

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 2 APRIL 2008

Report of Strategic Director (Shirlene Adam)

(This matter is the responsibility of the Leader of the Council)

REVIEW OF EARMARKED RESERVES

EXECUTIVE SUMMARY

The purpose of this report is to share the findings of the recent review of the earmarked reserves and to request the Executive to return these to the General Fund Reserve.

1. Background

- 1.1 Members of the Executive considered a report from the Financial Services Manager at their meeting in March 2008. This report highlighted some new financial pressures and requested funding for these from the Council's General Fund Reserves. This was approved and will now be presented to Full Council in April for final approval.
- 1.2 The Council's General Fund Reserves have consequently been reduced to £694k, which is lower than the minimum recommended level in the current Financial Strategy. The report went on to inform members that a thorough review of earmarked reserves was underway - with a view to returning as many as possible to the General Fund Reserve.
- 1.3 This review has now been completed and the details are set out below.

2. Review Findings

- 2.1 The accountants have reviewed the earmarked reserves and have worked with the service managers to ascertain whether or not the funding is really needed. Some of the Council's reserves will be needed to fund known commitments, and need to remain as earmarked reserves. However, the review has highlighted several earmarked reserves that were set up many years ago, have remained unused and are no longer required and can be taken back to the Council's General Fund Reserve. The managers have been fully briefed on the Council's financial position and have co-operated fully in this review.

- 2.2 The list at Appendix A shows the earmarked reserves that can be returned the General Fund Reserve. In summary, a total of £583k can be returned, bringing the General Fund Balance up to £1,277k.
- 2.3 As Chief Finance Officer, I am happy to support the findings of this review and recommend that this action is taken in order to protect the Councils overall financial standing.
- 3. Recommendation**
- 3.1 The Executive is requested to support the findings of the review of earmarked reserves and to support the return of £583k to the General Fund Reserve.

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Appendix A

SERVICE AREA	RESERVE VALUE £'s
Unspecified, uncommitted Maintenance and Repairs	275,268.80
Environment & Leisure Services	74,178.38
General Fund Housing	9,817.82
Corporate Services	15,097.00
LPSA General Grant	25,097.00
Parking and Civil Contingencies	55,000.00
Development Services	140,902.89
TOTAL	583,264.89