

Appendix 6 Reserves

Management of Council Reserves

1. The Council's Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.
2. The opening balance at 1st April 2018 in the Council's General Reserves was £10.3m as published in the Council's Statement of Accounts for 2017/18. The outturn position for 2018/19 is balanced so the General Reserve remains at the same value.
3. The updated Risk Assessment for 2019/20 provides for the Minimum Level to increase to £12.0m. This is considered a relatively prudent overall target for reserves at 4.5% of the net budget. The Reserves Strategy for 2019/20 set out a planned contribution from earmarked reserves of £1.7m to the general reserve in 2019/20, which will increase the general reserve to £12m in accordance with the risk assessed level.
4. At third quarter review the Council's forecast overspend was estimated at £4.8m compared to the 2018/19 budget. Mitigating actions to bring the outturn in line with budget were proposed and included use of earmarked reserves of £1.9m. This was in addition to planned use of earmarked reserves which have been monitored via the team plans during 2018/19.
5. A central contingency referred to as the MTFS (Medium Term Financial Strategy) Reserve has been created to support in year pressures against the 2019/20 revenue budget. Use of this earmarked reserve will be subject to approval of robust business cases.
6. **Table 1** shows the total reserves at the end of March 2018/19. Overall the Council remains in a strong financial position given the major challenges across the public sector.

Table 1 – Reserves Position

	£m
General Reserve	10.3
Earmarked Reserves (excluding Schools)	45.6
Total Reserves Balance at 31 March 2019	55.9

7. Further details of individual reserves are available in the Statement of Accounts 2018/19 Note 3.
[Click here to go to the Statement of Accounts](#)