

Title of Report:	Report by the Chief Financial Officer on the reserves
Committee Report Submitted To:	Council
Date of Meeting:	6 February 2025
For Decision or For Information	For decision
To be discussed In Committee YES/NO	No

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

Estimated Timescale for Completion	
Date to be Completed	15 February 2025

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

Legal Considerations	
Input of Legal Services Required	YES/NO
Legal Opinion Obtained	YES/NO

Screening Requirements	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 of Report

- 1.1 This reports provides Members with an update in relation to the adequacy of Council's projected reserves for 2025/26.

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 Report of the Chief Financial Officer on the adequacy of reserves

- 3.1 At 31st March 2024 the General Fund balance of Causeway Coast and Glens Borough Council amounted to £5.164m (2023 - £4.591m) equating to 8.33% (2023– 7.73%) 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% (£3.097m and £4.645m) of the Net Operating Expenditure.
- 3.3 Although the 2024/25 financial outturn is not yet known, the officers estimate that when the financial commitments that the 2024/25 Rate income was intended to fund are accounted for, Council's General Fund Balance and other usable reserves will be increased with the residual applied balance figure being overturned by favourable variances against budget. 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 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 2024/25 produced by Land & Property Services show a projected positive outturn in the region of £710k.

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.