

RESERVES AND PROVISIONS - For Consideration by Cabinet 11 February 2014

	Reason for/purpose	How & when used	Management & control	Reviewed	Recommendations
Capital Reserves					
Major Repairs Reserve (MRR)	Set up following the introduction of Resource Accounting in the HRA. Credited with the amount of depreciation charged to the HRA and topped up with additional funds required to finance the capital programme in-year.	Applied in full to capital improvements to HRA housing stock (specifically excluding demolition).	Health & Housing /Resources	Budget & Outturn	Retain as budgeted.
Business Support Reserve	Established to provide support to additional business plan commitments and planned investment opportunities.	Use of the reserve to be approved by Cabinet. Contributions to the reserve to be approved annually as part of the budget.	Health & Housing /Resources	Budget & Outturn	Retain as budgeted.

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Revenue Reserves					
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.	Health & Housing /Resources	Budget & Outturn	Retain as budgeted.
Central Control Equipment Reserve / Telecare	Established to smooth the costs of major renewal or replacement of Central Control Equipment and systems	Reserve is to be applied to renewal or replacement of major items of equipment and systems. Also used for chargeable enhancements throughout the life of the system.	Health & Housing /Resources	Budget & Outturn	Retain as budgeted, but to be reviewed once County Council’s commissioning strategy and future contracting arrangements are clear.
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.	Health & Housing /Resources	Budget & Outturn	Retain as budgeted.

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IT Replacement	Established to fund future major IT systems replacement.	To be applied to future replacements.	Health & Housing /Resources	Budget & Outturn	Retain as budgeted.
Office Equipment Reserve	Established to fund purchases of minor IT 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.	Health & Housing /Resources	Budget & Outturn	Retain as budgeted.
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.	Health & Housing /Resources	Budget & Outturn	Retain as budgeted.
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.	Health & Housing /Resources	Budget & Outturn	Retain as budgeted.

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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.	Health & Housing /Resources	Budget & Outturn	Retain as budgeted.

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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.	Resources	Budget & Outturn	As budgeted.