

Summary of Earmarked Reserves at 31 March 2022

COVID-19 - £17.546 million

The Council approved the creation of a COVID-19 Reserve on 27 January 2021 (Report 21/8 refers) to assist with addressing the ongoing impact of Covid-19 in future years. It also approved that the final under spend arising at 31 March 2021 would be earmarked within this Reserve with a balance of £25.727million at 31 March 2021.

The following table sets out the adjustments during this financial year to date, and beyond, from the Covid Reserve:

	£m
Balance at 31 March 2021	25.727
2021/22 Revenue Budget Strategy	(8.546)
Additional Scottish Government funding	7.220
SP&R approved proposals (2021/22)	(2.755)
Transfer to un-earmarked reserves	(4.100)
Balance at 31 March 2022	17.546
2022/23 Revenue Budget Strategy	(7.614)
SP&R approved proposals (2022/23)	(689)
Projected balance at 31 March 2023	9.243

Revenue Grants - £7.785 million

These grants are being carried forward in Reserves in accordance with proper accounting practice as the grant conditions have been met but the relevant expenditure has not yet been fully incurred. It is possible that further grants will be received in advance of the financial year end, which will augment the projected earmarked Reserve.

Non-Recurring Revenue Budget Proposals £5.242 million

The 2022/23 Provisional Revenue Budget includes non-recurring expenditure proposals (see Appendix D) of £5.242million which are funded by the Council's projected under spend in 2021/22.

Developer Contributions: Commuted Sums & Infrastructure and Affordable Housing - £4.767 million

The Enterprise & Infrastructure Committee approved supplementary guidance on 3 September 2014 for developer contributions covering community greenspace, primary education, Auchterarder A9 junction improvements, affordable housing and transport infrastructure (Report No. 14/370 refers).

Developer Contributions are held in the Council's earmarked Reserves until they are applied to relevant schemes. It is projected that approximately £1.684 million of unapplied resources in relation to affordable housing will be held by the Council at 31 March 2022 and it is proposed to earmark the unapplied amount within General Fund Balances.

Additionally, it is proposed to earmark accumulated balances of £1.499 million for the provision of education infrastructure and £211,000 for transport infrastructure. Contributions are also provided by developers towards the cost of maintaining areas of ground. These contributions are used to fund relevant expenditure over a ten-year period.

It is projected that approximately £1.373 million of unapplied resources for tree planting, play areas, community allotments and sports grounds will be held by the Council at 31 March 2022.

In summary it is proposed to earmark the unapplied amount of developer contributions and commuted sums within General Fund Balances as follows:

	£m
Affordable Housing	1.684
Education Infrastructure	1.499
Transport Infrastructure	0.211
Environmental Infrastructure	1.373
TOTAL	4.767

Workforce Management (including transformation programme) - £3.751 million

Workforce management measures for all groups of staff (which includes voluntary severance schemes) can be funded from these earmarked resources.

Over a number of years, the Council has contributed significant resources to transformation projects. There continues to be a small amount earmarked for projects which are still operational.

Affordable Housing (Resources accrued from reduced Council Tax Discounts) - £2.352 million

It is anticipated that by the end of the current financial year, there will be a balance of approximately £2.352 million in earmarked Reserves which has been generated as a result of the Council's policy of varying the level of Council Tax charged for long term empty properties and second homes. There are projected commitments against this reserve of £1.040m in 2022/23.

Perth High School - £1.369 million

This is the remaining balance of £2.116 million originally earmarked as part of 2016/17 Revenue Monitoring Report 1 to the Strategic Policy and Resources Committee (Report No. 16/400 refers) for future maintenance works at Perth High School. This is for works identified over and above those funded each year from the property maintenance budgets in future financial years.

Car Parking - £1.183 million

The Car Parking balance is estimated to be a similar level at 31 March 2022 as the previous year which was compensated through the loss of income funding from the Scottish Government. This surplus is restricted in its application under the Road Traffic Regulation Act 1984 and any proposals to utilise these resources will require to be approved by the Strategic Policy & Resources Committee.

Insurance Fund - £1 million

The Insurance Fund is currently experiencing pressure from claims in recent years, particularly around severe weather events and annual increases in premiums. To allow a greater degree of comfort in relation to self-insured risks, minimise the impact on the Revenue Budget and to allow flexibility in the management of the Council's insurance arrangements, it is recommended that £1,000,000 is earmarked as a possible contribution to the Insurance Fund in 2022/23. A full review of the strategy for managing the Fund will be undertaken following the next actuarial review, which will cover the period to 31 March 2023.

Devolved School Management (DSM) - £776,000

The earmarked amount shown above is an estimate of the accumulated sum available to be carried forward at 31 March 2022 under the approved scheme for managing these budgets. The purposes for which the earmarked amount can be used and the procedures for its management and control are detailed in the Council's approved DSM scheme (Report No. 15/507 refers).

REACH Project - £711,000

The Council meeting of 16 August 2017 approved the review and remodelling of residential care (children and young people) and the financial resources to fund this transformation project (Report No.17/262 refers). The Council approved £500,000 from transformation funding and £500,000 for uncommitted Reserves and £700,000 from the Education and Children Services budget. The use of this Reserve was also approved by Council in September 2020 to fund additional Social Work capacity over a two year fixed period at a cost of £416,000 (report 20/173 refers). The balance of £0.711 million continues to be earmarked for these purposes.

Culture - £659,000

There is £659,000 earmarked for developing the cultural offer originally approved from an under spend in the 2018/19 Revenue Budget and transferred to a Cultural

Reserve as part of 2018/19 Revenue Monitoring Report 2 to the Strategic Policy & Resources Committee on 28 November 2018 (Report No. 18/384 refers). This was increased by a further £250,000 approved as part of the Revenue Budget 2020-21 Update No 3 to Council on 27 January 2021 (Report No. 21/8 refers) and £215,000 as part of Revenue Budget 2020-21 Update No 4.

Financial Insecurity- £638,000

Revenue Budget Report 2021/22 No 4 to the Strategic Policy & Resources Committee on 2 February 2022 approved the earmarking of resources of £638,000 in respect of financial insecurity.

School Counsellors - £628,000

Revenue Budget 2020-21 Update No 2 to the Strategic Policy & Resources Committee on 25 November 2020 (Report No. 20/225 refers) approved the earmarking of resources received from the Scottish Government in respect of counselling in schools which were not anticipated to be spent in 2020/21 due to school closure during the lockdown period. These resources will be applied in 2023/24 due to a three year contract being awarded.

Modern Apprentices / Graduate Trainees - £403,000

The Strategic Policy and Resources Committee originally approved the transfer of £150,000 during 2014/15 to fund future expenditure on modern apprentices and graduate trainees. The projected balance remaining at 31 March 2022 is £403,000 which includes current and previous year underspends from an annual recurring budget of £450,000.

Perth & Kinross Offer - £394,000

The Strategic Policy and Resources Committee in November 2020 approved the transfer of £262,000 from a budget of £350,000 as part of Revenue Budget 2020-21 Update No 2 to fund future expenditure on the Perth & Kinross Offer (Report No 20/22 refers). This was augmented by further resources in 2019/20. These resources will support the delivery of the Perth & Kinross Offer.

Bertha Park High School - £393,000

There is £393,000 of resources remaining from the £1.799 million originally earmarked to equip the new school at Bertha Park which opened in August 2019. (Report Nos 15/395 and 18/41 refer).

These resources will be utilised in future years as the pupil intake increases to equip further classrooms.

Ventilation Measures- £323,000

Revenue Budget Report 2021/22 No 4 to the Strategic Policy & Resources Committee on 2 February 2022 approved the earmarking of resources of £323,000 in respect of ventilation measures to fund works in future financial years.

Decant Schools - £300,000

Revenue Budget Report 2021/22 No 4 to the Strategic Policy & Resources Committee on 2 February 2022 approved the earmarking of resources of £300,000 in respect of expenditure on temporary decant expenditure in terms of progressing the Education & Children's Services capital programme.

Primary School at Bertha Park - £270,000

Revenue Budget Report 2021/22 No 4 to the Strategic Policy & Resources Committee on 2 February 2022 approved the earmarking of resources of £270,000 in respect of the non recurring set up costs of the new Primary school at Bertha Park. It is anticipated that Education and Children's Services will contribute further underspends in future years.

PH2O (Perth Leisure Vision) - £267,000

The Strategic Policy and Resources Committee approved the transfer of £350,000 from a budget of £500,000 as part of 2019/20 Revenue Monitoring Report 3 to the Strategic Policy & Resources Committee to fund the future design and business operating model of the PH2O project (Report No 20/22 refers). The remaining balance of £267,000 will be utilised in future years on this project.

Property Maintenance - £250,000

Revenue Budget Report 2021/22 No 3 to the Strategic Policy & Resources Committee on 24 November 2021 approved the earmarking of resources of £250,000 in respect of property maintenance to be utilised in future years.

Elections - £212,000

The Council's Revenue Budget contains a recurring contribution of £53,000 to fund local government elections. The projected balance at 31 March 2022 will be £212,000 which will be applied in 2022/23.

Works Maintenance - £200,000

It is proposed that the Council continues to earmark the balance of £200,000 for future works maintenance which remains from the £1.25 million approved as part of the 2018/19 – 2020/21 Revenue Budget.

Community Investment Fund - £198,000

It is proposed that the Council continues to earmark the remaining balance of £198,000 of the Community Investment Fund approved as part of the 2018/19 – 2020/21 Revenue Budget.

Financial Assistance - £196,000

At its meeting on 9 February 2006, the Council approved the creation of a recurring budget of £20,000 to fund a potential contribution to a future hosting of the Mod (Report No. 06/79 refers). Following the Covid pandemic, An Comunn Gaidhealach has now approved the rescheduling of the Royal National Mod with the Mod now scheduled to be held in Perth in October 2022. The projected accumulated balance available for this purpose at 31 March 2022 is £196,000. This will be utilised in 2022/23.

North Inch Golf Course - £155,000

Revenue Budget Report 2021/22 No 4 to the Strategic Policy & Resources Committee on 2 February 2022 approved the earmarking of resources of £155,000 in respect of the new starter's hut as part of the North Inch Golf Course business plan due to delays in installation.

Grounds Maintenance - £135,000

The Strategic Policy and Resources Committee approved the transfer of £225,000 as part of 2018/19 Revenue Monitoring Report 4 to fund road safety measures around the A9/A85 project. (Report No 19/110 refers). The balance of £135,000 will be utilised over the next 2 financial years.

Local Action Partnerships - £127,000

The amount shown is earmarked for Local Action Partnerships and is the balance of resources which were approved in 2017/18 Revenue Monitoring Report 3 by the Strategic Policy & Resources Committee (Report No.18/41 refers). These resources are approved for payment to groups via application to one of the seven local action partnerships.

Salix - £92,000

Salix Finance Ltd is a Government owned non-departmental public body which provides interest free loan funding for energy efficiency works. The loan is re-paid to the fund over a number of years and re-invested in future energy efficiency works.

It is projected that the balance on the Fund at 31 March 2022 will be approximately £92,000 and this amount is shown as being earmarked within General Fund Reserves.

Public Sector Leadership - £40,000

Revenue Budget Report 2020/21 No 3 to the Council on 27 January 2021 approved the earmarking of resources of £40,000 in respect of participation in the public sector leadership programme being developed jointly with the Scottish Government and the Hunter Foundation.