



## **AUDIT COMMITTEE**

**Thursday, 14 December 2023**

**1.00 pm**

**John Meikle Room, The Deane House, Belvedere  
Road, Taunton TA1 1HE**

### **SUPPLEMENT TO THE AGENDA**

To: The members of the Audit Committee

We are now able to enclose the following information which was unavailable when the agenda was published:

Agenda Item 8      2024/25 General Fund Revenue Budget & Capital Programme  
update (Pages 3 - 6)

To consider the report

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## Somerset Council Reserves as at the 1st April 2023

Legacy Authority	Reserve	Description of Reserve	Balance as at 31/03/2023 £'000	Transfers £'000	Pre-Approved MTFP 23/24 Commitments £'000	New Balance £'000	Notes
SWT	Investment Risk Reserve	Mitigates budget risk for investment net income volatility	4,040.1	-4,040.1	0.0	0.0	Investment Property Risk Reserve
SWT	Business Rates Smoothing Reserve	Used to mitigate risk of business rates retention income volatility and accounting timing differences	3,523.2	-3,523.2	0.0	0.0	NDR Section 31
SWT	Capital Financing Reserve	Used to fund items in the approved capital programme which have been agreed to be funded from Revenue	1,771.5	-1,771.5	0.0	0.0	Capital
SWT	COVID - S31 Business Rates TIG	Tax Income Guarantee (TIG) Cost spread over 3 years to mitigate business rate losses that have also been spread over 3 yrs	896.6	-896.6	0.0	0.0	Collection Fund (TIG)
SWT	Garden Village	Funding from Homes England specifically to support the Taunton Garden Town project	699.8	0.0	0.0	699.8	
SWT	Investment Properties Sinking Fund	Fund for landlord costs to manage investment properties	700.0	-700.0	0.0	0.0	Investment Property Risk Reserve
SWT	SWP 22-23 Year End Balances	Somerset Waste Partnership 22/23 - Partnership savings distributed to SWT to be refunded in the new year	491.7	-491.7	0.0	0.0	Deleted
SWT	Strategic Housing Market Area Assessment	A community led housing approach to enable Affordable Housing delivery within the SWT District	457.6	0.0	0.0	457.6	Community Housing Fund
SWT	Toneworks Heritage Site 2	Historic England funding for Heritage Projects	435.3	0.0	0.0	435.3	
SWT	Rough Sleepers Initiative	Ring fenced government grant for rough sleeping interventions	251.3	0.0	0.0	251.3	
SWT	Asset Management - General	Asset Maintenance - Compliance Works	214.9	-214.9	0.0	0.0	Deleted
SWT	LGR Implementation Costs	To cover costs associated with Local Government Reorganisation	215.5	-215.5	0.0	0.0	Local Government Reform
SWT	Self Insurance Fund	Used for excess payments for any claims made by the Council	200.0	-200.0	0.0	0.0	Insurance
SWT	Economic Development & Growth Initiatives	Funds to be used for Economic Development Initiatives	156.5	0.0	0.0	156.5	
SWT	Phosphate Management Strategy	Government grant from DLUHC for nutrient work	135.0	0.0	0.0	135.0	
SWT	Steam Coast Trail	Funds for use on Steam Coast Trail Project	134.1	0.0	0.0	134.1	
SWT	Local Plan Development and Inspection	Fund for preparation of statutory plans for site allocation	125.8	0.0	0.0	125.8	
SWT	LG Cyber Security Fund Grant	Government grant to fund cyber security spend	100.0	0.0	0.0	100.0	
SWT	Blue Anchor Csum 60yr Covenant	Blue Anchor Commuted Sum (60 Year Covenant from 2022)	93.9	0.0	0.0	93.9	
SWT	COVID - Council Tax Hardship Fund	Funding from Government to be spent on Council Tax Hardship (DHP)	84.4	-84.4	0.0	0.0	Deleted
SWT	Flood Project - EA	Grant received from the Environment Agency to use towards flood projects	83.3	0.0	0.0	83.3	
SWT	Coal Orchard Warrant	Coal Orchard Warranty	73.4	-73.4	0.0	0.0	Deleted
SWT	Flood Project - SRA	Grant received from the Somerset Rivers Authority to use towards flood projects	35.2	0.0	0.0	35.2	
SWT	Other Earmarked Reserves	Funds for future District elections/by elections	821.1	-179.2	0.0	641.9	
<b>Total SWTC Earmarked Reserves</b>			<b>15,740.4</b>	<b>-12,390.5</b>	<b>0.0</b>	<b>3,349.8</b>	
MDC	Budget Smoothing	Held for potential deficit arising from business rates reset	3,847.9	-3,847.9	0.0	0.0	MTFP Support
MDC	Collection Fund Reserve	s31 balances due to NDR Retail reliefs	1,566.5	-1,566.5	0.0	0.0	NDR Section 31
MDC	Maintenance for Investment Properties	Held for maintenance of commercial properties	801.3	-801.3	0.0	0.0	Investment Property Risk Reserve
MDC	Planning Policy	Held to cover additional temp / agency costs	313.1	-313.1	0.0	0.0	Deleted
MDC	Saxonvale	Covers any revenue costs of the site / scheme	274.1	-124.1	0.0	150.0	
MDC	LGR Transition	Held to cover LGR costs - programme plus MDC	248.0	-248.0	0.0	0.0	Local Government Reform
MDC	Flexible Homelessness Support Grant	Balance of grant funding	161.4	0.0	0.0	161.4	
MDC	Carry Forward Balances for 2022/23 Projects	Various carry forward balances for projects	152.6	-25.7	0.0	126.9	
MDC	Joint Working with Parish Councils	Community grants £350k spend from 2021-22 onwards	138.6	-138.6	0.0	0.0	Deleted
MDC	Homeless Reduction Act	Balance of grant funding	135.5	0.0	0.0	135.5	
MDC	District Elections	Unused elections funding carried forwards	128.3	-128.3	0.0	0.0	Elections
MDC	Cleaner/Greener Mendip	part of programme agreed in autumn 2021	126.5	0.0	0.0	126.5	
MDC	Special Expenses Rate (SER)	SER levied on parishes for work done by MDC	125.6	0.0	0.0	125.6	
MDC	COVID-19	Cover income losses etc	118.6	-118.6	0.0	0.0	Deleted
MDC	Economic Development Technical Analysis	Economic Development Initiatives	102.5	-102.5	0.0	0.0	Deleted
MDC	Environmental Impact Funding	Climate Change Initiatives - BNG Funding	98.9	0.0	0.0	98.9	Deleted
MDC	Mendip Rough Sleeper Initiative	Balance of grant funding	78.3	0.0	0.0	78.3	
MDC	Tenancy Hardship Fund	Balance of ring-fenced grant	53.2	0.0	0.0	53.2	
MDC	Climate Change	Climate Change Initiatives	51.6	0.0	0.0	51.6	
MDC	Total of Small Reserves less than £50k each	Various small reserve balances under £50k e.g. balance of ringfenced grants, partnership funding, Corporate Priorities	171.2	-68.5	0.0	102.7	
<b>Total MDC Earmarked Reserves</b>			<b>8,693.7</b>	<b>-7,483.1</b>	<b>0.0</b>	<b>1,210.5</b>	

Legacy Authority	Reserve	Description of Reserve	Balance as at 31/03/2023 £'000	Transfers £'000	Pre-Approved MTFP 23/24 Commitments £'000	New Balance £'000	Notes
SDC	Apprentices	Funding held to cover SDC apprenticeship posts	338.2	0.0	0.0	338.2	
SDC	Business Incubation Space	ringfenced government funding plus match funding toward town deal project	329.7	0.0	0.0	329.7	
SDC	Business Rates Retention	Held for potential deficit or reset of Business Rates	5,375.4	-5,375.4	0.0	0.0	NDR Section 31
SDC	CCTV equipment TDBC	Maintenance of CCTV equipment for SWT	28.9	-28.9	0.0	0.0	Deleted
SDC	Commercial Property	Fund for landlord costs to manage investment properties	684.7	-684.7	0.0	0.0	Investment Property Risk Reserve
SDC	Community Development Fund	Funding held for development projects	2,860.0	-2,347.0	0.0	513.0	
SDC	Corporate buildings	Fund for landlord costs to manage investment properties	285.7	-285.7	0.0	0.0	Deleted
SDC	Homelessness	Homeless initiatives	1,225.1	0.0	0.0	1,225.1	
SDC	Housing Improvement	Surplus housing funds to be used on improvements to housing	545.7	-545.7	0.0	0.0	Deleted
SDC	Insurance fund	Used for insurance claims made against the council	86.4	-86.4	0.0	0.0	Insurance
SDC	IT equipment replacement	Funds held for ICT equipment replacements	467.1	-467.1	0.0	0.0	Deleted
SDC	Kings of Wessex Pool	to fund pool maintenance on annual basis	199.8	0.0	0.0	199.8	
SDC	Medium Term Managed use of Balances	Funds held to support the budget for shortfalls	9,417.6	-9,417.6	0.0	0.0	MTFP Support
SDC	New Burdens	Government grant funding held for New Burdens	577.7	-577.7	0.0	0.0	Deleted
SDC	Somerset Building Control Partnership	3 year rolling reserve for Building control	502.5	0.0	0.0	502.5	
SDC	Succession Planning	Underspends on training set aside to fund professional qualifications	88.4	-88.4	0.0	0.0	Deleted
SDC	Port of Bridgwater	Funding held to cover expenditure on the Port in Bridgwater	177.1	0.0	0.0	177.1	
SDC	Covid 19 contingency	Held to pay for the collection fund deficit spreading due to COVID-19	444.5	-444.5	0.0	0.0	Collection Fund (TIG)
SDC	Other	Smaller earmarked reserve balances e.g. elections, planning, biodiversity etc.	558.8	-342.2	0.0	216.6	
<b>Total SDC Earmarked Reserves</b>			<b>24,193.2</b>	<b>-20,691.2</b>	<b>0.0</b>	<b>3,502.0</b>	
SSDC	Capital Fund	Revenue funds held to fund capital projects.	226.1	-226.1	0.0	0.0	Capital
SSDC	Cremator Replacement Reserve	Held to cover the cost of replacing the cremator	549.0	-549.0	0.0	0.0	Deleted
SSDC	Elections Reserve	Held for future elections	295.0	-295.0	0.0	0.0	Elections
SSDC	Sports Facilities Reserve	Maintenance reserve for Sports Facilities	10.0	-10.0	0.0	0.0	Deleted
SSDC	Yeovil Athletics Track Repairs	Replace track - end of life	212.4	-212.4	0.0	0.0	Deleted
SSDC	IT Replacement Reserve	Funds set aside to replace IT equipment	10.0	-10.0	0.0	0.0	Deleted
SSDC	Treasury Management Reserve	Funds held for shortfall in investment income	750.0	-750.0	0.0	0.0	Deleted
SSDC	Revenue Grant Reserve	Various revenue grants received for future use.	295.8	-295.8	0.0	0.0	Deleted
SSDC	MTFP Support Fund	Funds held to support shortfalls in the budget	7,557.1	-7,557.1	0.0	0.0	MTFP Support
SSDC	CTAX/Housing Benefits Reserve	Funds held from external grants specific to service, used to support service pressures	1,136.3	-1,136.3	0.0	0.0	Deleted
SSDC	Artificial Grass Pitch Reserve	Yeovil Rec Ground - maintenance	189.6	-189.6	0.0	0.0	Deleted
SSDC	Business Support Scheme (flooding)	Funding set aside to cover the cost associated with the River Parrett trail	70.5	-70.5	0.0	0.0	Deleted
SSDC	Regeneration Fund	Pooling Gains arising from SSDC being in the Somerset Business Rates Pool are transferred into the Fund. Transfers out are to fund the revenue costs of the Regeneration Programme (e.g. project management costs).	3,969.5	-2,952.5	0.0	1,017.0	Deleted
SSDC	Ticket Levy Income	Levy on each ticket sold for the Octogan for use on future repairs	413.6	0.0	0.0	413.6	
SSDC	Community Housing Fund		18.0	0.0	0.0	18.0	
SSDC	Community Safety Reserve		25.0	-25.0	0.0	0.0	Deleted
SSDC	Housing and Homelessness Reserve	To fund statutory homelessness function	593.8	0.0	0.0	593.8	
SSDC	Commercial Investment Reserve	Fund for landlord costs to manage investment properties	6,719.2	-6,719.2	0.0	0.0	Investment Property Risk Reserve
SSDC	Spatial Policy Reserve	Funding for Local Plans	133.9	-133.9	0.0	0.0	
SSDC	YIC Maintenance Reserve	Maintenance reserve for Yeovil Innovation Centre	72.0	-72.0	0.0	0.0	Deleted
SSDC	Climate Change Fund	Funds set aside for use on climate change initiatives	61.5	0.0	0.0	61.5	Climate Emergency
SSDC	Community Resilience Reserve		49.3	-49.3	0.0	0.0	Deleted
SSDC	NNDR S31 Grant Coll. Fund	This reserve holds the S31 grant provided by Government to compensate the Council for the reduced business rates income following the introduction of Retail Discount Relief	1,190.3	-1,190.3	0.0	0.0	NDR Section 31
SSDC	Area East Reserve	Previous area committee reserve	47.4	-47.4	0.0	0.0	Deleted
SSDC	Area North Reserve	Previous area committee reserve	23.9	-23.9	0.0	0.0	Deleted
SSDC	Area West Reserve	Previous area committee reserve	40.2	-40.2	0.0	0.0	Deleted
SSDC	Somerset LGR Reserve	Funds held to support local government reorganisation	720.0	-720.0	0.0	0.0	Local Government Reform
SSDC	COVID Recovery Reserve	Funds for use towards covid recovery	-134.3	134.3	0.0	0.0	Deleted
SSDC	MRP Reserve	Funds set aside for the required minimum revenue provision	443.7	-443.7	0.0	0.0	Deleted
SSDC	YWPC Crematorium Reserve	Funds held on behalf of others - previously treated as off-balance sheet at SSDC	400.4	0.0	0.0	400.4	
SSDC	YWPC Replace Cremator Reserve	Funds held on behalf of others - previously treated as off-balance sheet at SSDC	62.0	0.0	0.0	62.0	
SSDC	Cemetery Reserve	Funds held on behalf of others - previously treated as off-balance sheet at SSDC	231.3	0.0	0.0	231.3	
SSDC	Dorcas House Funds	Funds held on behalf of others - previously treated as off-balance sheet at SSDC	464.0	0.0	0.0	464.0	
SSDC	Chard Regeneration Reserve	Funds held on behalf of others - previously treated as off-balance sheet at SSDC	34.7	0.0	0.0	34.7	
SSDC	Internal Capital Loans Reserve	Funds held on behalf of others - previously treated as off-balance sheet at SSDC	1.0	0.0	0.0	1.0	
<b>Total SSDC Earmarked Reserves</b>			<b>26,882.1</b>	<b>-23,584.8</b>	<b>0.0</b>	<b>3,297.2</b>	

Legacy Authority	Reserve	Description of Reserve	Balance as at 31/03/2023 £'000	Transfers £'000	Pre-Approved MTFP 23/24 Commitments £'000	New Balance £'000	Notes
SCC	Ash die back	To fund cost of ash die back	643.1	0.0	0.0	643.1	
SCC	BSF Bridgwater - Equalisation Reserve	Set aside to meet future contract costs of the authorities PFI schools in Bridgwater. The reserve has been put aside by previous years underspends.	9,265.4	0.0	0.0	9,265.4	
SCC	Budget Equalisation Reserve	To fund shortfalls in the MTFP	2,445.9	-2,445.9	0.0	0.0	MTFP Support
SCC	Business Support System (ERP)	To support local government reorganisation new systems	3,872.7	0.0	0.0	3,872.7	
SCC	Capital Fund	Revenue funds set aside to fund capital projects	9.9	-9.9	0.0	0.0	Deleted
SCC	Climate Emergency	Reserve holding funds for Climate Change resources and projects	447.5	-447.5	0.0	0.0	Deleted
SCC	Collection Fund Compensation	Year-end surplus/deficits on the collection fund	479.6	-479.6	0.0	0.0	NDR Section 31
SCC	Corporate Priorities	Funds to be used towards Council priorities	4,913.6	-4,913.6	0.0	0.0	Deleted
SCC	Economic Development	Funds set aside to deliver specific economic growth (i.e. enterprise zones)	742.1	0.0	0.0	742.1	
SCC	Economic Recovery	Funds set aside for Economic Recovery Programmes	4,354.6	-2,700.0	0.0	1,654.6	
SCC	Elections	Funds set aside to smooth the cost of 4 year elections	117.4	-117.4	0.0	0.0	Elections
SCC	Funding Volatility	Funds set aside to cover shortfalls in funding for the council	6,772.6	-6,772.6	0.0	0.0	MTFP Support
SCC	Held for Infrastructure Developments	Interest on Hinkley Point C s106 monies - to be recycled	3,056.1	-3,056.1	0.0	0.0	S106
SCC	Improving Lives Programme	For funding transformation projects for improving lives in Somerset	111.0	-111.0	0.0	0.0	Deleted
SCC	Insurance	Funds set aside for insurance claims made against the council	8,255.6	-8,255.6	0.0	0.0	Insurance
SCC	Invest to Save	To cover expenditure in projects that will later provide savings	40.8	-40.8	0.0	0.0	Deleted
SCC	Local Government Reorganisation	Funds set aside to cover costs associated with local government reorganisation	10,664.1	-10,664.1	0.0	0.0	Local Government Reform
SCC	Other CDW	Funding for ICT projects	111.0	-111.0	0.0	0.0	Deleted
SCC	Other Children's Services	Interest on Schools Balances	2,095.3	-0.4	0.0	2,094.9	
SCC	Other ECI	Mainly various grant funding pots, specific to service e.g. bus service improvement	6,667.7	-1,123.9	0.0	5,543.7	
SCC	Prevention Fund	Funding for preventative work, including local impacts.	349.6	-349.6	0.0	0.0	Deleted
SCC	Property Repairs & Maintenance	Funds set aside for Property Repairs and Maintenance	283.4	-283.4	0.0	0.0	Deleted
SCC	Public Health	Ringfenced Public Health Grant Funding	4,787.7	0.0	-1,700.0	3,087.7	
SCC	Service Carry Forwards	Childrens Carry forward from 2022/23 for use in 2023/24	478.5	-100.0	0.0	378.5	
SCC	Short Life Asset Fund	To fund capital items with a short life span (ICT equipment, Fleet vehicles)	827.6	-827.6	0.0	0.0	Deleted
SCC	Social Care Transformation	Funds set aside for transformation projects for Adults and Childrens	2,013.1	0.0	-1,013.0	1,000.1	
SCC	Social Care Volatility Reserves	For potential shortfalls in social care funding	4,790.1	-4,790.1	0.0	0.0	Deleted
SCC	Trading Accounts	Funds held for Dillington House expenditure	2,976.1	0.0	0.0	2,976.1	
SCC	Workforce Reserve	To provide resilience to the Council for workforce pressures	850.0	-748.6	0.0	101.5	
<b>Total SCC</b>	<b>Earmarked Reserves</b>		<b>82,422.1</b>	<b>-48,348.8</b>	<b>-2,713.0</b>	<b>31,360.3</b>	

Legacy Authority	Reserve	Description of Reserve	Balance as at 31/03/2023 £'000	Transfers £'000	Pre-Approved MTFP 23/24 Commitments £'000	New Balance £'000	Notes
<b>New Somerset Council Reserves</b>							
SC	School Academy Conversions	Held for deficits where schools become academies	0.0	1,000.0	0.0	1,000.0	
SC	Collection Fund (TIG)	Tax Income Guarantee (TIG) Cost spread over 3 years to mitigate business rate losses that have also been spread over 3 yrs	0.0	1,526.1	0.0	1,526.1	
SC	NDR Volatility	For shortfalls in non-domestic rates	0.0	3,854.9	0.0	3,854.9	
SC	Crewkerne Car Park	Agreed retention of funds for car park project to safeguard project (previous SSDC decision).	0.0	413.0	0.0	413.0	
<b>Total SC</b>	<b>Earmarked Reserves</b>		<b>0.0</b>	<b>6,794.0</b>	<b>0.0</b>	<b>6,794.0</b>	
<b>Amalgamated Somerset Council Reserves</b>							
SC	Elections	Funds set aside to pay for future local elections	0.0	670.0	0.0	670.0	
SC	Local Government Reform	Funds set aside for costs associated with local government reorganisation	0.0	3,161.0	0.0	3,161.0	
SC	Investment Property Risk Reserve	Mitigates budget risk for investment net income volatility	0.0	8,000.0	0.0	8,000.0	
SC	MTFP Support	Funds set aside to support shortfalls in the budget	0.0	47,754.7	-10,950.0	36,804.7	
SC	Insurance	Funds set aside for insurance claims made against the council	0.0	8,558.1	0.0	8,558.1	
SC	Capital	Revenue funding set aside to fund capital	0.0	5,358.0	0.0	5,358.0	
SC	NDR Section 31	Used to hold any s31 grants that relate to the Collection Fund. Timing issues mean grants are not always received in the correct financial year.	0.0	6,102.2	-6,102.2	0.0	
SC	S106	Interest earned on S106 monies, funding capital projects or either paid back to the develop	0.0	3,106.1	0.0	3,106.1	
SC	Business Rates Retention - County Wide	Retained business rates to fund economic initiatives	0.0	814.4	0.0	814.4	Now Somerset Council Reserve
<b>Total SC</b>	<b>Earmarked Reserves</b>		<b>0.0</b>	<b>83,524.5</b>	<b>-17,052.2</b>	<b>66,472.3</b>	
<b>Total Somerset Council Reserves</b>			<b>157,931.3</b>	<b>-22,179.9</b>	<b>-19,765.2</b>	<b>115,986.2</b>	
<b>Reserves Held on Behalf of Others</b>							
SCC	Somerset Rivers Authority	Funds held on behalf of Somerset Rivers Authority	5,077.2	0.0	0.0	5,077.2	
SCC	Local Enterprise Partnership	Funds held on behalf of the Local Enterprise Partnership	4,134.5	0.0	0.0	4,134.5	
SCC	Connecting Devon and Somerset	Funds held on behalf of Connecting Devon and Somerset	538.9	0.0	-135.4	403.5	
SCC	Somerset and South West Mutual Scheme	Funds held on behalf of Somerset and South West Mutual Scheme	181.3	0.0	0.0	181.3	
SCC	Somerset Association of Primary Headteachers and	Funds held on behalf of SAPHTO	29.6	0.0	0.0	29.6	
SCC	S256 Funding	CCG funding for transforming care	97,739.3	0.0	0.0	97,739.3	
SCC	Local Enterprise Partnership - Governance	Funds held on behalf of the Local Enterprise Partnership	58.0	0.0	0.0	58.0	
SCC	School's Carry Forward	Funds held on behalf of Schools	22,593.7	0.0	0.0	22,593.7	
SCC	Business Rates Retention - County Wide	Funds held on behalf of all legacy authorities which are now Somerset Council funds	872.4	-872.4	0.0	0.0	Now Somerset Council Reserve
<b>Total Reserves Held on Behalf of Others</b>			<b>131,224.8</b>	<b>-872.4</b>	<b>-135.4</b>	<b>130,217.0</b>	
<b>All Authorities Earmarked Reserves</b>			<b>289,156.1</b>	<b>-23,052.3</b>	<b>-19,900.6</b>	<b>246,203.3</b>	
<b>Total of All Somerset Council Reserves held</b>			<b>289,156.1</b>	<b>-23,052.3</b>	<b>-19,900.6</b>	<b>246,203.3</b>	