

## APPENDIX A - GRA RESERVES POLICY

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### 1. Reserves Protocol

- 1.1 For each reserve held by the Council there must be a clear protocol setting out:
  - The reason for and purpose of the reserve;
  - How and when the reserve can be used;
  - Procedures for the reserve's management and control; and
  - A process and timescale for review of the reserve to ensure continuing relevance and adequacy.
- 1.2 Details for each GRA reserve held by the Council are set out below. Each reserve is managed and controlled by a Head of Service. The responsible officer can authorise amounts of up to £10,000 to be taken from a reserve provided that its use is in line with the stated purpose of the reserve.
- 1.3 In addition the responsible officer must also consult with the Portfolio Holder for Finance and other relevant portfolio holder(s) before authorising uses from reserves in excess of £10,000. In the case of the Sustainable Organisational Review, consultation should take place with the relevant Cabinet Working Group.
- 1.4 Reserves are reviewed and updated as part of the annual budget preparation and as part of the closure of accounts process to ensure that they continue to be required and are adequate in size. Earmarked reserves represent money that has been set aside for a clearly defined purpose, and which is available to meet future expenditure in that area. Balances represent unallocated funds which have not been earmarked and consequently are available to support any service area.
- 1.5 The values shown below for each reserve reflect their current position. The process for closing down the accounts at the year end will allow for any outstanding in year commitments and contributions to be taken into account.
- 1.6 The challenging medium term financial position facing the Council means that the level of reserves and balances is likely to reduce over time. The underlying level of reserves however is adequate and reflects the Council's stable financial position.

<b>Description</b>	<b>Purpose</b>	<b>How and When Used</b>	<b>Responsible Officer(s)</b>	<b>Value £000</b>
<b>Balances</b>				
CORE BALANCES	Balances held to help cushion the impact of uneven cash flows and to avoid unnecessary temporary borrowing	Core balances will typically not change in year and should be maintained at a minimum level of 5% of the budget requirement	Borough Treasurer	690
CONTINGENCY BALANCES	Balances held to cushion the impact of unexpected events or emergencies	Used if required as a general contingency with an expectation that it will be maintained at a minimum level of 2% of budget	Borough Treasurer	270
<b>Corporate Reserves</b>				
MAJOR PROJECTS	Funds set aside to cover the costs of major corporate initiatives and projects	Used to meet the costs of specific initiatives agreed through Council and Cabinet	Borough Treasurer	988
POLICY OPTIONS / SUSTAINABLE ORGANISATIONAL REVIEW	To support the development and implementation of the Policy Options and Sustainable Organisational Review processes	Funding to implement proposals, including additional unexpected costs, project resourcing, delays in implementation etc.	Borough Treasurer	500
CAPITAL	To hold revenue funds that will be used to support capital projects	Used to meet the costs of specific capital schemes agreed through Council and Cabinet	Borough Treasurer	263
BENEFITS / COUNCIL TAX SUPPORT EQUALISATION	To assist in managing and controlling benefits / council tax support costs which are demand led areas outside of the direct control of the Council	Used to smooth out variations in benefits spending and council tax support against budget. Its level is maintained at a minimum of 1% of the expenditure budget	Borough Treasurer	273
BUSINESS RATE INCOME EQUALISATION	To assist in managing and controlling business rate income which is not within the direct control of the Council	Used to smooth out variations in business rate income over a medium term time scale	Borough Treasurer	706
PLANNING INCOME EQUALISATION	To assist in managing and controlling planning income which is not within the direct control of the Council	Used to smooth out variations in planning income over a medium term time scale	Borough Treasurer	140
RESTRUCTURING	This reserve is used to meet one off staff exit costs from redundancies and early retirements as part of restructuring initiatives	Used following approval of redundancies in accordance with Council policy	Borough Treasurer	844
BUDGET AND EFFICIENCY SAVINGS	This reserve is available to support the overall budget position	Used to deal with the financial challenges facing the Council as set out in the medium term financial forecast	Borough Treasurer	1,581
STRATEGIC INVESTMENT	This reserve is available to support Economic Regeneration initiatives and the Leisure Strategy	Used to meet the costs of specific initiatives agreed through Council and Cabinet	Borough Treasurer	1,782

<b>Description</b>	<b>Purpose</b>	<b>How and When Used</b>	<b>Responsible Officer(s)</b>	<b>Value £000</b>
<b><i>Insurance Reserve</i></b>				
INSURANCE RESERVE	Funds held to meet the Council's self-insured liabilities where this is a more cost effective method of insuring than using an external company.	Costs are incurred when insurance claims are settled and funding is provided by individual Council services. The level of the reserve is determined through actuarial reviews	Borough Treasurer	2,131
<b><i>Specific Grant Reserves</i></b>				
BENEFITS / COUNCIL TAX SUPPORT INITIATIVES	Fund used to store Benefits Initiatives Grants received from the Government in previous financial years	Used to maintain and improve performance, implement changes in regulations, and deliver service improvements	Director of Housing and Inclusion	50
<b><i>Repairs and Renewals</i></b>				
CRA PORTFOLIO – REPAIRS AND RENEWALS FUND	Fund used to meet the costs of building and other issues on the Community Related Assets Portfolio	Available for programmed maintenance and response repairs, new investment, and to provide general support for the CRA portfolio. Annual contribution made from revenue budget	Director of Development & Regeneration	218
SOLAR PV FUND	To fund the replacement of Solar PV equipment located on Council houses	Annual contribution made to reserve from within revenue budget. To be used to fund repairs and renewals	Director of Housing & Inclusion	63
PAY & DISPLAY MACHINE REPLACEMENT FUND	To part fund the replacement of the pay & display machines located on the Council car parks	Annual contribution made to reserve from within revenue budget. To be used to part fund replacement of all machines	Director of Development & Regeneration	68
<b><i>Ring Fenced Reserves</i></b>				
HOME CARE LINK	Funding generated from surpluses on Home Care Link activities which is operated as a trading account	Available to meet costs and initiatives within this trading account area. Its level reflects accumulated surpluses	Director of Housing and Inclusion	8
INDUSTRIAL PORTFOLIO FUND	Funding generated from surpluses on the Langtree Estate that is ring fenced for certain regeneration purposes	Available to meet initiatives within this ring fenced area. Its level reflects accumulated surpluses	Director of Development & Regeneration	601
INVESTMENT CENTRE	Funding generated from surpluses on the Investment Centre that is ring fenced for social enterprise purposes	Available to meet initiatives within this ring fenced area and to provide general support to the trading account position. Its level reflects accumulated surpluses	Director of Development & Regeneration	256
COMMUNITY INFRASTRUCTURE LEVY	Funding generated from CIL monies and which must be spent in line with the CIL framework	Uses of this reserve are agreed through reports to Cabinet	Director of Development & Regeneration	594