

RESERVES - PROJECTED BALANCES (EXCLUDES SALCOMBE HARBOUR)						APPENDIX A
	Cost Centre	Opening balance 01.04.2020 £000s	Additions to Reserve 2020/21 £000s	Predicted Spend 2020/21 £000s	Projected balance 31.03.2021 £000s	Comments
EARMARKED RESERVES						
Specific Reserves - General Fund						
Affordable Housing	S0822	(706)		211	(495)	Funding of Capital Programme commitments and £40K set up costs of the Community Benefit Society, Wholly Owned Company (E.78/19)
Beach Safety	S0839	(14)			(14)	
Capital Programme	S0820	(26)	(182)	208	0	Capital Programme commitments
Community Housing Fund	S0854	(494)		183	(311)	Community Housing schemes
Community Parks and Open Spaces	S0826	(37)	(17)	25	(29)	South Devon Tennis Courts, Cycling Design Work Plym to Tavistock etc.
Covid Earmarked Reserve (subject to Council approval)	New code	0	(100)		(100)	COVID-19 LA Support Grant (4th tranche of £100K). Approved 17th December 2020 (E.50/20).
Dartmouth Ferry Repairs & Renewals	S0830	(446)	(117)	118	(445)	Dart Lower Ferry Workshops engineering (health and safety urgent works) £94k, additional fleet refurbishment works £24k
District Elections	S0838	0	(10)		(10)	
Economic Initiatives	S0831	(6)		4	(2)	Pop up Business School
Economic Regeneration (Business Rates pilot gain 2018/19)	S0858	(319)		280	(39)	Spend commitments include £65,000 for the Ivybridge Regeneration project (Executive 18th June 2020), £88,000 Fusion Leisure support payments July to Sept, and £127,000 contribution to Base Budget (part of Amended Budget 20/21)
Emergency Climate Change Projects Reserve	S0852	0	(400)	20	(380)	Set up of this reserve approved Exec 6th Feb 20 E74/19, funded by contribution from New Homes Bonus Reserve. As per the Executive report on 22nd October 2020, to utilise £20,000 to support the delivery of the Green Homes Grant scheme. At Council on 17 December 2020 the 'Climate Change and Biodiversity Strategy and Action Plan update', proposed initiatives for the remaining £380,000.
Environmental Health Initiatives	S0857	(20)		11	(9)	EH student specialist salary costs
Homelessness Prevention	S0851	(112)			(112)	This reserve has been created following underspends on Homelessness Prevention Costs in previous years.
ICT Development	S0836	(122)	(50)	122	(50)	Commitments include £83,000 towards the Future IT Procurement, Council 13/2/20 E75/19
Innovation Fund (Invest to Earn)	S0850	(9)		9	0	Commitment to Community Housing Fund Reserve
Joint Local Plan	S0860	(21)		10	(11)	Contribution to the Plymouth and SW Devon Joint Local Plan
Land and Development	S0829	(211)	(7)	104	(114)	Commitment of £103.5k relates to Fusion Leisure monthly support due to temporary closure of leisure facilities during Covid 19 pandemic (April, May and June). In addition £55k of the projected balance as at 31.3.21 has been earmarked for Follaton House Arboretum & Wedding Venue works.
Leisure Services	S0858	(57)	(160)	14	(203)	Commitments include Playing Pitch Strategy £13k. Recommendation 5 of this report recommends to Council to transfer any award from the National Leisure Recovery Fund into the Leisure Earmarked Reserve. The indicative allocation of £160,000 has been reflected in this Reserve.
Maintenance, Management and Risk Management Reserve (MMRM)	S0861	(8)	(29)		(37)	This is a new reserve set up to manage the ongoing maintenance costs of the Council's Commercial Property. The contributions to the reserve equate to 10% of the rental income, this is anticipated to be £29,000 in 2020/21.
Marine Infrastructure	S0828	(268)	(58)		(326)	£200,000 of the projected balance as at 31.3.21 has been committed for the Batson Harbour Workshops (2019/20 £200K Capital Programme). Please see separate report on this Executive agenda 'Harbour Depot, Batson Creek, Salcombe'.
Members Sustainable Community Locality	S0846	(28)			(28)	This reserve holds the unspent balances.
New Homes Bonus	S0804	(1,696)	(1,199)	2,042	(853)	The NHB allocation for 20/21 was £1.199m. Commitments include £564k contribution to base revenue budget, £400k to Emergency Climate Change Projects Reserve and the Capital Programme budget 2018/19 & 2019/20. At Council in February 2020, it was approved to transfer the unallocated balance of £235,016 (from the 20/21 NHB allocation) into the New Homes Bonus Earmarked Reserve, with its future use to be decided when more details are known about the Spending Review for 2021/22 and following a Government consultation document on a replacement scheme for NHB. The uncommitted balance is £235,016.
On-Street Parking	S0834	(44)			(44)	
Pay & Display Equipment Renewals	S0833	(144)	(21)		(165)	This reserve provides for the periodic replacement of Pay & Display machines.
Pension Fund Strain Payments Reserve	S0810	(29)	(99)	99	(29)	This reserve is used to fund pension strain costs
Planning Policy & Major Developments	S0840	(187)			(187)	This reserve is for all planning matters and is also to meet appeal costs.
Renovation Grant Reserve	S0823	(7)			(7)	
Repairs & Maintenance	S0827	(203)		28	(175)	Commitment (£28K) relates to Mobile Phone Signal improvement works at Follaton House.
Revenue Grants	S0821	(608)		54	(554)	This reserve comprises of government grants received for specific initiatives or new burdens and are held in the reserve for accounting purposes. The annual contribution of £48,700 from this reserve relates to the funding of three housing posts which were made permanent in the 2020/21 budget process and are funded from the Flexible Homelessness Support Grant.
Salary Savings	New code	0	(120)		(120)	Recommendation 3 of this report recommends to Council to transfer £120k of salary savings into a new Salary Savings Earmarked Reserve.

Section 106 Deposits	S0842	(38)			(38)	This reserve comprises deposits with no repayment conditions - created as a result of IFRS
Section 106 Monitoring	S0929	(133)		22	(111)	This reserve funds the cost of an officer to oversee the administration of S106 deposits and how they are spent
Section 106 Technical Support	S0862	(16)		16	0	To meet the salary costs of a S106 technical support officer.
Strategic Change Reserve (T18)	S0849	(30)		30	0	Contribution to the Base Budget as per the Amended budget 20/21
Support Services Trading	S0856	(43)			(43)	Reserve was created from external work carried out in other Councils e.g. HR work with Councils also embarking on a Transformation Programme. Reserve maybe required in the future.
Sustainable Waste Management	S0837	(54)	(105)		(159)	This reserve was created for one-off waste management costs. An annual budgeted contribution of £25,000 is made into the Sustainable Waste Management Reserve. In addition recommendation 4 of this report recommends to Council to transfer £80,000 of the underspend in the waste budget into the Sustainable Waste Management Earmarked Reserve to reflect the fact that the majority of the Devon Aligned Service implementation costs will now be in 2021/22 rather than 2020/21 due to the pandemic.
Vehicles & Plant Renewals	S0832	(1,183)	(550)	1,733	0	Earmarked for the Fleet Replacement Programme as part of the Waste Contract. An annual contribution of £550,000 is made to this reserve. All committed for new fleet.
Sub Total excluding the Business Rates Reserve		(7,319)	(3,224)	5,343	(5,200)	
Business Rates Retention	S0824	(6,192)	(225)	586	(5,831)	This relates to a timing issue on the accounting adjustments required for the localisation of business rates. This reserve also deals with any volatility in Business Rate income e.g. due to appeals. Commitments mainly relate to (a) £3.5m ringfenced for Employment for the creation of local jobs (Council Feb 2018) (b) employment land opportunities - Amended Budget 24.9.2020 (c) on 31 October 2019 the Executive recommended to Council to use up to £200k to fund the cost of extending the lease of the starter units at Langage from 21 years to 125 years, funded from this reserve. As part of the Amended Budget for 2020/21, it was agreed to use £343,000 from this reserve towards the 2020/21 budget shortfall of £1.3million. In addition, at Council in September 2020, it was approved to use £243,000 from this Reserve for further financial support for Fusion (the Council's leisure operator), so as to deliver improved health and wellbeing outcomes. There is a further commitment in 2021/22 of £450,000 for funding for the Recovery and Renewal Plan and Climate Change Action Plan, approved by Council on 11 February 2021. Recommendation 2 of this report recommends to Council to transfer the 2020/21 business rates pooling gain of £225,000 into the Business Rates Retention Earmarked Reserve.
TOTAL EARMARKED RESERVES		(13,511)	(3,449)	5,929	(11,031)	
TOTAL UNEARMARKED RESERVES (General Fund Balance)		(1,898)	(96)	200	(1,794)	Note: This Unearmarked Reserve has a minimum balance of £1.5million (set by Members as part of the budget process). The predicted surplus for 2020/21 of £96,000 (as set out in this report) would be added to this Unearmarked Reserve. The Amended Budget set for 2020/21 approved the use of £200,000 from this Reserve to fund the Base Budget in 2020/21.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)		(15,409)	(3,545)	6,129	(12,825)	