

RESERVES AND PROVISIONS- For Consideration by Cabinet 20 January 2009

	Reason for/purpose	How & when it be used	Management & control	Reviewed	Recommendations
Capital Reserves					
Major Repairs Reserve/ Business Plan Support	Set up following the introduction of Resource Accounting in the HRA. Grant received from Government annually which must be credited to this reserve with the intention of funding major works to the Council's housing stock.	Can be applied to Capital improvements to HRA housing stock (specifically excluding demolition) and, additionally from 1 st April 2004, repayment of HRA debt and credit liabilities (including premia on early repayment of PWLB loans). The Council's thirty year HRA Business Plan has projected increasing levels of balances in early years to fund deficits in later years, and it is intended that these balances will be held in the Major Repairs Reserve.	Council Housing Services/ Financial Services	Budget & Outturn	Incorporate in year grant and support to capital programme, plus additional transfer of £248K to MRR, based on higher than expected opening position for Unallocated Balances, in line with policy of maintaining the latter at £350K.

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Revenue Reserves					
I T Replacement	Established to fund future major I T systems replacement.	To be applied to future replacements.	Council Housing Services/ Financial Services	Budget & Outturn	Incorporate in year contribution and transfer £19K to revenue and £60K to Capital budget for items not approved under carry forward request.

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Flats – Planned Maintenance Reserve	Established to smooth the costs of major revenue and capital works to flats funded from Service Charges.	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to major works to communal facilities in flats.	Council Housing Services/ Financial Services	Budget & Outturn	Incorporate in year contribution and transfer £117K to revenue budget for increased expenditure on rota painting and boiler replacements.
Lifeline Equipment Reserve	Used to fund purchases of Lifeline Equipment	Contributions made equivalent to proceeds from sales of Lifeline units. Periodic purchases of units funded from this reserve	Council Housing Services/ Financial Services	-	Winding up of reserve, allowing for allocation of £30,000 for specific purposes.
Central Control Equipment Reserve	Established to smooth the costs of major renewal or replacement of Central Control Equipment and systems	Funded from Central Control subscriptions with additional appropriations in lieu of interest. Reserve is to be applied to renewal or replacement of major items of equipment and systems for Central Control system. Also used for chargeable enhancements throughout the life of the system.	Council Housing Services/ Financial Services	Budget & Outturn	Incorporate in year contribution and transfer £10K to revenue budget to cover maintenance and repair of equipment.
Housing Office Improvements Reserve	Contributions made in previous years to fund major improvements to Housing offices	Contributions ceased in 2001/02.	Council Housing Services/ Financial Services	Budget & Outturn	Winding up of reserve. Balance transferred to revenue budget.

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Office Equipment Reserve	Established to fund purchases of minor I T and other office equipment.	Used to fund ad-hoc purchases of major office furnishings resultant from health & safety legislation and risk assessments (desk, chairs, cabinets etc) and minor office equipment items e.g. pc upgrades	Council Housing Services/ Financial Services	Budget & Outturn	No change in in-year contribution, £8K transferred to revenue budget for purchase of one off, computer items e.g. dual screens for EDMS.
Sheltered Equipment Reserve	Established to fund purchases of equipment for Sheltered schemes funded from Service Charges.	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to purchases of equipment for common area services for Sheltered schemes.	Council Housing Services/ Financial Services	Budget & Outturn	Reserve renamed from Welfare to Sheltered. Maintain in year contribution as budgeted and transfer £12K to revenue budget for sheltered equipment purchases.
Sheltered – Planned Maintenance	Established to smooth the costs of major revenue and capital works to flats funded from Service Charges	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to major works to communal facilities in Sheltered schemes.	Council Housing Services/ Financial Services	Budget & Outturn	Reserve renamed from Welfare to Sheltered. Incorporate revised in year contribution and transfer £3K to revenue budget, £38K to Capital for increased expenditure on Planned maintenance.
Sheltered – Support Grant Maintenance	Established to fund purchases of equipment for Sheltered schemes funded from Service Charges, but classed as Support Costs under County Guidelines.	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to major works to communal facilities in Sheltered schemes.	Council Housing Services/ Financial Services	Budget & Outturn	Reserve renamed from Welfare to Sheltered. Retain as budgeted.

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Non-sheltered scheme equipment	Established to fund purchases of equipment for non-sheltered schemes funded from Service Charges.	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to purchases of equipment for non-sheltered schemes.	Council Housing Services/ Financial Services	Budget & Outturn	Incorporate in year contribution and transfer £60K to Capital to fund upgrade from analogue to digital, £22K to revenue to fund items not approved under carry forward request. Also reserve balance is higher than required therefore £72K to be incorporated into general balances.
Vehicle Replacement Reserve	Established to fund replacement of Estates Stewards vans	To be applied to replacement of current vehicles when necessary	Council Housing Services/ Financial Services	Budget & Outturn	Winding up of reserve. Amount on reserve incorporated into revenue budget.
JE Reserve	Established to fund the support of the pay structure	Contribution to the reserve to be approved by Cabinet. Use of the reserves to be determined (and agreed) by both the Head of Legal & Human Resources and Head of Financial Services	Council Housing Services/ Financial Services	Budget & Outturn	To establish a reserve and retain until Fair Pay structure fully implemented.

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Provisions					
Bad Debts	This provision is used to write off all Housing Revenue Account bad debts that have been approved.	The provision is funded by an annual contribution based on assessment of the level of debt outstanding.	Financial Services / Debt Management Group	Budget & Outturn	Retain as currently budgeted.