

RESERVES AND PROVISIONS- For Consideration by Cabinet

APPENDIX C (ii)

	Reason for/purpose	How & when it be 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.	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).	Health & Housing /Resources	Budget & Outturn	To provide in-year funding for the capital programme 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.

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Telecare	Established to smooth the costs of renewal or replacement of Telecare Equipment.	N/A	Health & Housing /Resources	Budget & Outturn	Retain as budgeted – Budget 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 IT systems and equipment replacement.	To be applied to future replacements.	Health & Housing /Resources	Budget & Outturn	Retain as budgeted.
Office Equipment Reserve	Established to fund purchases of major office furnishings.	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.	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.
JE Reserve	Established to fund the support of the pay structure. The reserve is currently empty.	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 Resources.	Health & Housing /Resources	Budget & Outturn	Reserve still retained pending the outcome of the second job evaluation review.

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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	To be reviewed following an assessment of the impact of Welfare Reforms.