

GENERAL FUND REVENUE RESERVES

CALCULATION OF MINIMUM PRUDENT BALANCE

The Local Government Act 2003 requires the Chief Financial Officer to report on the adequacy of financial reserves when consideration is given to the General Fund budget requirement for the year.

The minimum recommended level of unallocated General Fund reserves is based on an assessment of the following risks and uncertainties using 2024/25 estimates as the basis of the calculations:

Item Description	Calculation basis		Total £000
	Base £000	%	
1 Shortfall in major income budgets			
Arising from, for example, economic downturn:			
Planning Fees	1,054	15	158
Building Control Fees	346	15	52
Local land charges	199	15	30
Car Park income	599	10	60
Corporate property - additional allowance for lost income	27,505	4	1,100
Green waste collection income	615	10	62
Trade refuse collections (net of disposal cost)	233	15	35
	<u>30,551</u>		<u>1,496</u>
2 Additional 2% cost inflation			
Supplies and Services Including energy costs			321
Staffing costs			337
3 Uninsured risks			
Excess payments / risks not covered			100
4 Emergency Planning/Business Continuity			
Cost of major incident (not covered by Bellwin scheme reimbursement)			100
Business contingencies (disaster recovery)			250
5 Planning appeals and enquiries			
Estimated cost of a major inquiry			150
6 Potential additional service expenditure (not provided for in base budget)			
Pressure on Homelessness budget due to demand pressures			200
Cost-of-living support measures			150
Corporate property - additional holding costs of void properties	27,505	4	1,100
Additional cost of repairs and maintenance of operational buildings			250
Support to capital programme in place of capital receipts			500
			<u>4,955</u>