

<b>TITLE OF REPORT</b> Report by the Chief Financial Officer on Reserves	<b>DATE</b> 8 February 2018
To Council	

<b>Linkage to Council Strategy (2015-19)</b>	
<b>Strategic Theme</b>	All themes
<b>Outcome</b>	Striking the Rate
<b>Lead Officer</b>	David Jackson
<b>Cost: (If applicable)</b>	Rates Estimates

## **Report by the Chief Financial Officer on Reserves General – 2018/19**

Under Section 6 of the Local Government Finance Act (NI) 2011 the Chief Financial Officer shall submit to the Council a report on the adequacy of any proposed financial reserves for a financial year and the Council shall have regard to that report when considering the estimates.

At 31<sup>st</sup> March 2017 the General Fund balance of Causeway Coast and Glens Borough Council amounted to £7,875,812 equating to 15.35% of the Net Operating Expenditure.

Department for Communities (DfC) guidance indicates that the General Fund Level should be between 5% and 7.5% (£2,564,615 and £3,846,921) of the Net Operating Expenditure.

Current projections for the year would indicate, at worst, a break-even position at the year end, however with Council approval severance costs are no longer being capitalised but rather financed from reserves thereby reducing the level of reserves Council holds but the resulting balance of reserves will remain well within the DfC guideline thresholds. It is currently estimated that the cost of expensed severance payments during 2017/18 will be approximately £0.6m, subject to further applications being accepted by Council

In year forecasts of the Actual Penny Product for 2017/18 produced by Land & Property Services show a substantial positive outturn in the region of £774k.

I am satisfied that the level of Reserves for the year will be adequate for the normal financing of the Council.