

CABINET

16th February 2017

Report of the Portfolio Holder for Assets and Finance

Review of Reserves and Contingencies

Purpose

To seek Member approval of the proposed amended Revenue Reserves Policy Statement process and to advise Members of the existing levels of reserves.

Recommendations

That Cabinet is asked to:

- 1) **Approve and adopt the amended Revenue Reserves Policy Statement (Appendix A);**
- 2) **Approve delegated authority to the Executive Director Corporate Services to approve the use and creation of reserves;**
- 3) **Authorise the return of the reserves, as detailed in Appendix B, in the sum of £331,990 to General Fund balances; and**
- 4) **Receive a further report in October following a review of reserves.**

Executive Summary

An updated Revenue Reserves Policy Statement governing the way in which reserves are created, maintained and utilised was adopted by Cabinet on 1st December 2010.

In line with the current policy the Corporate Management Team have reviewed the current levels of reserves but given the accelerated timeline for the closure and preparation of the accounts by 31st May each year, decisions will need to be taken around the use and creation of reserves without the opportunity to formally report these to Members in advance. Key issues arising in relation to reserves in such instances will be determined at the discretion of the Executive Director Corporate Services and this report seeks to delegate authority to the Executive Director Corporate Services to approve the use and creation of reserves, as appropriate, at the end of the financial year.

An updated Revenue Reserves Policy is attached at **Appendix A**

It is intended that a further major review of the levels of reserves will take place at the end of September each year. This will inform and align with the budget process and identify and release any unspent funds back to balances.

The outcome of this review will be reported to Cabinet in October each year.

Resource Implications

A summary of the current levels of reserves is provided in **Appendix B**

Legal / Risk Implications

None

Report Author:

If Members would like further information or clarification prior to the meeting please contact Stefan Garner, Director of Finance (tel. 709242) or Barbara Cox, Service Accountant (tel. 709237).