

ISLE OF ANGLESEY COUNTY COUNCIL

Report to:	EXECUTIVE COMMITTEE
Date:	18 JULY 2023
Subject:	DRAFT FINAL ACCOUNTS 2022/23 AND USE OF RESERVES AND BALANCES
Portfolio Holder(s):	CLLR ROBIN W WILLIAMS, DEPUTY LEADER / PORTFOLIO HOLDER - FINANCE
Head of Service / Director:	MARC JONES, DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER
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	N/A

A –Recommendation/s and reason/s

The report presents the draft Comprehensive Income and Expenditure Statement for 2022/23 and the draft Balance Sheet as at 31 March 2023.

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 2023/24 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 2022/23. The full Draft Statement of Accounts 2022/23 is published on the following link:-
<https://www.anglesey.gov.wales/en/Council/Council-finances/Statement-of-Accounts.aspx>
2. That the Executive note the position of general balances of £13.967m and approve the creation of the new earmarked reserves noted in Table 3, which amount to £4.320m.
3. That the Executive consider Appendix 4 and approve the balance of £19.638m of total earmarked reserves for 2022/23 (£23.181m in 2021/22). This is £3.544m lower than 2021/22 and is made up of £4.320m of new reserves, as recommended above, and a £7.471m overall reduction to existing reserves, though this is made up of increases and decreases to existing reserves.
4. That the Executive note the school balances position of £6.716m.

5. That the Executive note the HRA balance of £12.107m.
6. That the Executive approve the new Capital Grants Unapplied Reserve with a balance of £0.407m as shown in the Movement in Reserve Statement in Appendix 4.
7. That the Executive formally approve the transfer of £1.365m of service reserve back to the general reserve to increase flexibility and financial resilience of the Council.

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 2023.

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
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 / Leadership Team (LT)(mandatory)	The report has been considered by the Chief Executive and LT prior to it being presented to the Committee. The comments of LT members have been incorporated into the report.
2	Finance / Section 151 (mandatory)	The Section 151 Officer was responsible for reviewing the report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the LT and any comments made have been considered along with all comments made by LT 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 will be considered by the Governance and Audit Committee at its meeting on 27 July 2023.
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 2022/23 • Appendix 3 – Draft Balance Sheet as at 31 March 2023 • Appendix 4 – Movement in Reserves Statement 2022/23 • Appendix 5 – Earmarked Reserves as at 31 March 2023 		
FF – Background papers (please contact the author of the Report for any further information):		

1. PURPOSE OF THE REPORT

- 1.1. The report sets out the draft main financial statements for the financial year 2022/23 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.

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. These dates were extended for the financial years 2019/20 to 2021/22 due to the impact of Covid-19 on staff resources.
- 2.2 However, for 2022/23, Welsh Government has recognised that, while the pandemic may still have an impact on a local authority's staff resources, there are technical accounting issues which delayed the final accounts of all Welsh councils in 2021/22. Welsh Government has extended the draft accounts deadline to 31 July 2023, and the audited final accounts to 31 December 2023. Each council is required to publish a delay in the publication of the draft account, with the reasons, from 31 May 2023.
- 2.3 The draft financial statements for 2022/23 were signed by the Council's Responsible Financial Officer on 30 June 2023, and the audit of the accounts will commence in August 2023. It is planned that the audit will be completed over the summer, with the final audited accounts being approved by 30 November 2023.

3. DRAFT COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2022/23

- 3.1. The draft Comprehensive Income and Expenditure Statement (CIES) 2022/23 is presented in Appendix 2.
- 3.2. The statement summarises the cost of providing services in 2022/23 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 on 27 June 2023.
- 3.3. The CIES shows that the net cost of services was £179.355m, with a deficit of £15.993m 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 surplus for the year of £132.769m. Adjustments are then made, as shown in Table 1 below, to determine the movement to reserves and balances. The adjustments are detailed in note 6 of the draft Statement of Accounts.

Table 1**Reconciliation of CIES to the Contribution to or from Reserves and Balances for 2022/23**

	£'m	£'m
Total Cost / (Surplus) as per the CIES		(132,769)
Reverse out the surplus on the Revaluation of Assets and the Re-Measurement of the Pension Liability	148,762	
Adjustments between Accounting Basis and the Funding Basis under Regulations	(12,735)	
		136,027
Contribution (to) / from Usable Reserves and Balances		(3,258)

The movements in the Council's reserves and balances are shown in Table 2 below:-

Table 2**Summary of the Movements in Council Reserves and Balances as at 31 March 2023**

	Council Fund General Reserve	Council Fund Earmarked Reserves	Housing Revenue Account (HRA) Reserve	School Reserves	Capital Receipts Reserve	Capital Grants Unapplied Reserve	Total Usable Reserves
Items impacting on the Council's Reserve 2022/23	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance on Council General Reserve 1 April 2022	(12,278)	(23,181)	(12,333)	(7,827)	(2,381)	-	(58,000)
Net over / (under) spend 2022/23	(1,212)	-	226	-	-	-	(986)
Council Balance after over / (under) spend	(13,490)	(23,181)	(12,107)	(7,827)	(2,381)	-	(58,986)
Net transfers from / (to) Reserves for approved funding	(477)	3,544	-	1,111	473	(407)	4,244
General Reserve Balance at 31 March 2023	(13,967)	(19,637)	(12,107)	(6,716)	(1,908)	(407)	(54,742)

4. DRAFT BALANCE SHEET AS AT 31 MARCH 2023

4.1. The draft balance sheet as at 31 March 2023 is shown in Appendix 3.

4.2. The value of the Council's net assets increased by £132.769m, from £272.233m last year to £405.002m at 31 March 2023. The value of the Council's long term assets increased by £20.918m, due to capital expenditure on the Council's property, plant and equipment and the revaluation of existing assets. Current assets decreased by £13.392m as a result of a decrease of £9.738m in Council cash balances . Short-term debtors also decreased by £4.142m.

- 4.3.** Current liabilities decreased by £7.356m, to £43.901m, which is reassuring as the current assets decreased too. Short-term borrowing, creditors and provisions are fairly similar to last year, therefore, the decrease is due to significantly less short-term grants received in advance. Long-term liabilities have also reduced from £249.337m to £131.450m. Long-term creditors and long-term provisions are very similar to last year. Long-term borrowing has reduced by £1.1m as at 31 March 2023, due to repayment of loans maturing in the year. Long-term grants received in advance has increased from £888k to £5.4m in 2022/23, this relates to the North Wales Economic Ambition Board (NWEAB).
- 4.4.** The significant change is due to the accounting valuation of the Pension Fund. The Pension Fund was valued as a liability of £121.199m as at 31 March 2022. This has changed to an asset of £19.815m, which is the first time in many years that the Fund has been valued as an asset rather than a liability. In reaching the valuation, the Actuary discounts future obligations i.e. pensions to be paid in future years, using the gilt rate as the discount rate. The recent weakening of the UK economy has seen the gilt rate rise and, as a result, the future obligations are discounted by a higher factor, which reduces their current value, resulting in the fund's assets exceeding its liabilities. This has no impact on Council Fund balances as it is a statutory accounting adjustment. In the Council balance sheet, this is not reported as an asset in accordance with accounting standards which does not allow reporting of the net pension assets on the balance sheet for most pension funds. This is a prudent approach and reflects the fact that the Council cannot close the fund and crystallise the notional value of the pension asset. The pension liability on the balance sheet is £0 due to the net asset position.

5. GENERAL FUND BALANCE

- 5.1.** The Council's draft General Fund Balance as at 31 March 2023 is £13.967m, which is equivalent to 8.8% of the net revenue budget for 2022/23. This is based on the draft accounts which may be subject to change once the audit and final accounts have been completed. The Executive had set the minimum level of the General Fund Balance as 5% of the net revenue budget, and this would equate to £7.9m. As a result, the General Fund Balance exceeds this minimum value by £6.067m. This includes the returned service reserves discussed below in 5.2. This puts the Council in a better position to cope with the current financial context of high inflation and significant cost pressures.
- 5.2.** In 2019/20, the Executive approved the new service reserves policy. This enabled the creation of service reserves where services could put its net underspend into their service specific reserve, up to the higher of 2.5% of its net revenue budget or £75k. However, during the year, the remaining balances on service reserves amounting to £1.365m were transferred back to the general reserve to provide more flexibility and financial resilience for the Council with the continuing inflationary crisis. It is anticipated that the cost of living crisis faced by families may increase demand on services which would increase costs further.

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 holding of earmarked reserves is an essential element of the Council's financial strategy to ensure that the Council has an adequate level of financial resilience to meet future risks, financial challenges and allows for additional investment in assets and services. The new reserves created during 2022/23 are shown in Table 3, and the Executive is requested to formally approve the creation of these new reserves totalling £3.927m.

Table 3 – New earmarked reserves requested for 2022/23

Service	Reserve Name	Reserve Total	Reason for Creating an Earmarked Reserve	Purpose of Reserve
		£		
Housing	Homeless Provision	325,171	To meet the cost of increased demand for homelessness prevention in future years	To fund costs to prevent individuals and families becoming homeless.
Corporate	Funds from General Reserves for Cap Projects Unapplied	1,821,000	To fund future capital projects	Transfer of funding from general reserve as agreed as part of the Capital Programme 2022/23.
Housing	Housing Developer Commuted Sums S106	807,807	To fund future capital projects	Contributions received by housing developers will be used to fund future capital projects.
Highways, Property & Waste	Open Spaces S106 Agreement	24,872	To fund future capital projects	To fund projects from developers in accordance with the relevant S106 agreements.
Regulation & Economic Development	Calibration Lab	9,400	To fund future capital projects	To fund the adaptation works of setting up a Calibration Lab in 2023/24.
Highways, Property & Waste	Passenger Bus Network	220,976	Unused grant to be used in 2023/24	To complete the grant funded passenger bus network projects.
Education, Young People and Skills	Talnet / Libraries	14,040	Unused grant to be used in 2023/24	Ring-fenced grant funding to invest in Talnet.
Education, Young People and Skills	Post 16 ACL	82,185	Unused grant to be used in 2023/24	Ring-fenced grant for expenditure on Post-16 education.
Regulation & Economic Development	Countryside SLSP Grant	37,573	Unused grant to be used in 2023/24	Ring-fenced grant to continue countryside works in accordance with grant conditions.
Regulation & Economic Development	SLSP Welsh Government grant	46,425	Unused grant to be used in 2023/24	Ring-fenced grant to be spent in accordance with grant conditions on promoting biodiversity, decarbonisation and green communities.
Social Services – Adults & Children Services	Virtual School Wales Grant	60,000	Unused grant to be used in 2023/24	Ring-fenced grant to spend on virtual school for young people looked after or care leavers.
Resources - Benefits	Free School Meals Administration Grant	85,557	Unused grant to be used in 2023/24	Ring-fenced grant to continue administration of free school meals.
Housing	Homes for Ukraine	467,047	Unused grant to be used in 2023/24	Ring-fenced.
Education, Young People and Skills	Education – Office Adaptation	35,000	To fund a project in 2023/24	To fund adaptations to the Education office during 2023/24 to allow for hybrid working.
Education, Young People and Skills	ICT – Schools PSBA	108,283	To fund PSBA costs	
Social Services – Adults & Children Services	Open University Trainee Social Workers	80,000	To fund future costs of trainee social worker scheme	
Education, Young People and Skills	Secondary Schools Repairs & Maintenance	94,308	To fund future capital projects	
	TOTAL	4,319,644		

6.2. The total recommended earmarked reserves at 31 March 2023 are detailed in full in Appendix 4, but are summarised by purpose below in Table 4:-

Table 4
Summary of Earmarked Reserves as at 31 March 2023

	Opening Balance as at 1 April 2022 £	Contributions To / (From) During 2022/23 £	Closing Balance as at 31 March 2023 £
Ongoing Corporate and Service Risks	6,197,795	(57,125)	6,140,670
Specific Corporate and Service Risks	408,614	(182,442)	226,172
Funding of Future Capital Expenditure	5,999,906	1,070,815	7,070,721
Business Process Improvements	790,859	(790,859)	0
Unused Contingency Budgets required for future years	751,772	262,400	1,014,172
Restricted Grant Holding Reserves	3,473,699	(1,633,103)	1,840,596
Other Restricted Reserves	659,906	(355,711)	304,195
Other Earmarked Reserves for specific projects	2,597,038	78,901	2,675,939
Unrestricted Grant Holding Reserves	938,141	(573,037)	365,104
Service Reserves	1,364,244	(1,364,244)	0
TOTAL EARMARKED RESERVES	23,181,974	(3,544,405)	19,637,569

7. CAPITAL GRANT UNAPPLIED RESERVE

7.1 The capital grant unapplied reserve has been created for a carry-forward of £407k from the general capital grant for 2022/23. The grant offer letter permits carry-forward of any unspent general capital grant from 2022/23 to 2023/24. This is not an earmarked reserve as it is a specific reserve for a capital grant which has no conditions, for example, Welsh Government has not specified which capital project it will fund. It is unapplied because it has not been fully spent by the end of the financial year.

8. SCHOOL BALANCES

8.1 The level of School balances has decreased from £7.827m at the beginning of the financial year to £6.716m at the end of the financial year. All schools have surplus balances, including the three schools which were in deficit last year. The balances per sector are summarised in Table 5 below:-

Table 5
Summary of School Balances

Sector	Balance as at 1 April 2022 £'000	Movement in Year £'000	Closing Balance as at 31 March 2023 £'000
Primary	4,940	(1,247)	3,693
Secondary	2,789	(27)	2,762
Special	98	163	261
TOTAL	7,827	(1,111)	6,716

9. HOUSING REVENUE ACCOUNT BALANCE

9.1 The opening balance of the HRA Account as at 1 April 2022 was £12.333m. The surplus for the year on the HRA revenue budget was £1.374m. During the year, the service continued with its programme of building new dwellings and bought several properties, which was comprised of some former Council houses and some from the private sector, all of which are being refurbished. This will increase the Council dwellings and provide more social housing to reduce waiting lists for much needed homes. The service also continued its improvement works on existing housing stock. £7.398m of capital works was funded by HRA revenue. In total, £11.180m was spent on capital expenditure during the year, which included grant funding from Welsh Government. The net decrease for the year across both revenue and capital was £226k, with a balance of £12.107m on the HRA at 31 March 2023 .

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR YEAR ENDED 31 MARCH 2023

2022/23			Services	Note	2021/22		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000			Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
87,060	(16,529)	70,531	Education, Young People and Skills		77,543	(18,415)	59,128
48,488	(13,242)	35,246	Adult Services		46,593	(16,887)	29,706
22,165	(7,088)	15,077	Children's Services		18,826	(6,201)	12,625
8,162	(7,186)	976	Housing		8,214	(6,484)	1,730
33,982	(9,829)	24,153	Highways, Property and Waste		31,252	(9,192)	22,060
17,196	(9,520)	7,676	Regulation and Economic		14,734	(9,333)	5,401
7,481	(340)	7,141	Transformation		6,653	(291)	6,362
27,808	(16,802)	11,006	Resources		31,969	(22,723)	9,246
2,337	(217)	2,120	Council Business		2,337	(427)	1,910
4,458	(722)	3,736	Corporate and Democratic Costs		2,996	(781)	2,215
671	-	671	Corporate Management		588	-	588
93	-	93	Non-distributed costs		26	-	26
20,871	(19,942)	929	Housing Revenue Account (HRA)		16,029	(19,457)	(3,428)
280,772	(101,417)	179,355	Deficit on Continuing Operations		257,760	(110,191)	147,569
		15,570	Other operating expenditure	10			17,076
		10,990	Financing and investment income and expenditure	11a			9,559
		(189,922)	Taxation and non-specific grant Income	12			(180,266)
		15,993	(Surplus)/Deficit on Provision of Services				(6,062)
		-	Impairment losses on non-current assets charged to the Revaluation Reserve	9b			1,924
		(12,306)	Surplus on revaluation of non-current assets	9b			(31,870)
		(136,456)	Re-measurement of net Pension liability	9c & 34			(72,063)
		(148,762)	Other Comprehensive Income and Expenditure				(102,009)
		(132,769)	Total Comprehensive Income and Expenditure				(108,071)

BALANCE SHEET AS AT 31 MARCH 2023

	Note	31 March 2023	31 March 2022
		£'000	£'000
Property, plant and equipment	13	487,355	466,935
Heritage assets	15	2,277	2,283
Investment property	16	6,579	6,117
Intangible assets		356	472
Long-term debtors	18	1,234	1,076
Long-term Assets		497,801	476,883
Assets held for sale		1,065	672
Inventories		392	297
Short-term debtors	18	38,855	42,997
Short-term investments	35a	10,000	7,500
Cash and cash equivalents	19	32,240	44,478
Current Assets		82,552	95,944
Short-term borrowing	35b	(4,110)	(4,564)
Short-term creditors	20	(34,354)	(34,573)
Short-term provisions	21	(702)	(505)
Short-term grants receipts in advance	30	(4,735)	(11,615)
Current Liabilities		(43,901)	(51,257)
Long-term creditors	20	(158)	(162)
Long-term provisions	21	(4,335)	(4,411)
Long-term borrowing	35b	(121,557)	(122,677)
Long-term grants receipts in advance	30	(5,400)	(888)
Other long-term liabilities	34	-	(121,199)
Long-term Liabilities		(131,450)	(249,337)
Net Assets		405,002	272,233
Usable reserves	MIRS	54,742	58,000
Unusable reserves	9	350,260	214,233
Total Reserves		405,002	272,233

MOVEMENT IN RESERVES STATEMENT 2022/23

	Council Fund Balance	Earmarked Council Fund Reserves (Note 7)	HRA Balance (Supplementary Financial Statements)	Capital Receipts Reserve (Note 8)	Capital Grants Unapplied	Schools Balances	Total Usable Reserves	Total Unusable reserves (Note 9)	Total Reserves (of the Council)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance 1 April 2021	11,437	14,079	9,723	767	-	3,974	39,980	124,182	164,162
Movement in reserves during the year									
Adjustment to opening balance	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) on provision of services	(1,068)	-	7,130	-	-	-	6,062	-	6,062
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	102,009	102,009
Total Comprehensive Income and Expenditure	(1,068)	-	7,130	-	-	-	6,062	102,009	108,071
Adjustments between accounting basis and funding basis under regulations (Note 6)	14,129	-	(3,785)	1,614	-	-	11,958	(11,958)	-
Net Increase/ (Decrease) before Transfers to Earmarked Reserves	13,061	-	3,345	1,614	-	-	18,020	90,051	108,071
Transfers to/(from) Earmarked Reserves (Note 7)	(12,220)	9,102	(735)	-	-	3,853	-	-	-
(Decrease) / Increase In Year	841	9,102	2,610	1,614	-	3,853	18,020	90,051	108,071
Balance 31 March 2022	12,278	23,181	12,333	2,381	-	7,827	58,000	214,233	272,233
Movement in reserves during the year									
Adjustment to opening balance									
Surplus/(Deficit) on provision of services	(17,421)	-	1,428	-	-	-	(15,993)	-	(15,993)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	148,762	148,762
Total Comprehensive Income and Expenditure	(17,421)	-	1,428	-	-	-	(15,993)	148,762	132,769
Adjustments between accounting basis and funding basis under regulations (Note 6)	14,837	-	(1,654)	(448)	-	-	12,735	(12,735)	-
Net Increase/(Decrease) before Transfers to Earmarked Reserves	(2,584)	-	(226)	(448)	-	-	(3,258)	136,027	132,769
Net transfer from									
Transfers to/(from) Earmarked Reserves	4,273	(3,544)	-	(25)	407	(1,111)	-	-	-
(Decrease) / Increase In Year	1,689	(3,544)	(226)	(473)	407	(1,111)	(3,258)	136,027	132,769
Balance 31 March 2023	13,967	19,637	12,107	1,908	407	6,716	54,742	350,260	405,002

APPENDIX 5

EARMARKED RESERVES AS AT 31 MARCH 2023

Service	Reserve	Description	Balance 1 April 2022 £	Transfer in £	Transfer Out £	Closing Balance 31 March 2023 £
Adult & Children's Services	Social Care Pressures	To fund potential future costs in social care arising from increased demand and / or inflationary pressures.	1,109,836	196,410	-1,162,555	143,691
Children's Services	Social Care Staffing Contracts	To fund additional staffing agency costs if increases in number require additional staffing resources.	271,714	-	-22,582	249,132
Corporate	Insurance	To cover uninsured losses and policy excesses.	1,340,732	163,797	-254,529	1,250,000
Corporate	Additional revenue settlement 2021/22 for Inflationary pressures	Provides additional funding for increased costs due to rising inflation.	2,256,150	2,065,000	-1,143,635	3,177,515
Education, Skills and Young People	Primary School Sickness Scheme	To cover the cost of sickness in primary schools. Each participating school pays a premium into the reserve.	350,939	-	-43,407	307,532
Education, Skills and Young People	School Closure Reserve	To fund the cost of empty buildings / set up costs for new schools.	93,149	-	-	93,149
Education, Skills and Young People	Out of County Education	To fund increases in demand or inflationary pressures for children in out of county placements.	500,000	-	-	500,000
Education, Skills and Young People and Children's Services	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 - returned to general reserve.	180,795	-	-180,795	-
Highways, Waste & Property	Winter Maintenance	To fund excess gritting / flooding costs during severe winter weather.	94,480	-	-	94,480
Housing General	Homelessness Provision	To reduce homelessness on the Island.	New	325,171		325,171
Property	R & M Scheme Primary	Balance of unused funding is held to meet potential increased costs in future years.	-	-	-	-
TOTAL ONGOING CORPORATE AND SERVICE RISKS			6,197,795	2,750,378	-2,807,503	6,140,670

Service	Reserve	Description	Balance 1 April 2022 £	Transfer in £	Transfer Out £	Closing Balance 31 March 2023 £
Education, Skills and Young People	Schools Rationalisation	Meet additional costs arising from school modernisation, including redundancy costs.	190,917	147,182	-254,743	83,356
Regulation & Economic Development	Local Development Plan	Fund the additional costs of producing the next development plan.	152,697	-	-9,881	142,816
Education, Skills and Young People	Melin Llynonn	To fund the cost of remedial works to the Mill.	65,000	-	-65,000	-
TOTAL SPECIFIC CORPORATE AND SERVICE RISK RESERVES			408,614	147,182	-329,624	226,172
Corporate	Revenue Contributions Unapplied	Used as a source of capital funding as and when required.	2,106,557	3,077,244	-2,210,177	2,973,624
Education, Skills and Young People	Education – Commuted Sums	Earmarked sums from developers to be used in accordance with the agreement.	219,936	126,657	-	346,593
Highways, Waste & Property	Developer Contribution – Highways	Earmarked sums from developers to be used in accordance with the agreement.	120,408	42,014	-	162,422
Regulation & Economic Development	Leisure improvements	To fund future capital investment in Leisure Centres.	762,154	-	-	762,154
Education, Skills and Young People	School IT Sinking Fund	To fund replacement devices in schools which were originally funded by Welsh Government HWB Grant.	300,000	300,000	-139,000	461,000
	Section 106 Agreement	To fund improvements as per Section 106 agreement.	New	24,872		24,872
Regulation and Economic	Calibration Lab	To fund calibration lab works.	New	9,400		9,400
Highways, Waste & Property	Canolfan Addysg y Bont Roof Repairs	To fund substantial works to Canolfan Addysg Y Bont roof. The sum of the reserves represents the sum released from general balances, less costs incurred in 2021/22,	2,490,851	-	-2,490,851	-
Housing General	Housing Developer Contributions S106	To fund projects to increase affordable housing funded by S106 developer contributions.	New	807,807	-	807,807

Service	Reserve	Description	Balance 1 April 2022 £	Transfer in £	Transfer Out £	Closing Balance 31 March 2023 £
Education, Skills and Young People	Secondary Schools Repairs and Maintenance	To fund secondary schools repairs and maintenance to prevent health and safety risks.	NEW	94,308		94,308
Several	Funds approved from general reserve	Approved funding from the general reserve for specific capital projects.	New	1,821,000	-392,459	1,428,541
TOTAL FUTURE CAPITAL EXPENDITURE RESERVES			5,999,906	6,303,302	-5,232,487	7,070,721
Corporate	Cost of Change	A general reserve which has funded business improvement processes.	181,735	-181,735	-	-
Corporate	Invest to Save	The balance of £1m allocated in 2016/17 to fund specific projects.	43,704	-	-43,704	-
Corporate	Covid Recovery	£115k from unused travelling budgets in 2020/21, £250k from Parc Adfer, £200k from Revenue Contributions Unapplied.	565,420	-	-565,420	-
TOTAL BUSINESS IMPROVEMENT RESERVES			790,859	-181,735	-609,124	-
Housing	Affordable Housing	Balance of the 2 nd home and empty home premium not used.	421,368	1,099,668	-903,921	617,115
Corporate	Contingency funded projects	To fund slippage in a contingency funded earmarked projects.	102,090	49,850	-30,000	121,940
Education, Skills and Young People	STEM	To fund STEM projects.	75,000	-	-50,000	25,000
NWEAB	North Wales Economic Ambition Board (NWEAB)	Balance of the Council's share of earmarked reserves for NWEAB.	153,314	112,766	-15,963	250,117
TOTAL UNUSED CONTINGENCY BUDGETS			751,772	1,262,284	-999,884	1,014,172
Highways, Waste & Property	Waste Reserve / Recycling	Circular Economy Grant replaced core budget. Core budget savings put in reserve to pay for green projects.	500,000	-	-400,000	100,000
Highways, Waste & Property	Airport Highway	Unused Maes Awyr Môn grant.	40,433	-	-40,433	-

Service	Reserve	Description	Balance 1 April 2022 £	Transfer in £	Transfer Out £	Closing Balance 31 March 2023 £
Highways, Waste & Property	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.	36,473	-	-	36,473
Housing	Supporting People Administration	Unused grant which funds additional supporting people staffing costs not covered by the grant.	554,945	-	-143,566	411,379
Highways, Waste & Property	Bus Stop Infrastructure	Used in 2022/23.	85,671	-	-85,671	-
Education, Skills and Young People	Small and Rural Schools Grants	Unused grant to carry forward to 2023/24.	23,921	-	-14,897	9,024
Education, Skills and Young People	Covid Security in Schools	Unused grant to carry forward to 2023/24.	9,056	-	-	9,056
Highways, Waste & Property	Storm Grant	Unused grant to carry forward to 2023/24.	146,491	-	-146,491	-
Education, Skills and Young People	ACL Maintenance & Digital	Unused grant to carry forward to 2023/24.	100,415	-	-86,892	13,523
Education, Skills and Young People	ALN Strategy	Unused grant to carry forward to 2023/24.	15,363	-	-	15,363
Education, Skills and Young People	Post 16	Unused grant to carry forward to 2023/24.	69,394	-	-69,394	-
Education, Skills and Young People	Music in Schools	Unused grant to carry forward to 2023/24.	129,481	-	-98,201	31,280
Highways, Waste & Property	Passenger Bus Network	Unused grant to carry forward to 2023/24.	New	220,976	-	220,976
Education, Skills and Young People	Post 16 ACL	Unused grant to carry forward to 2023/24.	New	82,185	-	82,185
Education, Skills and Young People	Talnet / Libraries	Unused grant to carry forward to 2023/24.	New	14,040	-	14,040
Regulation and Economic	Countryside SLSP grant	Unused grant to carry forward to 2023/24.	New	37,573	-	37,573

Service	Reserve	Description	Balance 1 April 2022 £	Transfer in £	Transfer Out £	Closing Balance 31 March 2023 £
Regulation and Economic	Environmental improvements	Unused grant to carry forward to 2023/24.	New	46,425		46,425
Council Business	Electoral Reform	Unused grant to carry forward to 2023/24.	11,230	-	-	11,230
Education, Skills and Young People	TRAC	Unused grant to carry forward to 2023/24.	201,392	-	-61,927	139,465
Resources	Cost of Living Discretionary Payments	Unused grant to carry forward to 2023/24.	585,163	-	-585,163	-
Adult Services	Electric Vehicles	Unused grant to carry forward to 2023/24.	200,000	50,000	-200,000	50,000
Children's Services	Virtual schools Wales reserve	Unused grant to carry forward to 2023/24.	New	60,000	-	60,000
Resources	FSM Grant Benefits Staff	Unused grant to carry forward to 2023/24.	New	85,557	-	85,557
Housing General	Homes for Ukraine	Unused grant to carry forward to 2023/24.	New	467,047	-	467,047
Regulation & Economic Development	Economic Recovery Grant	Unused grant to carry forward to 2023/24.	764,271	-	-764,271	-
TOTAL RESTRICTED GRANT HOLDING RESERVES			3,473,699	1,063,803	-2,696,906	1,840,596
Highways, Waste & Property	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.	635,130	-	-380,000	255,130
Education, Skills and Young People	Museum Purchase Fund	Donations to the Oriel to purchase new items. Not available to fund Council expenditure.	11,363	1,887	-	13,250
Highways, Waste & Property	Sustainable Approval Body Fees (SAB)	Fees from planning applications to be used to fund future costs in respect of the applications.	4,540	27,865	-	32,405
Housing	Housing Christmas Hampers	To fund Christmas hampers.	8,873	10,224	-15,687	3,410

Service	Reserve	Description	Balance 1 April 2022 £	Transfer in £	Transfer Out £	Closing Balance 31 March 2023 £
TOTAL OTHER RESTRICTED RESERVES			659,906	39,976	-395,687	304,195
Resources	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.	70,813	-	-70,813	-
Corporate	Digital Transformation	Grant from Welsh Government to fund projects to improve digital transformation.	83,957	-	-83,957	-
Corporate	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.	783,371	-	-418,267	365,104
TOTAL UNRESTRICTED GRANT HOLDING RESERVES			938,141	-	-573,037	365,104
Regulation & Economic Development	Energy Island Reserve	To fund the cost of assessing and supporting future Energy Island developments.	269,020	9,320	-6,573	271,767
Regulation & Economic Development	Major Developments Reserve	This is the balance of funding received in respect of Chief Officers time through the PPA.	177,352	-	-	177,352
Regulation & Economic Development	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.	392,456	-	-	392,456
Regulation & Economic Development	Archaeological Works at Wylfa	Final contribution from Horizon to fund future works.	625,000	-	-102,580	522,420
Highways, Waste & Property	Feasibility Study – Ysgol Uwchradd Caergybi	To fund the cost of further assessment of the condition of the roof at Ysgol Uwchradd Caergybi.	15,000	-	-	15,000
Regulation & Economic Development	Bathing Water Prediction Model	To pay for the cost of maintaining the monitoring equipment.	9,285	-	-3,931	5,354
Regulation & Economic Development	Planning Capability & Capacity	Percentage of planning fees has to be reinvested into the planning service.	267,657	-	-75,934	191,723
Transformation - HR	Trainee Scheme	Provides funding for recruitment for a number of Trainee roles across the Council to help provide well trained staff in often difficult to recruit roles.	219,060	82,720	-16,037	285,743
Transformation	Cynnal	The reserve will be used to fund any additional costs arising from the termination of Cynnal ICT support services for schools.	88,200	-	-88,200	-

Service	Reserve	Description	Balance 1 April 2022 £	Transfer in £	Transfer Out £	Closing Balance 31 March 2023 £
Social Services – Adults Services	Pooled Budget Admin Fee	Contribution to the administrative costs incurred by the lead authority in administering the Adult Services pooled budget.	10,000	-	-	10,000
Children's Services	Children's Services Teaching Assistant Contribution	To fund teaching assistants specialising in supporting children with social care needs.	200,000	24,076	-70,000	154,076
Regulation – Economic Development	Penrhos Ind Estate JV Repayment	To collect the Council's share of annual net income from leasing out Penrhos Industrial units to contribute towards funding the buy-out of Welsh Government after 15 years in operation, in accordance with the joint venture agreement.	7,818	12,779	-	20,597
Regulation – Public Protection	Port Health Authority Set Up	The Council has become a Port Health Authority following Britain's withdrawal from the European Union. This reserve will help fund the set-up costs when incurred.	100,000	89,978	-	189,978
Corporate	Salix Loan repayment	To fund unbudgeted final MRP payments on delayed Salix loans.	216,190	-	-	216,190
Education, Skills and Young People	Office adaptation	Office adaptation.	New	35,000	-	35,000
Education, Skills and Young People	Education - ICT PSBA	To continue slipped ICT broadband improvements in schools.	New	108,283	-	108,283
Children's Services	Open University Trainees	To increase trained staff in Children's services.	New	80,000	-	80,000
TOTAL RESERVES EARMARKED FOR FUTURE SPECIFIC PROJECTS			2,597,038	442,156	-363,255	2,675,939
Service Reserves	Service Reserves	For services to use as required.	1,364,244		-1,364,244	-
TOTAL EARMARKED RESERVES			23,181,974	11,827,345	-15,371,752	19,637,567