

Appendix 11 - Balances & Reserves Policy - Assessment of General Fund Reserves Requirement

Assessment of General Fund Reserves Requirement	Minimum Level 2020/21 (£ million)	Maximum Level 2020/21 (£ million)	Minimum Level 2019/20 (£ million)	Maximum Level 2019/20 (£ million)	Principal Reasons for Requirement
General financial climate to which the Council is subject	1.5	4.5	1.5	4.5	A period of sustained reductions in funding is set to continue into 2019/20
The overall financial standing of the authority	1.0	2.0	1.0	2.0	To manage adverse movement in the Council's financial standing
Estimates of level of locally raised income	2.0	3.0	2.0	3.0	Locally raised income accounts for approximately 80% of corporate funding
The treatment of planned efficiency savings / productivity gains	1.0	4.0	1.0	4.0	To manage risk around slippage of the Council's major savings programme, in response to funding reductions
The treatment of inflation and interest rates	2.0	2.5	2.0	2.5	Assumptions have been refreshed to reflect latest intelligence, and further provision included within this analysis
The financial risk inherent in major contract arrangements	1.5	4.5	1.5	4.5	To manage any impact of services arising from supplier risk, particularly in respect of Social Care provision
The treatment of demand led pressures	2.0	4.0	2.0	4.0	Increased demand for services from an aging and increasing population
The financial risks inherent in any major capital developments	1.0	2.5	1.0	2.5	Inherent risks due to significant level of investment required for school places
Estimates of the level and timing of capital receipts	1.0	2.0	1.0	2.0	Slippage on asset disposal programme could lead to increased borrowing
The availability of reserves and other funds to deal with major contingencies and pressures	2.0	3.0	2.0	3.0	Cover for unforeseen or exceptional events over and above the budgeted provision for General Contingency, which would include any adverse impact linked to Brexit
Unallocated GF Reserves	15.0	32.0	15.0	32.0	