

Council Reserves

As part of the budget setting process the level of reserves was reviewed. Given the financial pressures the Cabinet agreed that the General Fund Reserve would be increased as follows:

2013/14	£2m	addition
2014/15	£1m	addition
2015/16	£1m	addition

It is recommended this approach (as a minimum) continues to be part of our financial management. At the beginning of 2012/13 the General Fund Reserve was £6.1 million. This compares with our policy to have a minimum General Fund Reserve of 3% of net budget (£4.5 million in 2013/14). It is important that the Council has an appropriate level of reserve to absorb unforeseen events and emerging pressures. The projected opening reserve for 2013/14 is as follows:

2012/13 General Fund	£6.1m
Less provisional 2012/13 overspend	(£3.5m)
Add budgeted addition	£2.0m
Projected 2013/14 General Fund	£4.6m

In addition the revenue account has a £0.77 million contingency arising from central government redistributions announced late in the budget cycle.

The Council also has specific reserves. However the majority are schools related. The largest non-school reserve is the Waste Disposal reserve of £2.65 million after a budgeted £0.25 million addition. This reserve is likely to be needed to support the joint waste contract with Worcestershire.

The summary of available resources outlined above should not be seen as an indication of additional funding in 2013/14. A reasonable level of reserves must be maintained and this is a matter for the Council to receive advice on from the Section 151 Officer. As indicated current policy is to hold 3% of net budget as a General Fund Reserve; this equates to £4.5 million. If the Council's reserves go below this by the end of 2013/14 reserves would need to be topped up as part of budget setting unless the policy on reserves is changed.

The Section 151 Officer must also assess whether the Council has sufficient resources to meet its commitments and take steps if this is not the case.