

ANALYSIS OF RESERVES (EARMARKED RESERVES AND UNEARMARKED RESERVES)

APPENDIX B

EARMARKED RESERVES	Closing balance 31.03.2023	Future Commitments	Funding needed to hold a prudent provision	Unallocated spend	Annual reserve contribution £000s	Comments
Specific Reserves - General Fund	£000s	£000s	£000s	£000s		
Earmarked Reserves which are essential for operational core service delivery (for example programmed renewal and replacement of plant and equipment)						
Business Rates Retention Reserve (remainder of the reserve needed to manage business rates volatility each year)	(971)	150	821	0		This relates to a timing issue on the accounting adjustments required for the localisation of business rates. This reserve deals with any volatility in Business Rate income. In 2023/24 £150,000 is budgeted to be used of this reserve to smooth the volatility in business rates income used to finance the revenue budget.
Car Park Maintenance Reserve	(534)	38	496	0		The majority of this reserve is uncommitted. Future commitments are for the provision of electric car charging points and resurfacing of car parks.
Elections	(61)	61	0	0	(20)	This reserve is held to fund the cost of Borough Council elections, an annual contribution of £20,000 is made into this reserve.
Environmental Health Initiatives	(104)	104	0	0		The additions to this reserve applied in 2022/23 relate to savings on Environmental Health salaries, and are committed to fund a post for the next two years (2023/24 & 2024/25).
Grounds Maintenance	(99)	99	0	0		A reserve set up in 2019/20 to hold the Grounds Maintenance in year surpluses to be reinvested back into the service.
Homelessness Prevention Reserve	(184)	141	43	0		This reserve has been created following underspends on Homelessness Prevention Costs. The future commitments of £74k are £50k towards the part funding of capital works at Springhill, and the future funding of service salary costs £31k.
ICT Development Reserve	(45)	45	0	0	(50)	An annual contribution of £50k is made into this reserve. Commitments in 23/24 are for the new website and planning system.
Leisure Services	(133)	86	47	0		A reserve set up in 2016/17 to support non recurring costs of the leisure service. The future commitments of £86k are contributions towards the cost of capital works at Parklands Leisure Centre and Tavistock Viaduct Walk.
Maintenance Funds	(436)	95	341	0		A reserve set up in 2016/17 to support potential non recurring maintenance costs of property assets held by the authority. The future commitments of £95k are contributions towards the cost of capital works at Heron Rd, Exeter and Hayedown Depot.
Maintenance, Management and Risk Management Reserve (MMRM) - 10% of annual income from investment properties is set aside into this reserve	(418)	0	418	0		This reserve was set up in 2018/19 to manage the ongoing maintenance costs of the Council's Investment Property. The contributions to this reserve equate to 10% of the rental income on an annual basis. This is being reviewed for the future.
New Homes Bonus (Revenue Base Budget funding)	(150)	150	0	0		Funding set aside to finance the 2023/24 revenue budget.
New Homes Bonus	(363)	363	0	0		Commitments for capital programme funding from allocations approved in previous years, such as Springhill, Tavistock and other capital projects.
Planning Policy & Major Developments	(123)	118	5	0	(25)	This reserve is for all planning matters and is also required to put funding aside to meet any future appeal costs. Commitments mainly relate to the Planning restructure. A contribution of £25,000 is made into the reserve annually.
Joint Local Plan	(25)	25	0	0	(25)	This reserve is to fund the salary costs of the JLP team. An annual contribution of £25k is made into this reserve.
Section 106 Monitoring and technical support	(3)	3	0	0		This reserve funds the costs of staff to oversee the administration of S106 deposits and how they are spent.
Organisational Development Strategy	(20)	20	0	0		This reserve was created from external work carried out in other Councils e.g. HR work with Councils also embarking on a Transformation Programme. This funding is now earmarked for implementing the Council's Organisational Development Strategy.
Vehicle Replacement	(376)	376	0	0	(50)	Earmarked for the Vehicle Fleet Replacement Programme. An annual contribution of £550k is made to this reserve.
Waste & Cleansing Options Review	(678)	450	228	0		This reserve was established in 2016/17 to support and promote changes in service provision and capital investment. Amounts have been committed to fund capital expenditure for an additional waste fleet vehicle and for the upgrade of Hayedown Depot.
Tree Maintenance	(14)	14	0	0		This reserve was set up in 2021/22 to hold underspends in the revenue budget and to support longer term ongoing costs of the tree maintenance programme.
Affordable Housing Reserve	(159)	98	0	(61)		This is a new reserve set up in 2022/23 to support the delivery of affordable housing initiatives. £98k has been committed to support the continuation of the tenants incentive scheme and capital works to modernise 3 Springhill, the balance of the reserve is currently uncommitted.
Tamar Trails	(55)	55	0	0		This is a new reserve set up in 2022/23 to support the delivery of capital improvement works to the trail. The reserve is fully committed as detailed in capital monitoring report to Hub Committee 07/03/23
Sub - Total	(4,951)	2,491	2,399	(61)	(170)	
Earmarked Reserves which are being used to fund new corporate initiatives and corporate priorities						
Broadband Community Support Reserve	(50)	50	0	0		The set up of this reserve was approved by Hub on 01/12/20, min ref HC40, funded by a £50k contribution from the Business Rates Retention Reserve to support the council's economic and health & wellbeing objectives.
Business Rates Retention Reserve (Corporate Strategy)	(104)	104	0	0		£104k has been committed to fund initiatives included in the Corporate Strategy, including supporting enhancements to Tavistock & other towns
Innovation Fund (Invest to Earn)	(376)	287	0	(89)		This reserve was set up in 2016/17, current commitments are for a contribution towards the upgrade of Hayedown Depot and Corporate Strategy projects £80k.
Recovery Plan & Corporate Strategy Reserve	(159)	159	0	0		This was a reserve established at the end of 2020/21 to support the costs of the Recovery Plan & Corporate Strategy (Hub 16/03/21), it is fully committed to fund the cost of various initiatives as detailed in the Corporate Strategy.
Strategic Change (T18)	(67)	33	0	(34)		£33k has been committed to finance the 2023/24 revenue base budget
Sub - Total	(756)	633	0	(123)	0	
Earmarked Reserves which is Government Grant funding being used for the purposes of the grant determination letter						
Neighbourhood Planning	(45)	45	0	0		This is Neighbourhood Planning Grant funding received in previous years yet to be applied to finance relevant expenditure
Revenue Grants	(1,303)	1,303	0	0		This reserve comprises of government grants received for specific initiatives or new burdens, and are held in the reserve for accounting purposes.
Ukraine Humanitarian Crisis (Government Grant funding)	(669)	669	0	0		This reserve was set up in 2022/23 to hold funding received to support the Ukraine Humanitarian Crisis which will be spent in 2023/24. An amount of £496,583 will be spent in 2023/24 on the purchase of five properties through the Local Authority Housing Fund (LAHF) as approved by Hub Committee (07/03/23).
Sub - Total	(2,017)	2,017	0	0	0	
Notional Earmarked Reserves which are held for a technical accounting purpose for the Collection Fund (this is not funding available to the Council to spend)						
S.31 Compensation Grant (Business Rates Section 31 Grants for business rates relief)	(307)	307	0	0		This is a new reserve set up to hold the business rates S31 grants received in 2020/21 and 2021/22 to offset the business rate reliefs given to businesses during lockdown. Under current Collection Fund accounting rules, the S31 grants received will not be discharged against the Collection Fund deficit until the following year in 2023/24. This reserve is not money which is available for the Council to spend and it is important that this is not misinterpreted in the Accounts, as this is a national issue.
Sub - Total	(307)	307	0	0	0	
Uncommitted Earmarked Reserves and available for Members to decide how to allocate these funds for future priorities						
COVID-19	(254)	0	0	(254)		This was a reserve set up at the end of 20/21 used to hold grant funding provided by central government to finance costs & income losses incurred as a direct result of dealing with the COVID-19 pandemic. The current balance in this reserve is uncommitted for these purposes.

Financial Stability	(617)	0	0	(617)		This was a new reserve set up in 2018/19, which is to be available for any future financial pressures arising from local government funding reforms and any other budget pressures. It is currently uncommitted funding.
Sub - Total	(871)	0	0	(871)	0	
TOTAL EARMARKED RESERVES	(8,902)	5,448	2,399	(1,055)	(170)	
TOTAL UNEARMARKED RESERVES (General Fund Balance)	(1,569)	0	1,569	0		This Unearmarked Reserve has a minimum balance of £0.9 million and an operating level of £1.25 million (set by Members as part of the budget process). The 2022/23 surplus of £79,000 from the 2022/23 Accounts has been transferred to Unearmarked Reserves, in accordance with normal accounting practice. The £1.569m includes the surplus of £79,000 for the 2022/23 financial year outturn.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)	(10,471)	5,448	3,968	(1,055)	(170)	