

Taunton Deane Borough Council

Executive – 19 January 2011

General Fund Earmarked Reserves

Report of the Strategic Finance Officer

(This matter is the responsibility of Executive Councillor Williams.)

1. Executive Summary

- 1.1 After the review of earmarked reserves in July 2010, £1.148m of earmarked reserves remained.
- 1.2 After a further review as part of the savings exercise for the 2011/2012 budget setting, £126,743.85 of earmarked reserves are no longer required to be held and it is recommended that these are transferred to the General Fund Reserves.

2. Background

- 2.1 In July 2010 a review of earmarked reserves was carried out and £62,028.55 of surplus earmarked reserves was identified for return to the General Fund Reserve.
- 2.2 After the return of these reserves £1,147,844.60 earmarked reserves remained.

3. Further Review of the Remaining Reserves

- 3.1 As part of the budget savings plans Theme Managers were asked to review the reserves that fell within their theme.
- 3.2 Each reserve has been reviewed to ensure that it was still required and the spending profile was reviewed at the same time.
- 3.3 Any reserves which are not deemed necessary should be transferred back to the General Fund Revenue Account (or HRA depending on the original source of the funding). Under financial regulations this is classed as a virement and therefore requires Executive approval.
- 3.4 The reserves no longer required (*all relate to the General Fund*), and are detailed as follows:-

| Earmarked Reserve | £ | Reason |
|---|-------------------|---|
| Planning Compensation | 35,000.00 | Investigations almost complete with only one claim outstanding. Whilst some provision needs to be maintained this can be reduced to £5k returning £35k to GF Reserve. |
| SmokeFree | 26,018.85 | Will now not be able to use. Write back to balances. |
| Kerbside Recycling | 39,310.00 | Review of the waste budgets have identified that this reserve is no longer required. |
| Reward Grant Waste | 11,415.00 | Review of the waste budgets have identified that this reserve is no longer required. |
| Project Man Waste Contract Contribution | 15,000.00 | Review of the waste budgets have identified that this reserve is no longer required |
| | | |
| TOTAL | 126,743.85 | |

3.4 A full list of the remaining reserves will be shared with members as part of the budget setting papers.

3.5 There are no comments from Corporate Scrutiny.

4. Finance Comments

4.1 This is a finance report and there are no further comments to be made.

5. Legal Comments

5.1 There are no legal implications in this report.

6. Links to Corporate Aims

6.1 Many of the reserves aid the provision of the Corporate Aims

7. Environmental and Community Safety Implications

7.1 Some of the reserves aid the provision of environmental and community safety.

8. Equalities Impact

- 8.1 There are no equalities impacts associated with the return of these reserves to the General Fund.

9. Risk Management

- 9.1 There is a risk that some of the reserves returned to the General Fund are required. This risk has been mitigated by a robust review process and the risk is low.

10. Partnership Implications

- 10.1 There are no partnership implications.

11. Recommendations

- 11.1 That Executive recommends to Council the transfer of £126,743.85 of surplus earmarked reserves to the General Fund Reserves in the 2010/11 financial year

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