

REVIEW OF RESERVES

Head of Service:	Brendan Bradley, Chief Finance Officer
Report Author:	Brendan Bradley
Wards affected:	(All Wards);
Urgent Decision?	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	1 – Reserve policies and recommended minimum balances

Summary

This report presents a review of reserves and recommends minimum reserve balances to ensure sound management of the Council's finances.

Recommendation (s)

The Group is asked to:

- (1) Consider and review whether the overall level of reserves and contingencies are appropriate for the sound management of the Council's finances;**
- (2) Review the individual reserve and contingency balances and consider whether to support the recommended minimum balances in the report;**
- (3) Support the proposed transfer of £0.5m from the Collection Fund Equalisation Reserve to the Corporate Projects Reserve.**

1 Reason for Recommendations

- 1.1 The recommendations will ensure that the Council maintains an appropriate level of reserves for the sound management of the Council's finances.

2 Background

- 2.1 The Medium-Term Financial Strategy 2024-28 (MTFS) was approved by Full Council in February 2024 following a review of the Council's financial standing.
- 2.2 The MTFS includes the following objectives for budgets, revenue reserves and investment:
 - 2.2.1 Produce a balanced revenue budget each year;

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- 2.2.2 Maintain a prudent level of strategic reserves and a minimum balance of £1m in the corporate projects reserve;
- 2.2.3 Utilise reserves proactively to manage major risks to the Council's finances;
- 2.2.4 Maintain a minimum working balance of £2.5m at 31 March 2028.
- 2.2.5 Maintain a minimum uncommitted level of capital reserves of £1m at 31 March 2028.
- 2.3 The MTFs presented a trend analysis of revenue and capital reserves from 2016 to 2023 and an overview of reserves held at March 2023.
- 2.4 The purpose of this report is to review the current level of reserves; to understand the known risks facing the Council; and to recommend a minimum level of reserves to be held.

3 Reserves

- 3.1 In local government, reserves play a crucial role in sound financial management. They typically exist to enable councils to invest in service transformation for the future, and/or to manage risks by providing resources to respond to unexpected events or emerging needs.
- 3.2 Reserves have been built up over a number of years, mainly through accumulated surplus of income over expenditure or one-off grants.
- 3.3 All reserve balances at 31 March 2024 are provisional, pending the 2023/24 outturn position being reported to Strategy & Resources in July, and the external audit of financial year 2023/24.
- 3.4 Reserves held by EEBC are distinguished between general fund and capital; there is clear guidance and statutory rules for how these two different types of reserves can be applied.
 - 1. General Fund Revenue Reserves
- 3.5 The Council's general fund accounts for the day-to-day running of Council services. General fund reserves can be applied to fund revenue expenditure and can also be used to fund capital expenditure.
- 3.6 However, these reserves should not be utilised as a source of long-term funding for day-to-day revenue expenditure on an ongoing basis; this would be unsustainable as the reserves would eventually deplete.
- 3.7 General fund reserves can be split into three sub-categories:
 - 3.7.1 Reserves available for use;
 - 3.7.2 Contingencies unavailable for general use;

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3.7.3 Ringfenced funds/grants for specific purposes.

1A. Reserves Available for Use

- 3.8 This category includes the working balance, which accounts for the day to day running of Council services and is maintained to safeguard against potential financial risks beyond those for which specific contingencies have been created.
- 3.9 The corporate projects reserve is also available to fund one-off corporate priority projects.
- 3.10 After deducting forecast transfers and commitments, these reserve balances total c.£4.8m.
- 3.11 These reserves can be used to fund most types of expenditure and are presently relied upon to support the Council in managing its way to delivering a sustainable annual revenue budget that requires no underlying use of reserves to balance.

1B. Contingencies Unavailable for General Use

- 3.12 Contingencies unavailable for general use are amounts set aside to manage key material risks faced by the Council. For each contingency, the purpose and usage is clearly defined.
- 3.13 After deducting forecast transfers and commitments, these reserve balances total c.£11.8m.
- 3.14 Contingencies are necessary to manage elevated risks around the present funding sources for services. In particular, compared to pre-2010 the Council is now far more reliant on higher risk income from investment properties and fees and charges to fund services. These higher risk income streams replaced previously 'guaranteed/lower risk' grant funding from central government, which was cut significantly across the 2010's.
- 3.15 The current economic environment has also created a significant demand on reserves to fund elevated expenditure on some services (such as utility/employee/supplier costs and homelessness demands), as identified in the budget reported to Full Council in February 2024. For 2024/25 the Council expects to transfer £0.5m from reserves to cover the revenue budget deficit.

1C. Ringfenced Funds/Grants for Specific Use

- 3.16 Ringfenced funds are reserves that the Council has previously agreed to set aside for a specific policy purpose, for example the Residential Property Acquisition Fund. Where it is a local decision to ringfence funds, Council can decide to un-ringfence funds if the specific policy purpose is no longer a priority or has been achieved.

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- 3.17 After deducting forecast transfers and commitments, these reserve balances total c.£0.8m.
- 3.18 This category also includes specific external grants, which were received with conditions attached requiring them to be used for a specific purpose/service.
- 3.19 The following table shows a breakdown of all general fund revenue reserves which hold a forecast balance of £17.2m after taking existing commitments and forecast transfers into account.

General Fund Revenue Reserves	Balance at 31 March 2023	Provisional Balance at 31 March 2024	Commitments & Forecast Transfers	Forecast Balance
	£'000	£'000	£'000	£'000
General Fund Working Balance	3,118	2,997	0	2,997
Corporate Projects Reserve	4,148	4,128	(2,561)	1,568
Sub-Total - Reserves available for general use	7,266	7,125	(2,561)	4,565
Repairs and Renewals	532	596	(5)	592
Insurance	434	434	0	434
Property Maintenance	650	515	(332)	183
VAT Reserve	206	206	0	206
Collection Fund Equalisation Reserve	4,002	3,824	(1,486)	2,338
Commuted Sums	1,439	1,439	0	1,439
Interest Equalisation Reserve	0	784	0	784
Property Income Equalisation Reserve	9,882	7,224	(1,400)	5,824
Sub-Total - Contingencies unavailable for general use	17,145	15,022	(3,223)	11,800
Residential Property Acquisition Fund	978	978	(828)	150
Community Safety	140	116	(20)	96
Sports & Leisure Development Projects Fund	142	123	(61)	62
Place Development Grants	681	772	(762)	10
Personalisation, Prevention & Partnership	111	125	(56)	69
Housing/Homelessness Support Grants	1,032	910	(786)	124
HIA Hardship Fund	124	124	0	124
Basic Payments Scheme	142	136	0	136
Other smaller grants	28	28	0	28
Sub-Total - Ringfenced funds/grants for specific use	3,379	3,312	(2,513)	799
Total Revenue Reserves	27,790	25,460	(8,296)	17,164

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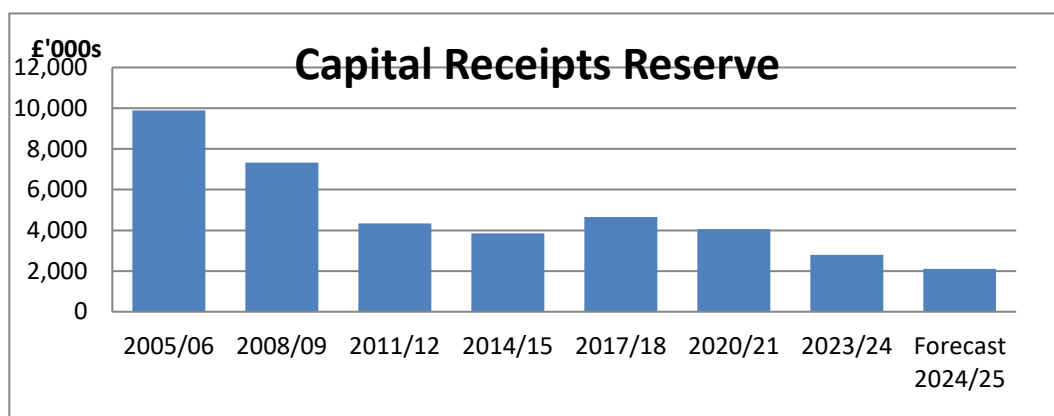
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3.20 Of the revenue reserves, the Council has already committed the need to use £7.5m, commitments and forecast transfers over £100k are summarised in the following table:

Description	Date agreed/reported	Commitment £'000	Reserve funded from:
Funding the revenue budget 2024/25	Full Council, February 2024	528	Corporate Projects Reserve
Town Hall relocation revenue funding	Full Council, December 2023	485	Corporate Projects Reserve
Local Plan and planning appeals resources	S&R Committee (various)	1,209	Corporate Projects Reserve
Chalk Pit Investigations	S&R Committee, March 2024	140	Corporate Projects Reserve
Feasibility Studies for property and investment opportunities	S&R Committee (various)	105	Corporate Projects Reserve
2024/25 Property Maintenance Programme	S&R Committee, March 2024	332	Property Maintenance Reserve
Other smaller committed sums - corporate projects reserve	Various	94	Corporate Projects Reserve
DLUHC Proptech Engagement, Planning Software and other Grants	LPPC Committee (various)	762	Place Development Grants Reserve
Prior year collection fund deficit and mitigation of Fair Funding Review	Full Council, February 2024	1,486	Collection Fund Equalisation Reserve
Contribution to offset reduced property rental income at Arlington Square in 2024/25	S&R, Committee, March 2023	700	Property Income Equalisation Reserve
Provision for reduced interest income owing to timing of Town Hall relocation funding.	Full Council, December 2023	700	Property Income Equalisation Reserve
Funding for homelessness and Syrian, Afghan and Ukrainian refugees	Government grants to deliver homelessness and refugee support	727	Housing/Homelessness Grants
Proposed acquisition of property on Calverley Road	Urgent Decision S&R, June 2024	828	Residential Property Acquisition Fund
Other smaller committed sums		200	Various
Total – Committed/Forecast Use of Revenue Reserves		8,296	Revenue Reserves

2. Capital Reserves

- 3.21 Capital receipts reserves are only available to finance future capital expenditure.
- 3.22 Capital reserves are used to invest in services/assets and are monitored closely along with other funding sources, such as community infrastructure levy (CIL) and section 106 planning funds, in quarterly reports to Audit & Scrutiny Committee.
- 3.23 The Council's own capital receipts reserves have been diminishing over a number of years, as shown by the following table, with the uncommitted balance now forecast at just £2.2m after funding 2024/25's capital programme:



- 3.24 To help protect the capital receipts reserve balance, the Council's MTFS includes the following agreed policy objectives:
- 3.24.1 Optimise the use of Council assets, realise capital receipts from sale of surplus assets;
- 3.24.2 Prioritise capital investment to ensure retained property is fit for purpose;
- 3.24.3 Maintain a minimum uncommitted level of capital receipts reserves of £1 million at 31 March 2028;
- 3.24.4 Aim to maintain a minimum of £0.5m annual funding from revenue to fund the annual capital programme.

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4 Review of Revenue Reserves

- 4.1 The Council received its Annual Auditor's Report in May 2024 from Grant Thornton. The auditors made specific reference to the Council's financial/reserves position, as follows:
- 4.2 *"The Council's remains financially resilient given its historic position but the challenges in the next few years are significant, as outlined in the Financial Plan....The uncertainty of funding places additional pressures on the longer-term financial position of the Council...The Council has prudent levels of reserves, but these will be reduced over the medium term...Our work has not identified any significant weaknesses in arrangements to secure financial stability at the Council.*
- 4.3 This feedback from the auditors provides a positive context for the present review of reserves, but also highlights the need to retain a prudent level of reserves to enable the Council to manage future risks.
- 4.4 An assessment of each reserve is made in Appendix 1 showing:-
- 4.4.1 The policy & objective for each reserve;
- 4.4.2 The recommended minimum balance where applicable.
- 4.5 Each reserve has a clearly specified and defined use either as a contingency, as part of the council's financial risk management, or to meet specific funding commitments in future years.
- 4.6 As previously stated, revenue reserves are split between three categories. The following section reviews each category in turn and considers the scope for releasing funds or the need to strengthen individual reserves with a balance of over £250,000.

I. Reserves Available for General Use

- 4.7 These reserves can be used to fund most types of expenditure and are presently relied upon to support the Council in managing its way to delivering a sustainable annual revenue budget that requires no underlying use of reserves to balance.
- 4.8 Available reserve balances total £4.5m but taking into account combined recommended minimum balances of £3.5m (set out in the following paragraphs), **the Council holds just £1.0m of revenue reserves available for investment.**
- 4.9 The following reserves are included within this category.

General Fund Working Balance

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- 4.10 The working balance accounts for the day-to-day running of Council services and is maintained to safeguard against potential financial risks beyond those for which specific contingencies have been created.
- 4.11 The 'normal' level of un-earmarked reserves should reflect the Council's long-term needs and be based on ongoing operational requirements. This will include a number of factors, the main ones being the gross annual expenditure and the extent to which long-term service contracts reduce the Council's flexibility to respond to financial shocks. Previously the Audit Commission had suggested that a yardstick for normal unearmarked reserves is somewhere between 5% and 100% of net operating expenditure.
- 4.12 The working balance provisionally stands at £2.99m as at 31 March 2024 just above the minimum balance of £2.5m targeted by the MTFS.
- 4.13 At between £2.5m-£3.0m, the balance would represent between 28% to 34% of the Council's net operating expenditure budget of £8.9m for 2024/25.
- 4.14 Given that the working balance is within the previous recommended range, the current recommended minimum working balance of £2.5m is considered appropriate for this Council.**

Corporate Projects Reserve

- 4.15 This reserve was established to provide revenue funding for projects that fall outside of the day-to-day delivery of services, such as:
 - 4.15.1 Spend to save one-off costs - some of the Council's spend to save initiatives involve one-off pump priming costs which cannot be contained within the base budget;
 - 4.15.2 Funding for one-off corporate priority projects;
 - 4.15.3 Partnership funding - grants of contributions for schemes that cover a number of years can be held in this fund until expenditure is incurred (for example, government new burdens grants).
- 4.16 The balance on the corporate projects reserve at 31 March 2024 was £4.1m. However, the Council is expected to drawdown £2.5m from this reserve in the next couple of years, which reduces the uncommitted balance to around £1.6m.

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- 4.17 The opportunities to replenish this reserve have significantly reduced in recent years, due to reductions in funding from new homes bonus grant, which had been the main source of funding for this reserve in the past. Furthermore, with the Council facing an underlying revenue budget gap of c.£0.5m per annum, this reserve may come under significant pressure in future years while the Council progresses transformations necessary to reduce and eliminate the reliance on reserves to fund the day-to-day revenue budget.
- 4.18 It is recommended that future spend-to-save projects, funded from this reserve, should plan to make a contribution back to the reserve to ensure funds remain available to progress future investment opportunities.
- 4.19 The Council's MTFS recommends a minimum balance of £1m is held in this reserve to enable the Council to continue to invest in projects as set out above.**
- 4.20 In addition, to improve this reserve's capacity to support strategic priorities and transformation in the coming years, it is recommended that £0.5m be transferred from the Collection Fund Equalisation Reserve into the Corporate Projects Reserve.**

II. Contingencies Unavailable for General Use

- 4.21 A second category of revenue reserves are contingencies, which are funds set-aside to allow the Council to respond to particular risks and circumstances. If these resources were not set-aside to mitigate potential losses/costs, then the Council would be required to find alternative funding potentially from cuts to services within the general fund.

These reserves make up the largest proportion of forecast revenue reserves (£11.8m) and are reviewed individually as follows.

Property Income Equalisation Reserve

- 4.22 Around half of the uncommitted balances, £5.8m is held within the Property Income Equalisation Reserve. The reserve aims to hold funds to mitigate the risks associated with future rental income streams from investment properties purchased in previous years with the support of external borrowing. The reserve's target is to hold sufficient funds to cover the potential loss of 1 year's rental income for each property acquired in this way, which currently totals £5.6m.
- 4.23 The reserve has enabled the Council to temporarily endure the loss of two key tenants at Parkside House and 70 East Street in recent years, without having to make short-term cuts to services while new tenants are sought and/or transformation plans for the Town Hall relocation are progressed.
- 4.24 It is recommended that the Council continues to maintain a minimum target balance on this reserve equating to one year's rental income from properties financed with the use of external borrowing.**

- 4.25 However, it is anticipated that the Council may experience further pressure on this reserve in forthcoming periods. As such and given the risks associated with commercial property, opportunities to increase the reserve in future should be considered in order to strengthen the Council's financial resilience to fluctuations in commercial property income.**

Collection Fund Equalisation Reserve

- 4.26 This reserve was established back in 2013 to mitigate new risks associated with the introduction of the current redistribution mechanism of retained business rates. It was created to manage variations to estimates of retained business rate and subsequently council tax income.
- 4.27 The Council has benefitted in recent years from being part of the 100% business rates retention scheme in 2020 and Surrey business rate pools, which has enabled the significant balance in this reserve to be accumulated.
- 4.28 The current reserve balance is £3.8m, but with commitments and forecast transfers, the forecast reserve balance reduces to £2.3 million. This is due to the statutory mechanism for redistributing collection fund deficits, which will require this reserve to fund the £1m collection fund deficit brought forward from previous years.
- 4.29 In addition, the current financial plan anticipates a further £0.5m use from this reserve in future years, to partially mitigate expected business rate reductions in funding over this period that may arise from the Fair Funding and Business Rate Retention Reviews.
- 4.30 In the context of potential future government cuts to the Council's business rates funding, it is considered prudent to maintain a minimum balance on this reserve to compensate for approximately one year's loss of business rates funding. On this basis, it is recommended that a minimum balance of £1.5m is set for this reserve.**
- 4.31 With the forecast reserve balance of £2.3m above this recommended minimum threshold, it is also recommended that £0.5m be transferred from this reserve to the Corporate Projects Reserve.**

Interest Equalisation Reserve

- 4.32 The interest equalisation reserve has been re-established to manage fluctuations in investment returns available to support general fund services; (a) in year so that a reduction in investment returns did not require a reduction of service budgets (b) in the medium term so that variations in interest rate returns can be smoothed.
- 4.33 The Council relies on c.£1m of interest generated on cash and reserve balances each year to help fund services.

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- 4.34 One of the challenges that the Council may face in future is if interest rates and/or cash/reserves fall, this will reduce the interest that can be generated from treasury management investments to fund services.
- 4.35 The MTFP assumes average investment returns will reduce gradually from 4.5% in 2024/25 to 3.0% in 2027/28. However, should interest rates or cash fall faster than anticipated, the interest equalisation reserve will be required to provide additional funding for services if these levels of returns cannot be achieved.

The reserve stands at £784,000 at 31 March 2024. The Council is reliant on £0.75m of interest per annum to fund services from 2027/28. To ensure the Council could cope with one year's loss of treasury management income in future years, a minimum reserve balance of £750,000 is recommended.

Commuted Sums

- 4.36 This reserve holds down payments of £1.4m which the Council received upon the historic transfer of land. The funds must be used to fund future maintenance of specific open spaces, in perpetuity. As such, the funds are held within the Council's treasury investment portfolio and the interest earned is credited to the open spaces budget to fund on-going grounds maintenance costs. **As the funds are contractually restricted in this way, no changes are recommended to balances currently held.**

Repairs and Renewals Fund

- 4.37 This reserve holds funds set-aside in previous years for the replacement or repair of plant, equipment and vehicles owned by the council.
- 4.38 The level of reserve reflects past contributions to the fund from service budgets, less spending authorised. It is not based on a detailed assessment or forward plan of items that will need replacement or repair. This provides greater flexibility for managers to review their assets outside of the normal budget process. It also enables them to make a case to fund one-off items for which there is a service requirement that cannot otherwise be met within the constraints of revenue budgets or funded from capital. Since most vehicles are covered by a separate maintenance contract, recently funded items have mainly been plant and equipment.
- 4.39 The forecast balance on the reserve is £0.6m.
- 4.40 As the reserve is funded by budgeted contributions from service budgets, **no minimum balance is recommended for this reserve.**

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Insurance Reserve

- 4.41 The Council maintains this reserve as a provision for any uninsured losses (e.g. sums below the council's insurance excess limits) on all unsettled claims, which can go back several years. The reserve is reviewed annually based on broker assessments of potential liabilities and the current forecast balance of £0.4m is sufficient to meet the forecast of outstanding liabilities based on the most recent March 2024 assessment.
- 4.42 To ensure the potential liabilities detailed at Appendix 1 can be covered, **a £300,000 minimum balance is recommended for this reserve.**

Property Maintenance Reserve

- 4.43 This reserve was established to provide additional resources to deal with backlog repairs to council property.
- 4.44 The Council now has a base budget of £230,000 per annum for prioritised repairs to buildings and other assets such as hard surfaces. This budget is additional to the programmed and reactive maintenance works that are covered under the facilities management contract. Work is prioritised by the Council's Senior Surveyor in consultation with the Head of Property and Regeneration, and the programme is reported annually to Strategy and Resources Committee. Part of the budget is left uncommitted at the start of the year, to finance any unforeseen urgent unplanned works.
- 4.45 Any unspent maintenance budget is transferred at year end to the Property Maintenance Reserve, so the funds are set-aside to finance completion of the maintenance programme in the following year(s).
- 4.46 The uncommitted balance on this reserve is £0.5m. **It is recommended that the Council maintains a minimum balance on this reserve of £250,000, to provide sufficient cover for unforeseen works.** The recommended minimum balance equates to just over one year of the annual maintenance budget.
- 4.47 Although the reserve balance stands at £515,000 at 31 March 2024, forecast transfers during 2024/25 are now expected to reduce the balance to £183,000, below the recommended minimum threshold. As such, during the 2025/26 budget setting process options will need to be considered for how this reserve can be replenished.

III. Strategic Reserves - Ringfenced funds/grants for specific use

- 4.48 The Council holds a number of funds to deal with specific policy areas, risks or liabilities, which typically have conditions attached to the funding. The ability to redeploy these funds for alternative use is restricted due to the conditions attached; the funds are therefore only available for specific uses, and not for general use. The total of these types of reserves at 31 March 2024 is £3.3m, with the largest balance held within the Residential Property Acquisition Fund.

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Residential Property Acquisition Fund

4.49 This fund was created in 2016/17, mainly from new homes bonus. The fund has been used to purchase residential properties to support the Council's housing activities. The remaining fund balance at 31 March 2024 was £978,000.

4.50 It is expected that further opportunities to utilise the fund may arise in coming year, such as the potential acquisition of property at Calverley Road, which would reduce the reserve balance down to c.£150,000

4.51 As these reserves/balances can only be used for specific activities and are limited in their application, it is recommended that no transfers are made from these to other reserves, nor would it be appropriate to set individual minimum balances.

5 Proposals

5.1 It is proposed that the Group:

5.1.1 Consider and review whether the overall level of reserves and contingencies are appropriate for the sound management of the Council's finances;

5.1.2 Review the individual reserve and contingency balances and consider whether to support the recommended minimum balances in the report;

5.1.3 Support the proposed transfer of £0.5m from the Collection Fund Equalisation Reserve to the Corporate Projects Reserve.

6 Risk Assessment

Legal or other duties

6.1 Impact Assessment

6.1.1 The Council holds reserves both as a contingency against unforeseen expenditure and as provisions for known, future expenditure. The Council's reserves are actively managed as part of the MTFs. Any significant reduction in the level of reserves would naturally carry the risk of reducing the Council's financial resilience and the ability to deal with unforeseen circumstances.

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6.1.2 In recent years the level of reserves has enabled the Council to manage the financial impact of Covid-19, elevated interest rates/inflation, energy bill shocks and the loss of commercial property tenants, in a planned and structured way. The prospect of further funding cuts through central government's Fair Funding and Retained Business Rates Reviews means that the retention and ability to use strategic reserves to smooth out any funding reductions changes has become even more critical as reductions to the net budget become harder to deliver.

6.1.3 As well as reserves, the Council also has long-term liabilities, mainly in the form of underlying debt of c.£87.5m, (also known as the Capital Financing Requirement), £64.4m of which is externalised with the Public Works Loan Board. This debt was acquired when purchasing commercial properties and must be repaid within the next 50 years alongside interest which is payable annually. The Council has made provision within the revenue budget to fund the necessary interest and debt repayments, which total circa £2.8m per annum. Should reserve and consequently cash balances fall significantly, there is a risk that underlying debt not yet externalised totalling £23.1m may need to be externalised, which could increase annual interest payments faced by the Council.

6.1.4 The Council's revenue budget is reliant on c.£1m of interest being generated from cash/reserve balances each year to fund services. Should cash/reserve balances fall, less interest income would be generated/available to fund services, which would increase the Council's projected budget deficit.

6.2 Crime & Disorder

6.2.1 None arising directly from the contents of this report.

6.3 Safeguarding

6.3.1 None arising directly from the contents of this report.

6.4 Dependencies

6.4.1 None arising directly from the contents of this report.

6.5 Other

6.5.1 None arising directly from the contents of this report.

7 Financial Implications

7.1 Financial implications are set-out in the body of the report.

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- 7.2 Interest generated from reserves and balances held by the Council provide a significant level of funding for its services, with £1,125,000 planned income for 2024/25. There is no requirement for the Council to apply interest to individual balances held such as CIL and S106.
- 7.3 **Section 151 Officer's comments:** The Council maintains a reasonable level of reserves and balances to help manage the risks faced. However, over the next couple of years these reserves are expected to come under further pressure to help fund services as the Council progresses its transition to a sustainable revenue budget that requires no use of reserves to balance.
- 7.4 Factors such as uncertainty caused by elevated inflation, the Town Hall move, the outcome of the Fair Funding Review, the Council's reliance on higher risk income streams (such as from commercial property), and demands on housing/homelessness services, all pose greater risk to the Council's finances. However, by agreeing to maintain a minimum level of reserves for specific funds this provides the Council with greater resilience to mitigate any further unplanned costs/losses.
- 7.5 This report should be read in conjunction with the strategic financial planning budget report also included on the agenda for this meeting.

8 Legal Implications

- 8.1 None arising from the contents of this report.
- 8.2 **Legal Officer's comments:** None arising from the contents of this report.

9 Policies, Plans & Partnerships

- 9.1 **Council's Key Priorities:** The following Key Priorities are engaged: Effective Council.
- 9.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 9.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.
- 9.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.
- 9.5 **Partnerships:** None arising from the contents of this report.

10 Background papers

- 10.1 The documents referred to in compiling this report are as follows:

Previous reports:

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- 2024/25 Budget Report to Full Council, February 2024

Other papers:

- None.