

## RESERVES AND PROVISIONS- For Consideration by Council 02 February 2011

## APPENDIX E (2)

	Reason for/purpose	How & when it be used	Management & control	Reviewed	Recommendations
<b>Capital Reserves</b>					
<b>Major Repairs Reserve (MRR) / Business Plan Support</b>	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 <sup>st</sup> 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 MRR.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	<b>Incorporate in year grant and support to capital programme.</b>

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<b>Revenue Reserves</b>					
<b>Flats – Planned Maintenance Reserve</b>	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.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	<b>Incorporate revised in year contribution of £136K and transfer £10K to revenue budget for increased expenditure on Planned maintenance.</b>

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<b>Central Control Equipment Reserve</b>	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.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	<b>Incorporate in year contribution of £10K and transfer £19K to Capital budget to cover the purchase of equipment and software.</b>
<b>Telecare</b>	Established to smooth the costs of renewal or replacement of Telecare Equipment.	Funded from Lifeline subscriptions.  Reserve is to be applied to renewal or replacement of items for Telecare equipment.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	<b>Incorporate in year contribution of £10K</b>
<b>Non-sheltered scheme equipment</b>	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.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	<b>Incorporate in year contribution of £15K and a transfer of £95k to reduce the balance of the reserve.</b>

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<b>IT Replacement</b>	Established to fund future major IT systems replacement.	To be applied to future replacements / choice based lettings.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	<b>Incorporate in-year contribution of £57K and transfer £16K to support Capital Programme.</b>
<b>Office Equipment Reserve</b>	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.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	<b>Incorporate in year contribution of £10K.</b>
<b>Sheltered Equipment Reserve</b>	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.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	<b>Maintain in year contribution at £30K and transfer £23.5K to revenue budget for sheltered equipment purchases.</b>
<b>Sheltered – Planned Maintenance</b>	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.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	<b>Incorporate in year contribution of £62.6K and to transfer £60K to capital for boiler renewals.</b>

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<b>Sheltered – Support Grant Maintenance</b>	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.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	Incorporate in year contribution of £19K.
<b>JE Reserve</b>	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 Governance and Head of Financial Services.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	Fair Pay structure fully implemented and contribution towards revenue expenditure of £66.5K.
<b>Management Restructure Reserve</b>	Established to fund potential one-off staff costs arising from the Senior Management Restructure.	Contribution to the reserve to be approved by Cabinet. Use of the reserve restricted to restructurings approved through Personnel Committee.	<b>Health &amp; Housing/ Financial Services</b>	<b>Budget &amp; Outturn</b>	Management Restructure has concluded. Reserve balance to zero.

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<b>Provisions</b>					
<b>Bad Debts</b>	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.	<b>Financial Services</b>	<b>Budget &amp; Outturn</b>	Increase of £24.2K due to an increase in current tenant arrears and rechargeable repairs.