

<b>Title of Report:</b>	<b>Report by the Chief Financial Officer on the reserves</b>
<b>Committee Report Submitted To:</b>	<b>Full Council</b>
<b>Date of Meeting:</b>	<b>8 February 2024</b>
<b>For Decision or For Information</b>	<b>For decision</b>
<b>To be discussed In Committee YES/NO</b>	<b>No</b>

<b>Linkage to Council Strategy (2021-25)</b>	
Strategic Theme	Cohesive Leadership
Outcome	Council has agreed policies and procedures and decision making is consistent with them.
Lead Officer	Chief Finance Officer

<b>Budgetary Considerations</b>	
Cost of Proposal	
Included in Current Year Estimates	<b>YES/NO</b>
Capital/Revenue	Revenue
Code	
Staffing Costs	

<b>Legal Considerations</b>	
Input of Legal Services Required	<b>YES/NO</b>
Legal Opinion Obtained	<b>YES/NO</b>

<b>Screening Requirements</b>	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

## **1.0 Purpose**

- 1.1 To provide Members with an update in relation to the adequacy of Council's projected reserves for 2024/5.

## **2.0 Background**

- 2.1 This report is prepared to facilitate Council's duty under Section 6 of the Local Government Finance Act (Northern Ireland) 2011 which states:

(1) Regulations may make provision requiring a council to maintain financial reserves in accordance with the regulations.

(2) The chief financial officer of a council shall submit to the council a report on the adequacy of any proposed financial reserves for a financial year – it should be noted that the Chief Executive is the Council's nominated Chief Financial Officer in accordance with Section 2 of the Local Government Finance Act (Northern Ireland) 2011.

(3) A council shall have regard to that report when considering the estimates for that year under section 3(2)(a).

## **3.0 Main report**

- 3.1 At 31<sup>st</sup> March 2023 the General Fund balance of Causeway Coast and Glens Borough Council amounted to £4.591m (2022 - £4.505m) equating to 7.73% (2022– 7.89%) of the Net Operating Expenditure.

- 3.2 Department for Communities (DfC) guidance indicates that the General Fund Level should be between 5% and 7.5% (£2.971m and £4.457m) of the Net Operating Expenditure.

- 3.3 Although the 2023/24 financial outturn is not yet known, the officers estimate that when the financial commitments that the 2023/24 Rate income was intended to fund are accounted for, Council's General Fund Balance will be maintained with the residual applied balance figure being sourced from Council's Financial Recovery Reserve. This will allow the level of the General Reserve to remain comfortably above the required minimum level of 5% of Net Operating Expenditure.

- 3.4 There continues to be significant cost pressures on Council revenue budgets but this will potentially be added to by income pressures as the Borough and it's economy recovers from not only the pandemic but now also economic and inflationary pressures. It is vital therefore that a rate estimate budget is approved that allows Council to minimise the use of reserves.

- 3.5 In year forecasts of the Actual Penny Product for 2023/24 produced by Land & Property Services show a projected positive outturn in the region of £364k.

3.6 After considering all the information above I am of the opinion that Council reserves will be adequate.

#### **4.0 Recommendation**

**It is recommended that Council** approve the Chief Financial Officer's report on the adequacy of reserves.