

Extracts from Cabinet Report on 21 June 2006

1.1 Overall Revenue Position

1.1.1 If members are so minded, the revenue outturn position affords the opportunity to consider setting aside additional funds in order to progress or enhance activities connected with the Council's Key Priorities.

1.1.2 Following discussion with Management Team, we recommend the setting up of or contributions to the following earmarked reserves.

- Homelessness Reserve in the sum of £10,000.
- Young Persons Initiatives Reserve in the sum of £20,000.
- Equalities Reserve in the sum of £20,000.
- Special Projects Reserve in the sum of £125,000 for the following purposes:

Tree Planting Programme	£15,000
Leisure and Cultural Activities	£20,000
Street Scene Initiatives	£30,000
Community Development Initiatives	£30,000
Crime and Disorder Initiatives	£30,000

1.1.3 The total of these recommended adjustments amount to £175,000. Due to the timing of this report in relation to the meeting of both the Audit Committee and General Purposes Committee, **these adjustments have been reflected within the Council's Accounts** and result in a contribution from the General Revenue Reserve of £243,800 including capitalised pension costs. Members are reminded that when the 2005/06 Budget and Band D level of Council Tax was set back in February 2005 it was anticipated that £443,100 would need to be taken from the General Revenue Reserve in support of the Budget.

1.2 Balances and Reserves

1.2.1 **[Annex 9]** Table 1 shows the movement on the Special Projects Reserve. Members will note there are five contributions to reserves that require approval and one previously agreed by members. The contributions requiring approval by members are Tree Planting Programme, Leisure and Cultural Activities, Street Scene Initiatives, Community Development Initiatives and Crime and Disorder Initiatives.

- 1.2.2 **[Annex 9]** Table 2 details the movement on Other Earmarked Reserves. Members will note there are three contributions to reserves that require approval and two previously agreed by members. The contributions requiring approval by members are Homelessness, Young Persons Initiatives and Equalities.
- 1.2.3 **[Annex 9]** Table 3 gives details of some minor revenue adjustments agreed by the Director of Finance during the closedown process.
- 1.2.4 Members will also be aware of future potential liabilities, for example costs associated with the proposals for Hadlow Tower, which may require a call on the Council's reserves.
- 1.2.5 The Council is required to have regard to the level of its balances and reserves before making decisions concerning its finances. The Council's General Fund working balance is set at £1,250,000 and this sum is considered appropriate for an authority of our size and scale. The position in respect of the Council's General Revenue Reserve is given below.

General Revenue Reserve		
	£	£
Balance at 1 April 2005		5,974,141
Less:		
Capitalised Pension Costs	(80,621)	
Contribution to / (from) Reserve	(163,193)	(243,814)
Balance at 31 March 2006		5,730,327

The Medium Term Financial Strategy anticipated a General Revenue Reserve balance at 31 March 2006 of £5,475,000.