

**APPENDIX F**

**SUMMARY OF USABLE BALANCES AS AT 31ST MARCH 2014**

	<b>Balance at 31 March 2013 £'000</b>	<b>Transfers Out 2013/14 £'000</b>	<b>Transfers In 2013/14 £'000</b>	<b>Balance at 31 March 2014 £'000</b>
<b>General Fund</b>				
General Fund Balance	(1,443)	0	(257)	(1,700)
Area Based Grant/Working Neighbourhoods Fund	(890)	305	0	(585)
General	(429)	44	(66)	(451)
Historic Building	(9)	9	0	0
Insurance - GF	(285)	22	(90)	(353)
Invest to Earn	0	0	(50)	(50)
IT and Office Equipment	(44)	102	(125)	(67)
Legal Costs	(33)	1	(68)	(100)
Local Development Scheme	(264)	30	(49)	(283)
Planning Delivery	(132)	16	0	(116)
Transformational Reserve	(341)	1,152	(3,969)	(3,158)
Transition Grant Reserve	(1,934)	1,934	0	0
Vehicle Repair and Renewal	(45)	26	(13)	(32)
<b>General Fund Total</b>	<b>(4,406)</b>	<b>3,641</b>	<b>(4,430)</b>	<b>(5,195)</b>
<b>HRA</b>				
HRA Balance	(1,776)	0	(85)	(1,861)
New Build Reserve - HRA	(1,000)	412	(1,250)	(1,838)
Insurance - HRA	(56)	74	(50)	(32)
Vehicle Repair and Renewal	0	11	(200)	(189)
<b>HRA Total</b>	<b>(2,832)</b>	<b>497</b>	<b>(1,585)</b>	<b>(3,920)</b>
<b>Total Reserves</b>	<b>(7,238)</b>	<b>4,138</b>	<b>(6,015)</b>	<b>(9,115)</b>

The following gives an outline of the purpose of each of the 'above' balances:

## **General Fund**

**General Fund Balance** : This is the level of balances available to support sound financial management. In particular in a situation in which the Council experienced a reduction in income or an unforeseen increase in expenditure General Balances would be used to cushion the impact on services to local residents. Without a reasonable level of General Fund balances the Council would be quickly forced into 'crisis' or unplanned expenditure cuts. Their level is related to the level of financial risk facing the Council.

**Area Based Grant/Working Neighbourhoods Fund:** This supports the activities of the Partnership team.

**General** : The 'General' earmarked balance covers grants received to undertake specific activity and work carried forward from 2013/14 into 2014/15. This reserve therefore reflects a requirement to undertake and to fund certain specified work.

**Insurance** : To meet anticipated future years claims which are not funded by the Insurance Policy. These include excesses and the potential liability associated with the MMI insurance arrangements.

**Invest to Earn** : To fund initiatives on an 'Invest to Save' basis designed to increase the level of the Council's income.

**IT and Office Equipment** : To meet investment needs which have been carried forward from previous financial years.

**Legal Costs:** To meet the anticipated costs of a range of outstanding legal actions against the Council.

**Local Development Scheme:** To cover costs of preparing the Local Plan which cannot be met from 'in year' budgets.

**Planning Delivery** : Residual grant which is 'earmarked' to support the Planning service.

**Transformational Reserve** : At the end of the year increased significant by absorbing carry forward of Efficiency Grant reward, together with Transitional Grant. This will be utilised for Invest to Save projects and Efficiency Grant projects where the expenditure will not be incurred until 2014/15..

**Vehicle Repair and Renewal** : To fund unanticipated vehicle costs which could not be met from within existing budgets.

## **HRA Balances.**

**HRA Balance :** This is the level of balances available to support sound financial management. In particular in a situation in which the Council experienced a reduction in income or an unforeseen increase in expenditure General Balances would be used to cushion the impact on services to local residents. Without a reasonable level of General Fund balances the Council would be quickly forced into 'crisis' or unplanned expenditure cuts. Their level is related to the level of financial risk facing the Council.

**New Build Reserve :** This is to support the building of new Council houses. Effectively the existing balance of £1.8m is contractually committed to the costs of completing the new build project at New Houghton.

**Insurance :** To meet anticipated future years claims which are not funded by the Insurance Policy. These include excesses and the potential liability associated with the MMI insurance arrangements.

**Vehicle Repair and Renewal :** To fund unanticipated vehicle costs which could not be met from within existing budgets.