

GENERAL FUND RESERVES

APPENDIX B

	Reserves position as at 1st April 2021	2021-26 Budget report Approved Transfers	Revised reserves position at 1st April 2021	Revised reserves position at 1st April 2022	Revised reserves position at 1st April 2023	Revised reserves position at 1st April 2024	Revised reserves position at 1st April 2025	Revised reserves position at 1st April 2026	Revised reserves position at 1st April 2027
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Statutory (School Reserves)									
Schools Balances	(13,562)	-	(13,562)	(13,562)	(13,562)	(13,562)	(13,562)	(13,562)	(13,562)
Total Statutory (School Reserves)	(13,562)	-	(13,562)						
Earmarked							-		
Financial Resilience Reserves	(37,146)	-	(37,146)	(37,146)	(37,146)	(37,146)	(37,146)	(37,146)	(37,146)
Rollover	(604)	-	(604)	(256)	-	-	-	-	-
Revenue Grants (various)	(13,319)	-	(13,319)	(11,638)	(9,638)	(7,638)	(5,638)	(3,638)	(1,638)
Public Health	(1,539)	-	(1,539)	(1,539)	(1,539)	(1,539)	(1,539)	(1,539)	(1,539)
Stronger Families Grant	(1,531)	-	(1,531)	(1,031)	(531)	-	-	-	-
Insurance	(1,900)	-	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)	(1,900)
Ward Based Activity	(1,400)	-	(1,400)	(1,240)	(990)	(740)	(490)	(240)	-
Social Care Reserve	(2,099)	-	(2,099)	(1,599)	(1,099)	(599)	(99)	-	-
Property and Other Loans	(3,000)	-	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Strategic Investment support	(4,954)	-	(4,954)	(2,954)	(954)	-	-	-	-
Waste Management	(5,684)	2,000	(3,684)	(1,684)	-	-	-	-	-
Mental Health	(1,202)	-	(1,202)	(601)	-	-	-	-	-
Inclusive Investment	(3,000)	-	(3,000)	(2,000)	(1,000)	-	-	-	-
School PFI	(1,282)	-	(1,282)	-	-	-	-	-	-
Demand Reserve	(19,306)	-	(19,306)	(19,306)	(19,306)	(19,306)	(19,306)	(19,306)	(19,306)
Place Partnership Theme	(2,000)	-	(2,000)	(1,500)	(1,000)	(500)	-	-	-
Treasury Smoothing	(960)	-	(960)	(960)	(960)	(960)	(960)	(960)	(960)
Transformation	(2,348)	(2,000)	(4,348)	(2,848)	(1,348)	-	-	-	-
Place Standard	(500)	-	(500)	-	-	-	-	-	-
Local Welfare provision initiatives	-	(2,237)	(2,237)	-	-	-	-	-	-
Apprenticeship Levy	(3,191)	-	(3,191)	(3,191)	(3,191)	(3,191)	(3,191)	(3,191)	(3,191)
Other	(4,315)	-	(4,315)	(3,815)	(3,315)	(2,815)	(2,315)	(1,815)	(1,315)
Sub Total Earmarked Reserves	(111,280)	(2,237)	(113,517)	(98,208)	(86,917)	(79,334)	(75,584)	(72,735)	(69,995)
Earmarked (COVID Reserves)									
COVID Response	(19,994)	-	(19,994)	(11,000)	(5,500)	-	-	-	-
COVID Grants (various)	(5,604)	-	(5,604)	-	-	-	-	-	-
COVID Business Grants Reserve	(7,953)	-	(7,953)	-	-	-	-	-	-

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Sub Total Earmarked (COVID Reserves)</i>	<i>(33,551)</i>	<i>-</i>	<i>(33,551)</i>	<i>(11,000)</i>	<i>(5,500)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Earmarked (Collection Fund Technical Reserves)									
Extended Business Rate Relief Compensation	(23,955)	23,520	(435)	-	-	-	-	-	-
Tax Income Loss Compensation	(5,002)	-	(5,002)	-	-	-	-	-	-
<i>Sub Total Earmarked (Collection Fund)</i>	<i>(28,957)</i>	<i>23,520</i>	<i>(5,437)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
TOTAL EARMARKED	<i>(173,788)</i>	<i>21,283</i>	<i>(152,505)</i>	<i>(109,208)</i>	<i>(92,417)</i>	<i>(79,334)</i>	<i>(75,584)</i>	<i>(72,735)</i>	<i>(69,995)</i>
GENERAL BALANCES	(10,003)	-	(10,003)	(10,003)	(10,003)	(10,003)	(10,003)	(10,003)	(10,003)
GRAND TOTAL	<i>(197,353)</i>	<i>21,283</i>	<i>(176,070)</i>	<i>(132,773)</i>	<i>(115,982)</i>	<i>(102,899)</i>	<i>(99,149)</i>	<i>(96,300)</i>	<i>(93,560)</i>
<i>Total usable reserves (excluding schools and public health)</i>	<i>(182,252)</i>	<i>21,283</i>	<i>(160,969)</i>	<i>(117,672)</i>	<i>(100,881)</i>	<i>(87,798)</i>	<i>(84,048)</i>	<i>(81,199)</i>	<i>(78,459)</i>

Glossary of Reserves

RESERVE	DESCRIPTION
School Reserves	Statutory reserves relating to both individual schools balances/deficits carried forwards, and Dedicated Schools Grant (ring-fenced for schools related expenditure; surpluses/deficits carried forward).
Financial Resilience	Covers a range of potential costs highlighted in the Council's corporate risk register, including budget risks as set out in the sensitivity analysis within the 2021-26 Annual Budget report.
Rollover	To fund deferred spend commitments against approved rollover
Revenue Grants	Represents grants and contributions recognised in the Comprehensive Income and Expenditure Statement before expenditure has been occurred.
Public Health	Timing issues on Public Health grant spend commitments (Public health grant is statutorily ring-fenced)
Stronger Families	Set aside reflecting timing issues on expenditure commitments supporting a range of Stronger Families activity, funded from external grant.
Insurance	Mitigates against risk from increased liabilities and insurance claims.
Ward Based Activity	Set aside reflecting timing issues on ward based activity spend commitments
Social Care	Set aside to cover phased rollout of a range of social care expenditure commitments as agreed at Cabinet, August 2018.
Property and Other Loans	Set aside in part against the potential risk of future loan defaults; in part to offset potential unfunded technical accounting entries on General Fund revenue arising purely arising from the introduction of a new local government accounting code intended to strengthen balance sheet transparency.
Adverse Weather	Mitigates against budget risk arising from severe weather events in the District (replaced by base budget provision from 2021/22 onwards).
Strategic Investment & Support	To address the scale of development costs required to support the upscaling of capital investment activity and major project activity over the MTFP.
Waste Management	To support the implementation of the Council's waste management strategy, including phased release over the MTFP to manage current PFI contract transition in light of the current Council PFI Waste Contract ending in 2022/23.
Mental Health (including Domestic abuse)	To support a number of local area based mental health initiatives.
Inclusive Investment Reserve	Set aside for a range of targeted development activity that supports the Council's inclusive investment ambition.
Schools PFI Reserve	Will be utilised to cover reduced DSG budget contributions to council services in 2020/21 and 2021/22
Demand Reserve	Set aside to mitigate the impact/volatility of a range of potential demand risks on statutorily provided service activity
Place Partnership Theme	To encourage Place specific local initiatives
Treasury Smoothing Reserve	This reserve has been set aside to manage the volatility surrounding treasury management budgets with respect to both potential changes in interest rates and the level of delivery of the capital plan.
Transformation Reserve	Set aside for strategic transformation developments over the next 12 to 24 months.
Place Standard Reserve	Set aside to support the resourcing of emerging Place Standard action plans.
Local Welfare Provision Initiatives	Set aside for a range of existing Local Welfare Provision measures to support some of the borough's vulnerable families and individuals in financial hardship
Apprenticeship Levy	Set aside to fund future payments into the Apprenticeship levy

RESERVE	DESCRIPTION
Transferred KNH Reserves	Reserves to be transferred in-year from Kirklees Neighbourhood Housing, following the transfer of KNH back to the Council from April 2021.
Other Earmarked	A range of smaller reserves earmarked for specific purposes.
COVID Response Reserve	Specific reserve set aside to cover the costs of the Council's COVID-19 response.
COVID Grants (various)	Represents specific COVID grants recognised in the Comprehensive Income and Expenditure Statement in 2020/21 before expenditure was occurred.
COVID Business Grants reserve	Reflects the balance of COVID-19 Business Grants received and recognised in 2020/21 before expenditure was incurred.
Extended Business Rate Relief Compensation	During 2020/21, local authorities received approximately £10bn in S31 grants to offset the reliefs given to businesses during lockdown. Under current collection fund accounting rules, the S31 grants received this year will not be discharged against the Collection Fund deficit until 2021/22. The full amount of additional s31 grants received has therefore been transferred into the extended business rates relief reserve, to be drawn down in 2021/22 against the rolled forwards collection fund deficit.
Local Tax Income Loss Compensation	Local authorities are being compensated for the loss of local tax income in 2020/21 as a result of COVID-19. The compensation amount has been transferred into the Tax Income Loss Compensation Reserve to be drawn down in future years against the rolled forwards collection fund deficit.
General Fund Balances	General reserve set at £10m to support general working capital and cashflow requirements.