

EXECUTIVE COMMITTEE

FINANCIAL RESERVES STATEMENT – 2012/13

Relevant Portfolio Holder	Councillor, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance & Resources
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSALS

To advise Members on the earmarked reserves for the year ending 2012/13 and to seek members approval for the movements in reserves.

2. RECOMMENDATIONS

The Executive Committee is requested to RECOMMEND that

- 1) the movement in reserves as detailed in Appendix 1 to the report be approved;**
- 2) additional General Fund Reserves of £1,084K be approved;**
- 3) the use of General Fund Reserves of £460K be approved;**
- 4) additional HRA Reserves of £27K be approved; and**
- 5) the use of HRA Reserves of £15K be approved; and**
- 6) Movement in Capital Reserves of £72K be approved**

3. KEY ISSUES

Financial Implications

- 3.1 The accounts for 2012/13 are in the process of being prepared and as part of the closedown process a review of reserves and provisions has been undertaken.
- 3.2 In The majority of the contributions to reserves during 2012/13 are as a result of; grant allocations that relate to specific projects to be spent in

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future years, together with the revenue proportion of income from the receipt relating to the Threadneedle House lease surrender. The significant level of reserve recommended to be carried forward is due to the funds required to support Job Evaluation, grant allocations and the Threadneedle funds.

- 3.3 The new reserves that are proposed are included at Appendix 1. As mentioned at 3.2 these relate to funding that will be utilised for specific projects in future years.
- 3.4 If approval is granted to the proposed reserves as identified above, the revised position for General Fund will be £3.211m to fund future plans of the Authority. The full schedule including the new reserves is attached at Appendix 1.
- 3.5 As in previous years officers will continue to review the level of reserve to ensure that they link with the delivery of the services of the Borough.

Legal Implications

- 3.5 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.
- 3.6 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.

Service/Operational Implications

- 3.7 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.

Customer / Equalities and Diversity Implications

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

4. RISK MANAGEMENT

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

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5. **APPENDICES**

Appendix 1 – Statement of Reserves 2012/13

6. **BACKGROUND PAPERS**

Final Accounts working papers 2012/13

AUTHOR OF REPORT

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