

**GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES**

**APPENDIX 5b**

Reserve	Use of Reserve 2018/19 to 2022/23	Balance 1/4/2018 £000	Estimated Balance 1/4/2019 £000	Estimated Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000	Estimated Balance 1/4/2023 £000
<b><u>EARMARKED RESERVES</u></b>							
<b>Art Fund Reserve</b>	There is a recommendation in the budget report to close this reserve at the end of 2018/19 and transfer the balance to the Art Gallery Gift Reserve in order to rationalise the Art Gallery reserves.	75	0	0	0	0	0
<b>Art Gallery Gift Reserve</b>	Balance on this reserve now includes the monies transferred from the Art Fund Reserve. Currently there is no expenditure to be met from this reserve. External donations of approximately £1k per annum will be credited to this reserve.	57	133	134	135	136	137
<b>Building Control Reserve</b>	Approvals from this reserve currently cover marketing consultancy (£19k), scanning of paper files (£5k), future improvements to IT systems (£32k) and Building Control salary changes (£48k). Commitments relating to the foregoing not currently in the budgets will reduce the 1/4/2023 balance to £74k	139	195	179	163	146	130
<b>Business Rate Retention Volatility Reserve</b>	Reserve set up to "smooth" receipt of business rate income	889	4,775	5,511	4,928	4,076	3,434
<b>Capital Investment Reserve</b>	This reserve is currently funding £1,077k of General Fund capital expenditure over the period 2018/19 to 2022/23. The reserve will receive top ups amounting to £800k over the same period in respect of RUCIS capital schemes funding. Included in the balance on the reserve is £200k committed to future Spencers Yard projects and £40k re the Asset Management Plan. Therefore the uncommitted balance on the reserve at 31/3/2023 is estimated to be £888k which is below the £1m minimum balance recommended for this reserve.	1,249	1,312	1,135	1,131	1,131	1,131
<b>Car Park Displacement Reserve</b>	substantial work is required to be carried out in respect of some of the Council's car parks in forthcoming years. There will be some costs for arranging alternative parking arrangements, along with possible loss of income.	100	196	66	66	66	66
<b>Car Parking Repairs and Maintenance Reserve</b>	Reserve created in order to provide resources for future years repairs and maintenance programmes. It is currently funding multi storey surveys, essential R & M, replacement pay & display ticket machines, fixed term business support and ranger officers.	732	159	17	-32	6	44
<b>Cemetery Land Purchase Reserve</b>	Reserve established to provide finance for the purchase of land for cemetery extensions. Currently no such purchases are included in the General Fund Capital Programme. Contributions to the reserve will be provided for by a surcharge imposed on out of area burial fees.	16	16	16	16	16	16

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		1/4/2018	Balance	Balance	Balance	Balance	Balance
		£000	1/4/2019	1/4/2020	1/4/2021	1/4/2022	1/4/2023
			£000	£000	£000	£000	£000
<b>Commonwealth Games (Bowls) Reserve</b>	This reserve is currently funding the Project Manager salary costs and various ancillary costs. Taking into account future salary commitments the reserve is predicted to be negative by £53k by the end of 2022/23. However, depending on the receipt of future years New Homes Bonus allocations from it will be made to ensure that the reserve can meet its commitments.	0	142	62	62	62	62
<b>Community Forums Reserve</b>	Reserve created from 2013/14 New Homes Bonus to provide finance for the Community Forum Grants.	33	21	14	14	14	14
<b>Community Projects Reserve</b>	Reserve created from 2017/18 and 2018/19 New Homes Bonus to provide finance for various District wide community projects. Reserve will be topped up by £362k from the 2019/20 New Homes Bonus in order to ensure that it can continue to meet its current commitments. Allocations not currently factored into budgets are expected to reduce the balance on this reserve to £365k by the end of 2022/23.	627	892	417	417	417	417
<b>Corporate Assets Reserve</b>	Reserve created from 2012/13 budget surplus to provide finance for refurbishing facilities following the Stock Condition Survey. An Executive report from April 2018 identified potential calls on this reserve amounting to £1.292m which is spent will reduce the balance on this reserve to £925k by the end of 2022/23. Drawdown from reserve subject to future Executive reports. The balance of £112k on the Energy Management Reserve will be transferred to this reserve at the end of 2018/19.	2,379	2,217	2,217	2,217	2,217	2,217
<b>Covent Garden Multi Storey Reserve</b>	Reserve created from 2015/16 budget surplus to subsidise the lost car park income from Covent Garden MSCP until rebuilt following expected demolition as part of the New Offices project. The reserve will also cover the initial debt financing costs on borrowing to be taken out to finance the rebuild. No allocations from this reserve are currently included in the budgets but it is expected that the £900k balance will be extinguished by 2022/23.	900	900	900	900	900	900

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<b>Election Expenses Reserve</b>	£35k per annum will be credited to the reserve to help defray the costs of the May 2023 election and £90,000 released to help pay for the May 2019 election.	75	105	15	50	85	120
<b>Energy Management Reserve</b>	There is a recommendation in the budget report to close this reserve at the end of 2018/19 and transfer the balance to the Corporate Assets Reserve as this reserve is effectively redundant.	112	0	0	0	0	0
<b>Enterprise Projects Reserve</b>	Reserve set up to "smooth" future years surplus/deficits, currently only contributions to the reserve are forecast	109	145	181	217	253	289
<b>Equipment Renewal Reserve</b>	Projects will be approved by SMT, Chief Executive and relevant Portfolio Holders prior to going ahead. The reserve will receive top ups of £100k per annum in 2019/20, 2020/21, 2021/22 and 2022/23 and is being used to support a number of projects detailed in a separate appendix. If all projects contained in the appendix are approved and spent the reserve will have a negative balance of £234k approx. at the end of 2022/23.	728	618	681	745	810	889
<b>General Fund Early Retirements Reserve</b>	This reserve is funding redundancy and early retirement costs in 18/19 resulting from the Revenues and Benefits and Asset Management functions Redesign.	164	85	85	85	85	85
<b>Harbury Lane Reserve</b>	This reserve will provide funding towards the proposed Travellers Site in Harbury Lane	84	84	84	84	84	84
<b>Hill Close Gardens Reserve</b>	Reserve created from 15/16 New Homes Bonus and will be used to make payments to the Hill Close Gardens Trust for ongoing expenditure until exhausted in 2019/20.	40	20	0	0	0	0
<b>Homelessness Prevention Reserve</b>	Government grants amounting to £529k will be received in 18/19 and 19/20 towards Homelessness Prevention. Allocations of £278k are due to be made from the reserve in 18/19 and 19/20. In addition there is a recommendation in the budget report to close the Rent Bond Reserve and transfer the £22k balance to this reserve.	267	482	541	541	541	541
<b>ICT Replacement Reserve</b>	This reserve is to provide for planned ICT replacements and revenue costs. The reserve will be topped up by £1m between 2019/20 and 2022/23 but is currently projected to go negative at the end of 2021/22.	360	41	73	50	-130	-284
<b>Insurance Reserve</b>	This reserve will be used to cover self insurance against claims and to provide finance for security improvements as and when they arise.	289	289	289	289	289	289
<b>Investment Volatility Reserve</b>	Set up to capture a portion of the gain on corporate equity funds to be used to smooth possible future fluctuations	100	100	100	100	100	100
<b>Leisure Options Reserve</b>	Allocations from this reserve include cover for delayed contractor concession payments, compensation payments, project management salary costs and management fee payments. The reserve will also cover the £200k initial costs of proceeding to RIBA Stage 3 on phase 2 of the project which will reduce the balance on this reserve to £91k at the end of 2018/19.	1,490	91	91	91	91	91

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<b>Local Plan Delivery Reserve</b>	The reserve is funding planning application fees (£50k) in respect of Gallows Hill and Europa Way, £29k for Kenilworth School valuations and £54k for Kenilworth Development Brief. In addition it is funding £66k of the Tachbrook Country Park capital budget. As a result this reserve will be exhausted at the end of 18/19.	149	0	0	0	0	0
<b>Other Commuted Sums Reserve</b>	Contributions of between £27k and £60k approx. will be made to the General Fund each year to fund maintenance of adopted land. In addition, the reserve will fund part of the cost of the Green Spaces Team Leader.	485	424	395	367	339	313
<b>Planning Appeal Reserve</b>	This is funding consultancy for Local Plan, HS2, Kenilworth development brief and site development officer salary etc. costs. Taking commitments not yet in the budgets into account, the reserve balance at 31/3/2023 is expected to be £312k.	409	443	390	358	358	358
<b>Planning Investment Reserve</b>	This reserve will receive income amounting to £1.4m from 2018/19 to 2022/23 from the uplift in planning fees. Various posts e.g. temporary Senior EHO, Development Monitoring Officer, CIL Officer etc. are being funded from this reserve.	40	170	274	443	613	784
<b>Public Amenity Reserve</b>	This reserve will provide the finance for the play equipment capital programme and will be extinguished by the end of 19/20.	344	27	0	0	0	0
<b>Public Open Spaces Planning Gain Reserve</b>	Reserve receives S106 Planning Development contributions for one -off improvement of Public Open Spaces and is contributing £370k towards capital play area improvements after which it will be exhausted.	739	370	0	0	0	0
<b>Rent Bond Scheme Reserve</b>	There is a recommendation within the budget report to close this reserve at the end of 2018/19 and transfer the balance of £22k to the Homelessness Reserve as there is an element of duplication between the two reserves.	22	0	0	0	0	0
<b>Right to Bid Reserve</b>	As no expenditure has ever been financed from this reserve, there is a recommendation within the budget report to close this reserve at the end of 2018/19 and transfer the balance of £20k to the Community Projects Reserve. Any future expenditure which may occur can be met from the Contingency budget.	20	0	0	0	0	0
<b>Right to Challenge Reserve</b>	As no expenditure has ever been financed from this reserve, there is a recommendation within the budget report to close this reserve at the end of 2018/19 and transfer the balance of £26k to the Community Projects Reserve. Any future expenditure which may occur can be met from the Contingency budget.	26	0	0	0	0	0
<b>Riverside House Maintenance Reserve</b>	Reserve used to fund new door security system in 2018/19.	30	11	11	11	11	11

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			£000	£000	£000	£000	£000
<b>Services Transformation Reserve</b>	Current approvals from this reserve include the New offices project, Priority Families, Temporary Car Parks Projects Manager and various other temporary posts, 2018 Womens and Mens Cycle Tours, Transforming Our Workplace etc. In addition, the reserve is funding £308k capital expenditure in 2018/19. The reserve will receive a top up of £500k from the 2019/20 New Homes Bonus.	1,054	246	565	511	459	446
<b>Tourism Reserve</b>	Reserve established to help fund tourism initiatives within the District e.g. Warwick Town Council grant re Ambassador scheme.	29	27	27	27	27	27
<b>GENERAL FUND TOTAL</b>		<b>14,361</b>	<b>14,736</b>	<b>14,470</b>	<b>13,986</b>	<b>13,202</b>	<b>12,711</b>

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<b>BALANCES</b>							
<b>General Fund</b>	A core balance of around £1.5m will be maintained as a contingency reserve.	2,724	1,698	1,495	1,495	1,495	1,495
<b>HOUSING REVENUE ACCOUNT</b>							
<b>Housing Capital Investment Reserve</b>	Under self financing, this reserve provides the finance for investment in new housing stock	29,091	31,332	23,557	27,174	30,790	34,406
<b>Housing Early Retirements Reserve</b>	Contributions of £20k in each year will be made. The reserve is funding £25k redundancy and early retirement costs in respect of the Asset Management Team design in 18/19.	27	21	41	61	81	101
<b>Housing Revenue Account</b>	To provide a contingency reserve to protect the Housing Revenue Account against adverse in year revenue or capital cash flows arising from unexpected major repairs etc.	1,425	1,425	1,425	1,425	1,425	1,425
<b>Major Repairs Reserve</b>	Under Self Financing this reserve provides the major element of funding for capital maintenance works to the Council's housing stock.	9,242	7,764	7,223	9,365	11,504	13,641
<b>HOUSING REVENUE ACCOUNT TOTAL</b>		<b>39,785</b>	<b>40,542</b>	<b>32,246</b>	<b>38,025</b>	<b>43,800</b>	<b>49,573</b>