

Appendix C - Limits and Purposes for Earmarked Reserves

Reserves Policy Area	Balances 1 April 2022 £'000	Maximum limits for 2020/2021 £'000	Current maximum balance to be held £'000	Proposed new maximum balance to be held £'000
Amenity Areas	2	300	300	300
Capital Programme Resources	5,570	9,000	9,000	9,000
West Norfolk Partnership	879	1,100	1,100	1,100
Insurance Reserve	226	300	300	300
Restructuring Reserve	484	1,000	1,000	1,000
Repairs and Renewals Reserve	1,912	2,000	2,000	2,000
Holding Accounts	2,105	2,600	2,600	2,600
Ring Fenced Reserves	3,983	3,200	4,200	4,200
Climate Change Strategy	1,246	0	1,100	1,250
Planning Reserves	548	800	800	800
Grants Reserves	4,616	4,200	4,800	4,800
Collection Fund Adjustment Reserve	10,693	17,000	8,000	11,500
Projects Reserve	3,865	800	4,200	4,200
Other Total	177	3,500	1,000	500
	36,306	45,800	40,400	43,550

Amendment to limits are required for the following:-

Climate Change Strategy reserve is increased by £0.15m as a result of an additional allocation from the 2021/2022 outturn report agreed at Cabinet 2 August 2022.

Collection Fund Adjustment Reserve is increased £3.5m following a further allocation of Section 31 grant to offset the Business Rates discount provided by Central Government to businesses in continuation of support recovery from the Covid Pandemic. This is a statutory reserve and therefore the limit needs to adhere to the levels necessarily held in compliance with regulations for Collection Fund Accounting.

Other Reserves limit is reduced by £0.5m following a continued monitoring of reserves purposes and levels held beyond contractual commitments and for managing risks.

Purpose of Reserve

Amenity Areas Reserve – used to maintain amenity land on housing and other sites.

Capital Programme Resources Reserve – used to fund the Capital Programme including replacement of vehicles and personal computers. It has been established by annual contributions from the revenue budget and is a combination of various specific capital reserves.

West Norfolk Partnership – tackles problems affecting residents of West Norfolk in a joint initiative between public, private and voluntary sector organisations.

Insurance Reserve – was established to fund expenditure required as necessary by our Insurance Company and also to meet areas of risk management expenditure.

Restructuring Reserve – meets any future in-year costs arising through service reviews and changes in staffing structure.

Repairs and Renewals Reserve – are maintained to help equalise the impact on the revenue accounts of programmed repairs. Annual contributions help to maintain the levels of the funds.

Holding Accounts – there are a number of reserves included under this heading, the main reserves include: housing reserves, Homelessness Projects, reserves for cleansing and refuse/recycling, Legal Commissioning Reserve, Elections Reserve.

Ring Fenced Reserve - can only be used for specific purposes. Included are Section 106 Funds, the Building Control account and Trust Funds that are administered by the Council on behalf of trustees.

Climate Change Strategy - allow implementation of smaller schemes; help fund preparation for larger capital scheme funding bids and also fund feasibility reports on potential options in support of the Council's Emissions Reduction Strategy and Action Plan.

Planning Reserve – used to enable the Council to fulfil its planning role.

Grants Reserves - money received from external bodies for specific tasks.

Collection Fund Adjustment Reserve – this reserve holds the accounting adjustments necessary for the Council's NNDR Safety Net and Levy payments.

Project Reserves – to be used for implementation costs on future projects.

Other – other varying uncertain risk for which funding has been set-a-side.