

## Audit Committee 22 November 2012

### Briefing Note – Earmarked and General Reserves



- 1 The County Council establishes and uses reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).
- 2 Each year, the Council's Section 151 Officer, the Corporate Director Resources must report to Members at the budget setting meeting his opinion on the 'Adequacy of the Reserves' held by the County Council. This advice is shown at Appendix 1. This broadly explains that there are no specified limits, maximum or minimum for the level of reserves held by a local authority. It is the professional judgement of the Section 151 Officer, taking into account guidance from CIPFA, along with the level of risk and uncertainties that are identified at the time of setting the budget.
- 3 There are two types of reserve, general and earmarked, which are usually held for three main purposes, as:
  - A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
  - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
  - A means of building up funds, earmarked reserves, to meet known or predicted requirements.
- 4 As at 31 March 2012 the County Council's general reserves were £21.874m and earmarked reserves, including Schools' balances totalled £100.425m. The Housing Revenue Account (HRA) had general reserves of £7.821m and earmarked reserves of £2.460m.
- 5 An extract from the Statement of Accounts detailing the reserves is attached at Appendix 2. Also shown in this appendix is the purpose for which each of the highest value earmarked reserves were established.
- 6 During 2012/13 Services Groupings forecast the anticipated use of or contribution to earmarked reserves. This is reported to Cabinet quarterly in the Forecast of Outturn Reports.
- 7 At 30 September 2012, it is anticipated that
  - £5.565m of earmarked reserves will be used to provide general fund services during 2012/13.
  - £2.142m of the HRA's earmarked reserves are forecast to be used.

- General Reserves are forecast to increase by £4.488m. This is as a result of expenditure on interest and similar payments being less than budget due to lower than forecast interest rates on loans and borrowing taking place later than estimated due to higher levels of cash balances than forecast, coupled with additional interest receipts on the higher cash balances.

8 An analysis of the anticipated movement on reserves is shown at Appendix 3.

9 The current level of earmarked and general reserves are deemed to be prudent when considering the current period of unprecedented and continuing spending reductions.

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**Appendix 1: Extract from County Council Report of 22 February 2012  
'Budget 2012/13 - Report under Section 25 of Local Government Act 2003'**

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**Adequacy of Reserves**

1. The Chartered Institute of Public Finance and Accountancy (CIPFA) Local Authority Accounting Panel (LAAP) has issued a guidance note on Local Authority Reserves and Balances (LAAP Bulletin 77) to assist local authorities in this process. This guidance is not statutory, but compliance is recommended in CIPFA's Statement on the Role of the Finance Director in Local Government. It is best practice to follow this guidance.
2. The guidance however states that no case has yet been made to set a statutory minimum level of reserves, either as an absolute amount or a percentage of budget. Each Local Authority should take advice from its Chief Financial Officer and base its judgement on local circumstances.
3. Reserves can be held for three main purposes:
  - A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
  - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
  - A means of building up funds, earmarked reserves, to meet known or predicted requirements.
4. The most recent bulletin, published in November 2008 highlights a range of factors, in addition to cash flow requirements that Councils should consider; these include the treatment of inflation, the treatment of demand led pressures, efficiency savings, partnerships and the general financial climate, including the impact on investment income. The bulletin also refers to reserves being deployed to fund recurring expenditure and indicates that this is not a long-term option. If Members choose to use reserves as part of this budget process appropriate action will need to be factored into the MTFP to ensure that this is addressed over time.
5. The risk management process has identified a number of key risks which could impact on the County Council's resources. In particular, a number are likely to impact in the short-term.
6. The setting of the level of reserves is an important decision not only in the budget for 2012/13, but also in the formulation of the MTFP over the next 4 years.
7. It is recommended that the County Council adopts a policy for reserves as follows:

- Set aside sufficient sums in earmarked reserves as it considers prudent to do so. The Corporate Director Resources will be authorised to establish such reserves as are required, to review them for both adequacy and purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Resources and to Cabinet.
  - Aim to maintain, broadly, general reserve levels in the medium to longer-term of at least between 3% and 4% of the budget requirement or at least £13m to £17m in cash terms.
8. Earmarked reserves have been established to provide resources for specific purposes. Of these reserves, the use of schools balances is outside of the control of the County Council.
9. In my view, if the County Council were to accept the Cabinet's recommended freeze of Council Tax, funding for unavoidable service pressures and investments, proposals for savings and for capital then the level of risks identified in the budget process, alongside the Authority's financial management arrangements suggest that the level of reserves is adequate.

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## Appendix 2: Reserves – Extract from Statement of Accounts 2011/12

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### 23. Usable reserves

Movements in the County Council's usable reserves are detailed in the Movement in Reserves Statement.

31 March 2010 £000	31 March 2011 £000		31 March 2012 £000
23,613	1,206	Usable Capital Receipts Reserve	173
1,200	-	Major Repairs Reserve	-
8,511	7,688	Housing Revenue Account	7,821
26,977	17,320	General Fund Balance	21,874
95,140	90,975	Earmarked reserves	100,425
-	3,202	Earmarked reserves - HRA	2,460
<hr/> 155,441	<hr/> 120,391	<b>Total</b>	<hr/> 132,753

#### Usable Capital Receipts Reserve

Proceeds of fixed assets' sales available to meet future capital investment.

#### Major Repairs Reserve

This reserve represents the amount of the Major Repairs Allowance unspent at the year end.

#### Housing Revenue Account

Resources available to meet future running costs for council housing.

#### General Fund Balance

Resources available to meet future running costs for services other than council housing.

#### Earmarked Reserves

Earmarked Reserves are shown in more detail in Note 8 and are resources set aside for future spending plans.

The significant earmarked reserves are as follows:

#### Schools' Revenue Balances

Surplus or deficit balances of locally managed schools, which are committed to be spent on the education service. The net surplus at 31 March 2012 comprised individual school balances totalling £20.890m, net of loans outstanding of £0.953m.

#### AAP / Members Reserve

The purpose of the reserve is to ensure the projects can be funded in 2012/13 where an agreed spending plan exists.

#### Cash Limit Reserve

To carry forward under and overspends to meet future service demands.

#### Dedicated Schools Grant and Education Reserve

To carry forward the unspent, central element of Dedicated Schools Grant funding for multi agency operations, and to provide Education business links between schools, and local businesses

### **Equal Pay Reserve**

To provide resources to meet the cost of additional employee costs as a result of Equal Pay and Job Evaluation effective from 1 April 2005.

### **Insurance Reserve**

To provide resources to cover selected risks. The major risks relate to fire, public liability and employer's liability claims below the policy excess levels.

### **MTPF Redundancy and Early Retirement Reserve**

To provide for the costs of redundancy and early retirements approved.

### **Planning Reserve**

To provide a resource for improvements to the planning service.

### **Social Care Reserve**

To fund expected demographic pressures in future years and for projects jointly agreed by Adults Wellbeing and Health and the Primary Care Trust.

### **Sport and Leisure Reserve**

To provide a resource for leisure initiatives and sports development.

### **Earmarked Reserves - HRA**

Earmarked Reserves are shown in more detail in Note 8 and are resources set aside for future spending plans for council housing.

## **24. Unusable reserves**

01 April 2010 (restated) £000	31 March 2011 £000		31 March 2012 £000
533,833	436,918	Revaluation Reserve	412,848
1,219,989	1,051,614	Capital Adjustment Account	940,450
-3,557	-2,687	Financial Instruments Adjustment Account	-2,500
2,806	1,944	Deferred Capital Receipt	979
-18,174	-9,934	Short Term Accumulating Absences Account	-15,369
-975,648	-728,212	Pensions Reserve	-897,886
1,053	804	Available for Sale financial Reserve	509
1,505	546	Collection Fund	-5
<hr/> 761,807	<hr/> 750,993	<b>Total</b>	<hr/> 439,026

### **Revaluation reserve**

The Revaluation Reserve contains the gains made by the County Council arising from increases in the value of its Property, Plant and Equipment [and Intangible Assets]. The balance is reduced when assets with accumulated gains are:

- ❖ revalued downwards or impaired and the gains are lost
- ❖ used in the provision of services and the gains are consumed through depreciation, or
- ❖ disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2010-11 £000	2011-12 £000
521,075 <b>Balance at 1 April (as reported)</b>	436,918
12,758 Prior period adjustment (Heritage Assets)	-
533,833 <b>Balance at 1 April (restated)</b>	436,918
43,799 Upward revaluation of assets	29,198
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the	
-106,617 Provision of Services	-17,712
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the	
-62,818 Provision of Services	11,486
-12,214 Difference between fair value depreciation and historical cost depreciation	-13,594
-21,883 Accumulated gains on assets sold or scrapped	-28,475
- Historical cost impairment adjustment	6,513
-34,097 Amount written off to the Capital Adjustment Account	-35,556
<b>436,918 Balance at 31 March (restated)</b>	<b>412,848</b>

### Available for sale financial instruments reserve

The Available for Sale Financial Instruments Reserve contains the gains made by the County Council arising from increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are:

- ❖ revalued downwards or impaired and the gains are lost
- ❖ disposed of and the gains are realised.

2010-11 £000	2011-12 £000
1,053 <b>Balance at 1 April</b>	804
- Upward revaluation of investments	-
-249 Downward revaluation of investments not charged to the Surplus/Deficit on the Provision of Services	-295
804	509
- Accumulated gains on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of Other Investment Income	-
<b>804 Balance at 31 March</b>	<b>509</b>

### Capital adjustment account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction

or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the County Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2010-11 £000	2011-12 £000
1,220,076 <b>Balance at 1 April (as reported)</b>	1,051,614
-87 Prior period adjustment (Heritage Assets)	-
1,219,989 <b>Balance at 1 April (restated)</b>	1,051,614
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
-69,906 - Charges for depreciation and impairment of non-current assets	-75,193
-182,288 - Revaluation losses on Property, Plant and Equipment	-65,360
-1,025 - Amortisation of intangible assets	-1,210
-16,891 - Revenue expenditure funded from capital under statute	-6,015
-62,735 - Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-71,848
- - Exceptional Item: Payment to the Secretary of State (HRA reform)	-52,891
-332,845	-272,517
34,097 Adjusting amounts written out of the Revaluation Reserve	35,556
-298,748 Net written out amount of the cost of non-current assets consumed in the year	-236,961
Capital financing applied in the year:	
27,525 - Use of Capital Receipts Reserve to finance new capital expenditure	9,458
13,144 - Use of the Major Repairs Reserve to finance new capital expenditure	11,696
59,354 - Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	74,686
13,854 - Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	14,453
17,920 - Capital expenditure charged against the General Fund and HRA balances	15,630
131,797	125,923
-1,424 Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	-126
1,051,614 <b>Balance at 31 March (restated)</b>	940,450

## Financial instruments adjustment account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

The County Council uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory



arrangements for spreading the burden on Council Tax. In the County Council's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.

Over the previous two financial years, the account was also used to defer the impact of impairment of Icelandic loans to the general fund. Regulations allowing this came to an end on the 31 March 2011 and all values have now been transferred to the general fund.

2010-11 £000		2011-12 £000
-3,557	<b>Balance at 1 April</b>	-2,687
-	- Interest on Icelandic loans credited to I&E in year	-
432	Premiums amortised to General Fund in year	214
-51	Discounts amortised to General Fund in year	-27
-	- Impairment of Icelandic loans	-
489	Reversal of all previous Icelandic loan entries	-
870	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	187
-2,687	<b>Balance at 31 March</b>	-2,500

### Pensions reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The County Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the County Council makes employer's contributions to pension funds, or eventually pay any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the County Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid. Deferred Capital Receipts Reserve (England and Wales).

2010-11 £000		2011-12 £000
-975,648	<b>Balance at 1 April</b>	-728,212
42,610	Actuarial gains or losses(-) on pensions assets and liabilities	-174,700
588	Difference between Actuary's estimate and Actual Employers' Pension Contributions	672
134,680	Reversals of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	-53,270
69,558	Employer's pensions contributions and direct payments to pensioners payable in the year	57,624
-728,212	<b>Balance at 31 March</b>	-897,886

### Deferred capital receipts reserve

The deferred capital receipts reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the County Council does not treat these gains as usable for

financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the capital receipts reserve.

2010-11 £000		2011-12 £000
2,807	<b>Balance at 1 April</b>	1,945
-	- Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	435
-862	- Transfer to the Capital Receipts Reserve upon receipt of cash	-1,401
1,945	<b>Balance at 31 March</b>	979

### Collection fund adjustment account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2010-11 £000		2011-12 £000
1,505	<b>Balance at 1 April</b>	546
-959	- Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	-551
546	<b>Balance at 31 March</b>	-5

### Accumulated absences account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2010-11 £000		2011-12 £000
-18,174	<b>Balance at 1 April</b>	-9,935
18,174	Settlement or cancellation of accrual made at the end of the preceding year	9,935
-9,935	Amounts accrued at the end of the current year	-15,369
8,239	Amount by which office remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-5,434
-9,935	<b>Balance at 31 March</b>	-15,369

### Appendix 3: Earmarked and General Reserves Position as at 30 September 2012

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2011/12 CLOSING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	2012/13 CLOSING BALANCE	PURPOSE OF THE RESERVE
ACE AAP/Members Reserve	ACE	-2,364	34	-575	0	-541	-2,905	The purpose of the reserve is to ensure the projects can be funded in 2012/13 where an agreed spending plan exists.
ACE Grant Reserve	ACE	-233	0	0	0	0	-233	
ACE Operational Reserve	ACE	-140	0	0	0	0	-140	
ACE Regeneration and Communities Reserve	ACE	0	0	0	0	0	0	
Heritage and Culture Reserve	CAS	-209	100	-300	0	-200	-409	
Social Care Reserve	CAS	-9,368	4,478	-2,000	0	2,478	-6,890	To fund expected demographic pressures in future years and for projects jointly agreed by Adults Wellbeing and Health and the Primary Care Trust.
Health and Wellbeing Reserve	CAS	-1,347	902	0	0	902	-445	
Community Safety Reserve	CAS	-75	75	0	0	75	0	
Aycliffe Young People's Centre Reserve	CAS	-475	178	0	0	178	-297	
Continuing Professional Development Reserve	CAS	-373	0	0	0	0	-373	
Education Reserve	CAS	207	0	0	0	0	207	
CYPS Leisure Reserve	CAS	-52	0	0	0	0	-52	
LEP Reserve	CAS	0	0	0	0	0	0	
Special Projects Reserve	CAS	-60	0	0	0	0	-60	
Youth Forum Reserve	CAS	0	0	0	0	0	0	
Neighbourhoods AAP Reserve	NS	-504	163	0	0	163	-341	
Customer Services Reserve	NS	-360	300	0	0	300	-60	
Direct Services Reserve	NS	-1,406	116	0	0	116	-1,290	The purpose of the reserve is to hold contingency sums for jobs undertaken by Direct Services – Building Services where the defects liability period has not yet expired; to hold unspent budget from within the Direct Services street scene operational area of Refuse & Recycling and the Business and Projects operational area of Strategic Waste to continue the Alternate Weekly Collection scheme roll out during 2012/13

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2011/12 CLOSING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	2012/13 CLOSING BALANCE	PURPOSE OF THE RESERVE
Env. Health and Consumer Protection Reserve	NS	-141	18	0	0	18	-123	
Sport and Leisure Reserve	NS	-1,765	550	-101	0	449	-1,316	To provide a resource for leisure initiatives and sports development.
Strategic Waste Reserve	NS	-104	104	0	0	104	0	
Transport Asset Management Programme Reserve	NS	-365	26	0	0	26	-339	
Economic Development Reserve	RED	-1,666	30	0	0	30	-1,636	The purpose of the reserve was to support the RED service grouping's objectives and was established from residual ABG funds, LEGL funds etc.
Planning Reserve	RED	-1,774	105	0	0	105	-1,669	To provide a resource for improvements to the planning service.
Employability and Training Reserve	RED	-855	75	0	0	75	-780	
RED Regeneration Reserve	RED	-990	434	0	0	434	-556	
Housing Regeneration Reserve	RED	-95	74	0	0	74	-21	
Housing Solutions Reserve	RED	-1,321	137	0	0	137	-1,184	The purpose of the reserve is to finance numerous Housing Solution schemes/projects committed into 2012/13 and future years
Restructure Reserve	RED	-500	0	0	0	0	-500	
LSVT Reserve	RED	-122	0	0	0	0	-122	
Transport Reserve	RED	-364	0	0	0	0	-364	
Funding and Programmes Management Reserve	RED	-193	37	0	0	37	-156	
North Pennines Reserve	RED	0	0	0	0	0	0	
Resources Corporate Reserve	Resources	-1,164	0	-417	0	-417	-1,581	The purpose of the reserve is to fund the cost of building surveys and to finance procurement
Resources DWP Grant Reserve	Resources	-159	0	0	159	159	0	
Resources System Development Reserve	Resources	-700	0	0	200	200	-500	
Resources Housing Benefit Subsidy Reserve	Resources	-1,200	0	-900	0	-900	-2,100	The purpose of the reserve is to meet the cost of Housing Benefit backdated claims which are not fully funded by Government Subsidy due to their age
Resources Land Search Fees Reserve	Resources	-1,000	0	0	0	0	-1,000	
Resources Elections Reserve	Resources	-800	0	0	0	0	-800	

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2011/12 CLOSING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	2012/13 CLOSING BALANCE	PURPOSE OF THE RESERVE
Corporate Regeneration Reserve	Corporate Fin	-578	0	0	578	578	0	
Cabinet Reserve	Corporate Fin	-498	0	0	0	0	-498	
Equal Pay Reserve	Corporate Fin	-3,408	57	-1,600	0	-1,543	-4,951	To provide resources to meet the cost of additional employee costs as a result of Equal Pay and Job Evaluation effective from 1 April 2005.
Insurance Reserve	Corporate Fin	-11,841	0	0	0	0	-11,841	To provide resources to cover selected risks. The major risks relate to fire, public liability and employer's liability claims below the policy excess levels.
Performance Reward Grant Reserve	Corporate Fin	-1,319	149	0	-578	-429	-1,748	The purpose of the reserve is to fund initiatives in future years from the unspent element of the Performance Reward Grant.
MTFP Redundancy and Early Retirement Reserve	Corporate Fin	-9,552	2,992	0	0	2,992	-6,560	To provide for the costs of redundancy and early retirements approved.
New Homes Bonus Reserve	Corporate Fin	-206	0	0	0	0	-206	
<b>Total Non-Schools Reserve</b>		<b>-59,439</b>	<b>11,134</b>	<b>-5,893</b>	<b>359</b>	<b>5,600</b>	<b>-53,839</b>	
<b>Schools' Balances</b>								
Schools' Revenue Balance	CAS	-20,890	0	0	0	0	-20,890	Surplus or deficit balances of locally managed schools, which are committed to be spent on the education service. The net surplus at 31 March 2012 comprised individual school balances totalling £20.890m, net of loans outstanding of £0.953m.
Schools' Unspent Grants	CAS	0	0	0	0	0	0	
DSG Reserve	CAS	-4,210	0	0	0	0	-4,210	To carry forward the unspent, central element of Dedicated Schools Grant funding for multi agency operations, and to provide Education business links between schools, and local businesses
<b>Total Schools and DSG Reserve</b>		<b>-25,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-25,100</b>	

EARMARKED RESERVES AND CASH LIMIT RESERVES	SERVICE GROUPING	2011/12 CLOSING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	2012/13 CLOSING BALANCE	PURPOSE OF THE RESERVE
<b>Cash Limit Reserves</b>								
Assistant Chief Executive		-1,133	455	-227	0	228	-905	To carry forward under and overspends to meet future service demands.
Children and Adults Services		-8,092	2,320	-2,334	0	-14	-8,106	
Neighbourhood Services		-2,205	1,529	0	0	1,529	-676	
Regeneration and Economic Dev Resources		-2,960	207	-698	0	-491	-3,451	
		-1,496	0	-928	-359	-1,287	-2,783	
<b>Total Cash Limit Reserves</b>		<b>-15,886</b>	<b>4,511</b>	<b>-4,187</b>	<b>-359</b>	<b>-35</b>	<b>-15,921</b>	
<b>Total GF Earmarked Reserves</b>		<b>-100,425</b>	<b>15,645</b>	<b>-10,080</b>	<b>0</b>	<b>5,565</b>	<b>-94,860</b>	
<b>HRA:</b>								
Capital Reserve	RED	-2,000	2,000			2,000	0	HRA Earmarked Reserves are resources set aside for future spending plans for council housing.
Stock Options Reserve	RED	-60	60			60	0	
DCH Improvements Reserve	RED	-400	82			82	-318	
<b>Total HRA Earmarked Reserves</b>		<b>-2,460</b>	<b>2,142</b>	<b>0</b>	<b>0</b>	<b>2,142</b>	<b>-318</b>	
<b>Total Earmarked Reserves</b>		<b>-102,885</b>	<b>17,787</b>	<b>-10,080</b>	<b>0</b>	<b>7,707</b>	<b>-95,178</b>	

	SERVICE GROUPING	2011/12 CLOSING BALANCE	USE OF RESERVES	CONTRIBUTION TO RESERVES	TRANSFERS BETWEEN RESERVES	TOTAL MOVEMENT ON RESERVES	2012/13 CLOSING BALANCE	PURPOSE OF THE RESERVE
<b>General Reserves</b>								
General Fund	Corporate Fin	-21,874		-4,488		-4,488	-26,362	
<b>Total General Fund - General Reserves</b>		<b>-21,874</b>	<b>0</b>	<b>-4,488</b>	<b>0</b>	<b>-4,488</b>	<b>-26,362</b>	
HRA	RED	-7,821				0	-7,821	
<b>Total HRA - General Reserves</b>		<b>-7,821</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7,821</b>	