



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 2ND JUNE 2010
AT 6.00 P.M.

THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE

SUPPLEMENTARY DOCUMENTATION

The attached papers were specified as "to follow" on the Agenda previously distributed relating to the above mentioned meeting.

8. Earmarked Reserves 2009/2010 (to follow) (Pages 1 - 8)

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
B60 1AA

1st June 2010

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RESERVES – 2009/10

Relevant Portfolio Holder	Geoff Denaro
Relevant Head of Service	Jayne Pickering
Key Decision / Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 To advise members on the earmarked reserves for the year ending 2009/10 and to seek members approval on the creation of new reserves where required to support future plans of the Authority.

2. RECOMMENDATIONS

- 2.1 That Cabinet approve the establishment of the new reserves of £235k as detailed at 4.3.
- 2.2 That Cabinet approve the release of reserves as detailed in Appendix 1 of £599k which reflects the approval required for January- March 2010.
- 2.3 That Cabinet approve the addition to existing reserves of £366k as detailed in Appendix. This reflects the approval required for January- March 2010.

3. BACKGROUND

- 3.1 The Council currently sets aside specific amounts as reserves for future policy purposes or to cover contingencies. In addition the Council has specific provisions for liabilities or losses that result from past events.
- 3.2 In June 2009 Council approved a policy to ensure relevant approval was in place to create and release reserves to support and enhance the delivery of the priorities of the Council.
- 3.3 Within the integrated finance and performance report for the period April – December 2010 approval was received to release some funds against existing reserves together with additions to others currently in place.

4. KEY ISSUES

- 4.1 The accounts for 2009/10 are in the process of being prepared and as part of the closedown process a review of reserves and provisions has been undertaken.

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4.2 In discussion with Heads of Service and in considering the future plans of the Authority a number of new reserves have been proposed, together with the release of funds currently set aside. These are shown at below.

4.3 The new reserves are as follows:

RESERVE PROPOSED	Amount to set aside 2009/10 £000	Brief Description of Reserve
Recycling Extension	129	To fund extension of recycling service to rural areas
Town centre conservation grants	5	To enhance shop fronts and conservation areas in the town centre
Equalities	5	To maintain support in the future to the community consultation and being different together events
Legal monitoring Dept	24	To ensure sufficient funds are available to meet costs arising from ongoing member investigations
Market Hall Demolition	23	To meet balance of costs arising from demolition of market hall
Town Centre Electricity	6	Funding received from county but work on implementation of new utility systems not yet complete
Parks and Recreation	2	Reserve to set aside funds donated in a residents will towards Sanders Park
Housing - Education Initiative	3	Funding received from County to support future education initiatives
Community Safety - WCC & LNP Funding	25	To fund continuing Community Safety projects & CDRP work
Sports - H&W SP - Sports Unlimited Grant	13	To fund continuing sports development activities not completed in 2009/10.
TOTAL	235	

4.4 If approval is granted to the proposed reserves as identified above the revised position will be £1.33m to fund future plans of the Authority. The full schedule is attached at Appendix 1.

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5. FINANCIAL IMPLICATIONS

- 5.1 The reserves will be included in the Statement of Accounts to be presented to Members in June and will be subject to Audit by the Audit Commission.

6. LEGAL IMPLICATIONS

- 6.1 Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 6.2 Section 25 of the Local Government Act 2003 places a specific personal duty on the Chief Financial Officer to report on the adequacy of reserves and the robustness of the budget.

7. POLICY IMPLICATIONS

- 7.1 The approval of reserves complies with policy established in June 2009.

8. COUNCIL OBJECTIVES

- 8.1 Approval of this policy contributes to the Council's objective of improvement to ensure the Council is following best practice in its financial practices.

9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

- 9.1 The closedown of the accounts and the relevant accounting treatment of provisions and reserves is contained within the Financial Services Risk register and monitored on a quarterly basis

10. CUSTOMER IMPLICATIONS

- 10.1 The adequate provision of reserves will ensure the Council has appropriate funds in place to meet future demands of its customers.

11. EQUALITIES AND DIVERSITY IMPLICATIONS

- 11.1 None as a direct result of this report.

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12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT

12.1 The implementation of policy will ensure the Council sets aside sufficient funds to cover future costs. In addition any expenditure on the services funded by reserves are subject to the Councils procurement and Value for Money considerations.

13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY

13.1 None as a direct result of this report.

14. HUMAN RESOURCES IMPLICATIONS

14.1 None as a direct result of this report.

15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

15.1 The setting aside of reserves will ensure that the Council has appropriate funds in place to meet future plans and improve performance.

16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998

16.1 None as a direct result of this report.

17. HEALTH INEQUALITIES IMPLICATIONS

17.1 None as a direct result of this report.

18. LESSONS LEARNT

18.1 The establishment of policy and the reporting to members of the approval and release of reserves is considered to be good practice in financial management and was recommended by the Audit Commission.

19. COMMUNITY AND STAKEHOLDER ENGAGEMENT

19.1 None as a direct result of this report.

20. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
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Chief Executive	No
Executive Director (S151 Officer)	Yes
Executive Director – Leisure, Cultural, Environmental and Community Services	Yes
Executive Director – Planning & Regeneration, Regulatory and Housing Services	Yes
Director of Policy, Performance and Partnerships	Yes
Head of Service	Yes
Head of Resources	Yes
Head of Legal, Equalities & Democratic Services	Yes
Corporate Procurement Team	No

21. WARDS AFFECTED

None

22. APPENDICES

Appendix 1 – Statement of Reserves

23. BACKGROUND PAPERS

Final Accounts working papers 2009/10

AUTHOR OF REPORT

Name: Jayne Pickering
E Mail: j.pickering@bromsgrove.gov.uk
Tel: 01527-881207

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Bromsgrove District Council
2009/10 Outturn Position Earmarked Reserves
(Voluntary carry forward of funds/budgets to meet specific requirements in future years)

APPENDIX 1

DESCRIPTION	B/FWD 2008/09	APPROVED POSITION DEC 2009	RELEASE FUNDS JAN-MARCH 2010 £'000	ADDITIONAL TRANSFER TO RESERVE	FINAL POSITION 2009/10
Building Control Partnership Reserve	-10	-10			-22
Unspent Plan. Del. Grant res've	-340	-27		-12	-27
Liveability Reserve	-21	-16			-16
LPSA Reserve	0	0		-5	-5
Replacement Reserve	-536	-536	536		0
Litigation Reserve	-50	-50			-50
Sports Partnerships Reserve	-26	-20	1		-19
Area Committees	-29	-29	29	-21	-21
Local Plans Inquiry	-143	-143		-100	-243
Housing - Nightstop	-6	-6			-6
Housing needs assessments and surveys	-8	-8	6		-2
Council Chamber equipment	-10	-10	3		-7
Town Centre Development	-35	0		-18	-18
Single Status/JE	-309	-146			-146
Shared Services Agenda incl Joint CE	-262	-217	18	-245	-444
Business Start up grants	-6	-6			-6
Partnership Office	-25	0			0
Councillor Training	-53	-48		48	0
Legal Mentoring	-8	-6	6		0
Corporate Training	-40	-40		40	0
Youth Provision Reserve	-15	0		-32	-32
Activity Referral Scheme	-12	-3		-1	-4
Town centre Market Stalls	-8	-4		-4	-4
Car parks relining	-18	0		0	0
Alcohol Abuse Reserve	-6	-6			-6
Local Strategic Partnership	0	-5		-20	-25
SUB-TOTAL	-1,976	-1,336	599	-366	-1,103
Recycling Extension	0	0		-129	-129
Town centre conservation grants	0	0		-5	-5
Equalities	0	0		-5	-5
Legal monitoring Dept	0	0		-24	-24
Market Hall Demolition	0	0		-23	-23
Town Centre Electricity	0	0		-6	-6
Parks and Recreation	0	0		-2	-2
Housing - Education Initiative	0	0		-3	-3
Community Safety - WCC & LNP Funding	0	0		-25	-25
Sports - H&W SP - Sports Unlimited Grant	0	0		-13	-13
SUB-TOTAL	0	0	0	-235	-235
TOTAL RESERVES	-1,976	-1,336	599	-601	-1,338

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