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EJH/SA		823566	Councillor Alam

Councillor Cowles  
 By email [allen.cowles@rotherham.gov.uk](mailto:allen.cowles@rotherham.gov.uk)

28<sup>th</sup> August, 2019

Dear Councillor Cowles

### **Council Question – 24<sup>th</sup> July, 2019**

You asked me a question about the Council's General Fund reserves at the Council meeting on 24th July 2019. Within my reply to your question, I highlighted that the Council's General Fund reserves, excluding the ring-fenced balances for Individual Schools and the Dedicated Schools Grant, were a total of £38.1m as at 31st March 2019 and that this was made up of a General Fund Minimum Balance of £16.8m and Earmarked Reserves of £21.3m.

You then asked me “will you provide for me the figures that show what the General Reserve figure was at the commencement of this Council 3 years ago, where we are now and where the bulk of the money has gone.”

I agreed to provide you with a response in writing and the information which you requested is set out below.

At 1st April 2016, the General Reserves on an equivalent basis, excluding Schools and DSG, were £68.8m. This included the £5.169m DCLG grant which the Council received during 2015/16 in support of the immediate costs of transformation following the Government intervention.

The change in General Reserves therefore between 1st April 2016 and 31st March 2019 is a total reduction of £30.7m (£68.8m reducing to £38.1m) which is made up as follows :

- Use of the DCLG grant £5.2m
- Use of other General Reserves £25.5m

The main uses of these reserves and funding over this time period have been :

- Investment in Children's Services £19.6m
- Other support to the Budget for early transformation and to

provide time to develop the significant level of budget savings required	£4.1m
• Use of PFI reserves to match PFI contract payment profiles	<u>£4.1m</u>
	£27.8m

The remaining £2.9m, to make up the total change of £30.7m, relates to a number of minor changes to reserves over that three year period, which in the main relate to the receipt and use of grant funding where the funding has been applied across more than one financial year.

The Council's Reserves Strategies and plans for the use of reserves to invest in Children's Services and to provide some other short-term support to the Budget during this period of time, were set out in successive Budget Reports and approved at Council.

It is also worth noting that the Financial Outturns for each of the three years used less reserves than originally planned for and approved at Council, as a result of the Council being able to make additional in-year savings.

Going forward, the Council's reserves strategies as set out in the Budget and Council Tax 2019/20 and Medium Term Financial Strategy, plan for a General Fund Minimum Balance of £21.1m as at 31st March 2021 and, taking into account the favourable Financial Outturn for 2018/19, Earmarked Reserves of £15.2m. This equates to total anticipated General Fund Reserves of £36.3m as at 31st March 2021.

Yours sincerely

*S. Alam*

Councillor Saghir Alam  
**Cabinet Member for Corporate Services and Finance**