate	Business Process Improvements	Covid Recovery	£115k from unused travelling budgets in 2020/21, £250k from Parc Adfer, £200k from Revenue Contributions Unapplied.	Yes	0	565,420	565,420	0	565,420
Learning	Business Process Improvements	Free School Meals	Balance of a grant which was to be used to improve the school meals income system. No longer required and the balance has been transferred to the General Fund balances.	No	72,095	(72,095)	0	0	0
TOTAL BUSINESS IMPROVEMENT RESERVES						365,063	1,038,391	163,618	874,773
Housing	Unused Contingency Budgets	Affordable Housing	Balance of the 2 nd home and empty home premium not used.	No	250,643	203,024	453,667	453,667	0

Service	Category	Reserve	Description	New in 2020/21	Balance 1 April 2020 £	Movement in Year £	Balance 31 March 2021 £	Committed / Required for Potential Future Risks £	Available for Use £
Corporate	Unused Contingency Budgets	Restricted Contingency Funds	Balance of unused corporate budgets required as contribution to STEM project and NW Growth Bid.	No	131,872	127,538	259,410	259,410	0
TOTAL UNUSED CONTINGENCY BUDGETS					382,515	330,562	713,077	713,077	0
Highways, Waste & Property	Restricted Grant Holding Reserves	Waste Reserve / Recycling	Circular Economy Grant replaced core budget. Core budget savings put in reserve to pay for green projects.	No	250,000	250,000	500,000	0	500,000
Highways, Waste & Property	Restricted Grant Holding Reserves	Airport Highway	Unused Maes Awyr Môn grant.	No	40,433	29,085	69,518	69,518	0
Highways, Waste & ProOperty	Restricted Grant Holding Reserves	Highways Restricted Grants Reserve - Flood Grant	Unused flood grant - can be used as match funding or to fund revenue costs. Need to check with Service.	No	36,473	0	36,473	36,473	0
Highways, Waste & Property	Restricted Grant Holding Reserves	Highways Restricted Grants Reserve - Coastal Path	Unused grant. No longer required. Balance transferred to general balances.	No	7,575	(7,575)	0	0	0
Transformation	Restricted Grant Holding Reserves	SCWDP	Unused grant.	No	28,249	(22,653)	5,596	5,596	0

Service	Category	Reserve	Description	New in 2020/21	Balance 1 April 2020 £	Movement in Year £	Balance 31 March 2021 £	Committed / Required for Potential Future Risks £	Available for Use £
Housing	Restricted Grant Holding Reserves	Supporting People Administration	Unused grant which funds additional supporting people staffing costs not covered by the grant.	No	705,827	(146,338)	559,489	559,489	0
Highways, Waste & Property	Restricted Grant Holding Reserves	Bus Stop Infrastructure	Unused grant.	No	48,657	37,014	85,671	85,671	0
Learning	Restricted Grant Holding Reserves	Small and Rural Schools Grants	Unused grant - to be used in 2021/22.	Yes	0	33,244	33,244	33,244	0
Learning	Restricted Grant Holding Reserves	Covid Security in Schools	Unused grant - to be used in 2021/22.	Yes	0	103,426	103,426	103,426	0
Highways, Waste & Property	Restricted Grant Holding Reserves	Green Corridor	Unused grant - to be used in 2021/22.	Yes	0	85,000	85,000	85,000	0
Highways, Waste & Property	Restricted Grant Holding Reserves	Storm Grant	Unused grant - to be used in 2021/22.	Yes	0	186,316	186,316	186,316	0
Regulation & Economic Development	Restricted Grant Holding Reserves	AONB Grant	Unused grant - to be used in 2021/22.	Yes	0	14,261	14,261	14,261	0
Regulation & Economic Development	Restricted Grant Holding Reserves	PHW Grant - Spin Bikes	Unused grant - to be used in 2021/22.	Yes	0	17,000	17,000	17,000	0

Service	Category	Reserve	Description	New in 2020/21	Balance 1 April 2020 £	Movement in Year £	Balance 31 March 2021 £	Committed / Required for Potential Future Risks £	Available for Use £	
Regulation & Economic Development	Restricted Grant Holding Reserves	Ash Dieback Coordinator	Unused grant - to be used in 2021/22.	Yes	0	24,775	24,775	24,775	0	
Council Business	Restricted Grant Holding Reserves	Electoral Reform	Unused grant - to be used in 2021/22.	Yes	0	21,000	21,000	21,000	0	
Learning	Restricted Grant Holding Reserves	TRAC	Unused grant.	No	172,743	95,129	267,872	267,872	0	
TOTAL RESTRICTED GRANT HOLDING RESERVES						1,289,957	719,684	2,009,641	1,509,641	500,000
Highways, Waste & Property	Other Restricted Reserves	Recycling Process Income	Condition of the SWMG that income from recycling is used to fund recycling costs / projects. This is the balance of the unused income. Service need to determine how to use.	No	635,130	0	635,130	635,130	0	
Learning	Other Restricted Reserves	Museum Purchase Fund	Donations to the Oriel to purchase new items. Not available to fund Council expenditure.	No	7,121	180	7,301	7,301	0	
Highways, Waste & Property	Other Restricted Reserves	Sustainable Approval Body Fees (SAB)	Fees from planning applications to be used to fund future costs in respect of the applications.	No	6,560	0	6,560	6,560	0	
TOTAL OTHER RESTRICTED RESERVES						648,811	180	648,991	648,991	0

Service	Category	Reserve	Description	New in 2020/21	Balance 1 April 2020 £	Movement in Year £	Balance 31 March 2021 £	Committed / Required for Potential Future Risks £	Available for Use £
Resources & Regulation & Econ Dev	Unrestricted Grant Holding Reserves	Covid Business Grant Admin Fee	Balance of Grant from Welsh Government to cover the additional costs incurred in processing Covid Business Grants. Being used to fund additional resources to deal with a backlog of work.	Yes	0	319,801	319,801	319,801	0
Resources	Unrestricted Grant Holding Reserves	Self Isolation Payments Admin Fee	Grant from Welsh Government to cover the cost of processing self isolation payments. Currently funding an additional member of staff.	Yes	0	25,781	25,781	25,781	0
Corporate	Unrestricted Grant Holding Reserves	Digital Transformation	Grant from Welsh Government to fund projects to improve digital transformation.	Yes	0	581,304	581,304	300,000	281,304
Corporate	Unrestricted Grant Holding Reserves	Support for Savings	Grant from Welsh Government to help fund any budget shortfalls arising from the difficulties faced by Councils in 2020/21 to implement planned budget savings.	Yes	0	581,304	581,304	0	581,304
Corporate	Unrestricted Grant Holding Reserves	Covid Hardship Funding Council Tax Collection	Grant from Welsh Government to cover the loss in Council Tax income due to potential increase in the value of debts having to be written off as a result of Covid.	Yes	0	768,625	768,625	768,625	0
TOTAL UNRESTRICTED GRANT HOLDING RESERVES					0	2,276,815	2,276,815	1,414,207	862,608

Service	Category	Reserve	Description	New in 2020/21	Balance 1 April 2020 £	Movement in Year £	Balance 31 March 2021 £	Committed / Required for Potential Future Risks £	Available for Use £
Regulation & Economic Development	Reserves Earmarked for Specific Future Projects	Licence Reserve	To fund new licencing software but no suitable software has been identified.	No	16,570	0	16,570	0	16,570
Regulation & Economic Development	Reserves Earmarked for Specific Future Projects	Energy Island Reserve	To fund the cost of assessing and supporting future Energy Island developments.	No	85,936	93,951	179,887	179,887	0
Regulation & Economic Development	Reserves Earmarked for Specific Future Projects	Major Developments Reserve	This is the balance of funding received in respect of Chief Officers time through the PPA.	No	197,352	(20,000)	177,352	177,352	0
Regulation & Economic Development	Reserves Earmarked for Specific Future Projects	Major Developments – Planning Fees	This is the additional planning fees from major developments, which would have funded the cost of dealing with the applications in future years.	No	392,456	0	392,456	392,456	0
Regulation & Economic Development	Reserves Earmarked for Specific Future Projects	Archaeological Works at Wylfa	Final contribution from Horizon to fund future works.	Yes	0	625,000	625,000	625,000	0
Highways, Waste & Property	Reserves Earmarked for Specific Future Projects	Feasibility Study – Ysgol Uwchradd Caergybi	To fund the cost of further assessment of the condition of the roof at Ysgol Uwchradd Caergybi.	Yes	0	15,000	15,000	15,000	0

Service	Category	Reserve	Description	New in 2020/21	Balance 1 April 2020 £	Movement in Year £	Balance 31 March 2021 £	Committed / Required for Potential Future Risks £	Available for Use £
Regulation & Economic Development	Reserves Earmarked for Specific Future Projects	Bathing Water Prediction Model	To pay for the cost of maintaining the monitoring equipment.	No	9,725	0	9,725	9,725	0
Regulation & Economic Development	Reserves Earmarked for Specific Future Projects	Planning Capability & Capacity	Percentage of planning fees has to be reinvested into the planning service.	No	109,399	57,030	166,429	166,429	0
TOTAL RESERVES EARMARKED FOR FUTURE SPECIFIC PROJECTS					811,438	770,981	1,582,419	1,565,849	16,570
TOTAL EARMARKED RESERVES					8,760,155	5,319,692	14,079,847	11,825,896	2,253,951