

## CABINET

30 September 2010

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<b>Report Title</b>	<b>BUDGET STRATEGY 2011/12 AND MEDIUM TERM FINANCIAL PLAN</b>
<b>Purpose of Report</b>	To inform Members of the current financial position indicated in the Council's Medium Term Financial Plan and propose a broad strategy for setting the budget and council tax for 2011/12.
<b>Decision(s)</b>	<p><b>Cabinet RESOLVES to:</b></p> <p><b>(a) note the Council's financial position as estimated in the revision of the Medium Term Financial Plan for the General Fund;</b></p> <p><b>(b) agree the budget strategy, as set out in this report, which should be followed in the preparation of both the general fund revenue estimates and the housing revenue account;</b></p> <p><b>(c) note the level of general fund reserves held by the Council shown at Appendix B.</b></p>
<b>Consultation and Feedback</b>	Telephone survey with residents currently taking place and plans for consultation with businesses in progress.
<b>Financial Implications and Risk Assessment</b>	<p>There are no financial implications arising from the report. The report seeks to quantify as far as possible the budget pressures faced by the Council over the medium term and the strategy for addressing the issues identified.</p> <p>Should the Council not plan its finances over the medium term, it risks committing funds in the short term that would cause financial instability in future years.</p> <p>Sandra Cowley, Head of Finance Tel: 01453 754136 Email: <a href="mailto:sandra.cowley@stroud.gov.uk">sandra.cowley@stroud.gov.uk</a></p>
<b>Legal Implications</b>	<p>Section 32 of the Local Government Finance Act 1992 as amended places a duty on the Council, as Billing Authority, to calculate before 11 March 2011 its budget requirement for 2010/11.</p> <p>Lisa Jones, Principal Solicitor Tel: 01453 754364 Email: <a href="mailto:lisa.jones@stroud.gov.uk">lisa.jones@stroud.gov.uk</a></p>
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<b>Options</b>	None at this stage. Options on the level of council tax to be set will have to be considered in December.
<b>Performance Management Follow Up</b>	Cabinet report in December 2010.
<b>Background Papers</b>	Appendix A - Medium Term Financial Plan Appendix B - Reserves.

## Discussion

### Background

1. The purpose of this report is to inform Members of the current financial position indicated in the Council's Medium Term Financial Plan and propose a broad strategy for setting the budget and council tax for 2011/12.
2. The MTFP covers a five year period up to 2014/15; it is an important aid to sound financial management in the Council and ensures that expenditure is kept in line with sources of revenue which may be available in future years.
3. The Council's General Fund balances stood at £2.815 million on 1 April 2010. This sum includes approved carry forward budgets of £409,100 and the additional LABGI grant received of £54,410. A report on the outturn position for 2009/10 was made to Cabinet on 1st July 2010.

### The Medium Term Financial Plan

4. The updated MTFP is shown in Appendix A. It takes account of the outturn position for 2009/10 and includes known or estimated changes that will affect the Council's financial position but does not include revised revenue estimates for 2010/11 or estimates for 2011/12. They are currently included at the 2010/11 original level and are in the process of being revised. They will be added to the report to Cabinet on 9 December 2010 when an updated MTFP will be available.
5. It has been policy to hold General Fund Balances of £1m at the end of the MTFP for many years. It was recommended when the budget was set in January 2010 to increase the level of balances held to £1.5m. This was due to the number of budget pressures faced by the Council, the impact of which cannot be estimated with any certainty. This position has not improved, in fact the pressures have increased and these are discussed in more detail below. With this in mind, it is recommended that General Fund balances are retained at £1.5m until there is more certainty with the forecasts.

### Budget Pressures Facing the Council

6. As in 2010/11, the Council will continue to face a number of financial pressures in framing its 2011/12 budget and beyond. The most significant of these are considered below.
7. **Government Support** The Government is expected to announce the general outcome on the Comprehensive Spending Review 2010 on October 20<sup>th</sup> and it is widely anticipated that there will be a significant reduction in the revenue support grant and redistributed non-domestic rates, possibly between 20% and 40%. However the detail at individual authority level will not be known until early December. It is also not yet known whether the reduction in support will be phased in over a period or take full

effect in 2011/12. To give an indication of the impact of such a reduction, 10% of our current support grant is £718,400.

8. The Government has already made a number of in-year cuts to a number of funding streams which, to date have not had a significant impact on the Council's finances. However, funding such as the Housing and Planning Delivery Grant, the Local Authority Business Growth Incentive funding and a large proportion of Area Based Grants have all been stopped. Whilst the Council has not relied on these grants to fund services, they have been a useful resource for funding service improvements. The in-year cuts will have had a more significant impact on the County Council and so it is possible that funding supported by the Local Area Agreement e.g. Anti-social behaviour and building safer communities received via the County will be reduced or cut.
9. **Local Government Pension Scheme** The Pension Fund is re-valued every three years by an actuary. Last done in 2007, there is a review currently taking place with the result expected to be known by November 2010. The last revaluation in 2007 highlighted a significant deficit on the Fund resulting in increased employers' contributions phased in over a number of years. The recent announcement by the Chancellor of the Exchequer in his emergency budget on 22 June 2010 that the consumer price index is to be the basis for future public sector increases rather than the retail price index will form part of the actuary's fund valuation criteria. The employer's contribution on employees' gross salary is 24.5% in 2010/11.
10. It was widely expected, this time last year, that the employer's pension contributions would increase to 30% over the next 3 year period given the performance of the pension fund over the last 3 years. However, there is currently a proposal by the actuaries for the contributions to be 'stabilised' over the longer term e.g. limit increases to 1% annually and if the fund performs well, limit decreases to 1%.
11. The Council has a reserve which is used to finance these annual increases in employer's contributions. This has been very effective in smoothing the impact of the additional costs over a longer period however it is not good practice to fund annual costs from a reserve indefinitely. Ultimately, the total annual cost needs to be included in the budget.
12. There is currently a review of public sector pensions being undertaken by the Independent Public Service Pensions Commission led by John Hutton. An interim report is expected by the end of September with a final report published in March 2011. It is unlikely that any changes proposed will have an impact on pension costs in 2011/12 but could be effective from 2012/13 onwards.
13. **Icelandic Investments** The Council currently has 2 investments totalling £3m with Glitnir Bank in Iceland. The bank is currently in receivership along with 3 other Icelandic banks. The administrative arrangements for the recovery of the deposits are different for each of the banks. A full report on the position was considered by Cabinet in March setting out the legal process currently taking place.
14. The Council successfully applied for a 'capitalisation direction' in December 2009 which allowed the Council to write-off any losses over a 20 year period. When the accounts were closed for 2009/10, this direction was used to capitalise £2.25m of the £3m plus interest at risk. This will enable the Council to write-off the loss at approximately £40,000 per year for the next 20 years. This is described more fully in the General Fund Outturn 2009/10 report to Cabinet in July this year.
15. In the event that the litigation process does not result in the desired outcome, the Council will need to finance the difference between the total loss and the amount capitalised which will be approximately £1m. It is for this reason that it is recommended that General Fund balances are set at £1.5m and reserves are not reduced significantly. Should local authorities be deemed to have preferential creditor status, there are sufficient assets to repay depositors in full. The test cases will be heard by

the High Court in Iceland in December and until such time as there is certainty about the outcome, the worst case scenario needs to be provided for.

16. **Investment income** The base rate has been 0.5% since 5 March 2009 and according to the Council's Treasury advisors, Sector, is likely to remain at this level until the 2<sup>nd</sup> quarter of 2011. This has a direct impact on the Council's investment returns. All investments made since October 2008 have been placed short term or in call accounts given the volatility in the stability of the banking sector, again impacting on the rate of return that can be achieved.
17. **Concessionary Bus Travel** National concessionary bus travel came into operation in April 2008 and since that time, there has been considerable uncertainty over the level of resource needed to fund the scheme. The Council is reimbursed for travel passes issued through the Formula Grant by the Government but no breakdown of the amount included is given in details of the grant that the Council receives.
18. From April 2011, the administration of the scheme will be transferred to Gloucestershire County Council. It is not clear how the Government will re-distribute the funding from district councils to the counties particularly as the Government is not able to quantify what support it currently provides. This is a major concern for Stroud as the Council currently provides a discretionary tokens scheme for those eligible for concessionary travel but do not want a bus pass.
19. **Income from Fees and Charges** The outturn position in 2009/10 highlighted the impact of the current economic climate on the council's major sources of income. Income from planning applications, building control fees and land charges whilst showing some signs of improvement compared with last year, continue to fall short of that budgeted for. The General Fund Budget Monitoring report also being presented to this meeting is currently forecasting a shortfall in income of nearly £90,000 for 2010/11. Some provision has already been made in the MTFP for the shortfall in income but the level may need to be increased.
20. **Capital Programme** Over the MTFP, the Council's capital resources will be fully utilised to fund the existing capital programme. Should the estimates for the resources available not be realised e.g. less council house sales, or the capital spending is greater than estimated, e.g. the demand for disabled facilities grants, there will be a shortfall in the funding available.
21. The Council has also embarked on its largest ever capital scheme with the restoration of the canal and a number of engineering related contracts have recently been let in respect of this. The Council has committed £3.8m to the £25m project with the National Heritage Lottery Fund providing £11.9m. Even the smallest overspend on this project could not be funded from the Council's existing capital resources. Any shortfall in funding would have to be met from revenue resources or borrowing.
22. **Leisure Options Appraisal** The Council is currently tendering the contract for the management of Stratford Park Leisure Centre. It is likely that the contract price will increase from that currently paid and possible that some capital investment may be needed.

### **Budget Strategy 2011/12**

23. The outcome of the Comprehensive Spending Review will be known on 20<sup>th</sup> October although the finer detail may not be known until November/December. Until this time, certain assumptions will have to be made to assess the Council's financial position. When setting the budget for 2011/12, the following assumptions will be made until such time as further information is available:

24. Pay Inflation The Government has proposed that public sector pay be frozen for 2 years with a flat rate increase of £250 for all employees earning less than £21,000. It is anticipated that this will be effective from 2011/12 but it is not clear what the position is for the current financial year. When setting the budget for 2010/11, a pay award of 1.5% was assumed. It is now assumed that pay will be frozen for the current year as well. This is effectively a saving for the Council based on what was previously built into the MTFP.
25. Non-Pay Inflation The Council has set a standstill budget for a number of years now and only added inflation where we are contractually bound e.g. index linked contracts and licence agreements. The inflation provision made when setting the budget for 2010/11 has since proved to be higher than needed for some contracts and so there will be some savings in the current year. However, inflation has risen during 2010 and so further provision will have to be made for 2011/12. The rate of inflation for future years is far less predictable and so no provision beyond 2011/12 will be made.
26. Superannuation Contributions The MTFP shown in Appendix A has been updated to take account of the move to stabilising the employers contributions to the Pension Fund (lines 2, 2a and 2b). This represents a small saving to that previously forecast.
27. Interest Rates The base rate looks set to remain at 0.5% for at least 9 months before gradually rising to 3% over the following 12 months according to the Council's Treasury Advisors, Sector. Again, different economists have quite differing views on the impact on interest rates of inflation and economic recovery and so to forecast with any certainty is not possible. The current projections included in the MTFP have not been changed from those reported in January 2010 as they have already assumed the base rate would remain low. The projections will be fully revised in December.
28. Fees and Charges Budget holders are revising the current year's estimates and estimates for 2011/12 on a standstill basis and preparing controllable income budgets on the basis of an increase in fees and charges of at least 2%.
29. Capital Financing The MTFP does not contain any funding to support debt that might be considered to finance a capital programme in the future. Sales of council houses have remained at a low level with 7 sales so far in 2010-11, and as a result these have provided a limited source of funding for the existing programme.

### **Overall Financial Position**

30. The MTFP in Appendix A, shows that at the end of its term, balances stand at £1.5m which is the target figure that the Council aims to have in hand in the final year of the MTFP. However, there are a number of factors as described above that are not yet included in the MTFP that will have a significant impact on the Council's finances.
31. The table on page 6 summarises the estimated impact of some of the budget pressures described above. Some, like investment income and the new leisure contract just cannot be estimated at this stage. It must be noted that these are best estimates and could vary significantly when better information becomes available. It does however give an indication of the size of the gap between estimated costs and the funding available.

**Table 1 – Impact of significant budget pressures**

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Reduction in Government support		180	360	540	1,080
Non-Pay Inflation		150	150	150	150
Flat rate pay increase		50	100	100	100
Savings from pay freeze	-180	-180	-180	-180	-180
Icelandic Bank impairment	40	40	40	40	40
Falling income from fees, charges and investments	50	100	100	50	50
<b>Total additional cost/(-saving)</b>	<b>-90</b>	<b>340</b>	<b>570</b>	<b>700</b>	<b>1,240</b>

<b>GF balances brought forward</b>	<b>2,815</b>	<b>2,686</b>	<b>2,452</b>	<b>1,748</b>	<b>677</b>
Change in balances (As per Appendix A)	- 219	106	-134	-371	-654
Other significant budget pressures identified above	90	-340	-570	-700	-1,240
<b>Balance carried forward</b>	<b>2,686</b>	<b>2,452</b>	<b>1,748</b>	<b>677</b>	<b>-1,217</b>
Reductions in expenditure, or increases in income, to maintain balances at £1.5m	-	-	-	<b>823</b>	<b>2,717</b>

32. The table identifies a potential shortfall in funding of approximately £2.7 million over the life of the plan.

#### **Efficiency and other budget savings**

33. From 2010/11, councils nationally are required to achieve cashable efficiency savings of 4%, which, when applied to the formula set out by the Government, equates to nearly £1 million for Stroud.
34. In order to address the potential shortfall in funding identified above, the Council will have to meet the Government target for efficiency savings. If efficiencies cannot be found, a reduction in service provision will need to be considered.
35. The Council have been working on identifying savings for this year's budget setting round since February this year. Unit managers, Heads of Service, Strategic Team and Cabinet Members have all been involved in identifying and working through various proposals. These will be presented to the Cabinet meeting in December with the revised budget for 2010/11 and the proposed budget for 2011/12.
36. It is recognised that in order to achieve efficiency savings in the longer term, some upfront investment is sometimes needed. Bids for the 'Invest to Save' reserve will be considered by Corporate Team and the Executive where projects can demonstrate payback through efficiency.

#### **Council Tax**

37. The Government has also proposed a freeze in the level of Council Tax. It is not clear at this stage if this means increases limited to match inflation are permitted or no increase at all. No change in the level of Council Tax has been assumed in the MTFP.
38. The following table shows the amount of funding that various tax increases would generate assuming the same tax base as the current year and the Band D amount of

tax. The capping limit is currently 5% but is likely to be reduced if increases not frozen as part of the spending review.

**Table 2 – Income generated by different % increases**

Increase %	Annual income generated £	Income over MTFP (4 yrs) £	Band D £
0.0	0	0	186.93
0.5	40,100	160,400	187.86
1.0	80,300	321,200	188.80
1.5	120,400	481,600	189.73
2.0	160,600	642,400	190.67
2.5	200,700	802,800	191.60
3.0	240,900	963,600	192.54
3.5	281,000	1,124,000	193.47
4.0	321,100	1,284,400	194.41
4.5	361,300	1,445,200	195.34
5.0	401,400	1,605,600	196.28

### **The Corporate Delivery Plan 2010-14**

39. The Council's vision as set out in the Corporate Delivery Plan 2010-14 forms the basis for modelling the MTFP. The plan states that Stroud District Council will work to ensure efficient and effective service delivery for the people who live in, work in and visit Stroud and will work with its partners to create a great future for Stroud.

40. The four areas of focus are:

- Climate Change - Help the community minimise its carbon footprint, adapt to climate change, recycle more and send as little waste to landfill as possible
- Affordable Housing – Provide affordable and decent housing
- Resources – Provide value for money to our taxpayers and high quality services to our customers
- Economy – Help local people recover from the recession and grow the local economy

41. Along with these four priorities, we also have an aim to focus our internal work:

- Making sure that all our services are meeting the demands of local people and any statutory responsibilities in the most efficient and fair ways possible
- Maintaining robust and business-like Medium Term Financial Plans

42. In previous budget setting rounds, the Council has been able to direct resources to support the areas of focus through the identification of efficiency savings year on year. As shown in table 1, this year will be far more challenging as the gap between the resources available and the resources required to support the current level of service delivery is growing.

43. The resources available to support households with energy efficiency measures of £100,000 are not included in the budget beyond the current year. Provision for the outcome of the leisure options appraisal and the waste collection and recycling service will also need to be made once the options have been fully costed.

44. Service improvements of any kind will depend entirely upon the level of efficiency and other budget savings that can be found over and above that needed to fund the gap in resources available.

### **Reserves**

45. The Council should periodically review its reserves to ensure they are adequate. The outturn position on the reserves was reported to Council in July including movements to and from reserves during the year. Appendix B details all the reserves held by the Council and some narrative describing how the reserve is used.
46. Whilst the narrative includes comment on the adequacy of the reserves and that some reductions or reallocations are possible, it would be prudent just to note the position at this stage. A decision to make any changes to reserves should be taken in light of the overall revised budget position which will be presented to Cabinet in December.

### **Housing Revenue Account**

47. The financial position of the Housing Revenue Account (HRA) is now being included as part of the Council's overall financial strategy. Whilst there are significant differences in the way that the HRA and General Fund are financed, many of the budget pressures facing the General Fund will also impact on the HRA, particularly interest rates, pension costs and the efficiency agenda.
48. Budget Strategy reports now incorporate the Council's overall financial position including the HRA, General Fund and Capital Programme.
49. As has been reported to Cabinet elsewhere on this agenda, the HRA faces significant financial pressures over the coming years. Like the General Fund, a policy to hold balances of £1million has been developed. This is to cushion the finances against the unforeseen .e.g. fluctuations in interest rates, demand led expenditure etc. HRA balances as at 31 March 10 stood at £2.456m following the 2009-10 underspend and Cabinet approved the use of the majority of this money on high priority projects whilst aiming to maintain balances at £1m.
50. Changes to the structure within Tenant Services have included a greater focus on contract and budget monitoring on both the revenue and capital accounts. Budget monitoring reports to Cabinet are also in a revised format in a move to make scrutiny more straightforward.
51. Much will depend on the outcome of the Governments review of the HRA subsidy regime for the future viability of the HRA. It has been recommended by Tribal Consulting that the Council would benefit from the 'self-financing' option being proposed. This effectively 'buys' the Council out of the subsidy system, replaces notional debt with real debt and enables the Council to keep all future capital receipts. The proposals are still being consulted on but the Cabinet have recommended to Council that the Council pursue this option with the Housing Minister.
52. The policy for rent setting for 2011/12 will follow that of previous years which is to work towards the target rent. Failure to do so will result in either lost subsidy or reduced rent income. Policy for rent setting in future years could change depending on the outcome of the Governments current review.
53. A full report on the HRA budget will be presented to Cabinet in December. By then, more should be known about the outcome of the current review and the budget can be considered alongside the Housing Asset Strategy being presented at the same time.



**General Fund Medium Term Financial Plan  
2010/11 to 2014/15 - September 2010**

Ref		Outturn 2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
1	Service revenue expenditure	13,601	14,709	14,709	14,709	14,709	14,709
1a	Prior year slippage		409	-	-	-	
2	Increase in Employers Pension Contributions		-	74	148	222	296
2a	Net transfers to / from (-) Pension reserve	- 86	- 264	- 338	- 412	- 486	- 560
2b	Increase in Pension Reserve Contributions		-	250	250	250	500
3	Transfers to / from (-) other reserves	456	335	135	135	85	85
4	Service changes	140	325	68	85	120	171
5	Contingency		50	50	50	50	50
6	<b>Adjusted Service Expenditure</b>	<b>14,111</b>	<b>15,564</b>	<b>14,948</b>	<b>14,965</b>	<b>14,950</b>	<b>15,251</b>
	<u>Corporate Income &amp; Expenditure</u>						
7	Drainage Board	80	83	85	88	91	94
8	Interest payable & similar charges	242	210	350	460	470	470
9	Interest & investment income	- 683	- 390	- 580	- 810	- 910	- 910
9a	Icelandic Bank Capitalisation & Impairment	258	-	-	-	-	-
10	Reversal of depreciation/impairment charges	- 852	- 861	- 861	- 861	- 861	- 861
11	Reversal of FRS17 credit charge	1,089	826	826	826	826	826
12	<b>Net Expenditure</b>	<b>14,244</b>	<b>15,432</b>	<b>14,768</b>	<b>14,668</b>	<b>14,566</b>	<b>14,870</b>
	<b>Funded by:</b>						
13	Precept on Collection Fund	7,833	8,028	8,048	8,069	8,089	8,109
14	Government revenue support	7,060	7,184	6,825	6,466	6,107	6,107
15	LABGI / PSA grants	54	-	-	-	-	-
16	Collection Fund surplus/-deficit	62	-	-	-	-	-
17	Use of / addition to (-) working balances	- 766	219	- 106	134	371	654
18	<b>Total Funding</b>	<b>14,244</b>	<b>15,432</b>	<b>14,768</b>	<b>14,668</b>	<b>14,566</b>	<b>14,870</b>
19	<b>BUDGET REQUIREMENT (18 less 15 and 17)</b>	<b>14,956</b>	<b>15,213</b>	<b>14,873</b>	<b>14,534</b>	<b>14,195</b>	<b>14,216</b>

		2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	<b>General Fund Balances</b>						
20	Working balances brought forward	2,049	2,815	2,596	2,702	2,568	2,197
21	Change in balances	766	- 219	106	- 134	- 371	- 654
	<b>Balance carried forward</b>	<b>2,815</b>	<b>2,596</b>	<b>2,702</b>	<b>2,568</b>	<b>2,197</b>	<b>1,543</b>
22	Reductions in expenditure, or increases in income, to maintain balances at £1.5m	-	-	-	-	-	-

		2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	<b>Pension Fund Reserve</b>						
23	Balance brought forward	1,041	955	691	602	440	204
	<u>Transfers:</u>						
24	To Pension Reserve	515	515	515	515	515	515
25	From Pension Reserve (Current)	- 601	- 779	- 779	- 779	- 779	- 779
	From Pension Reserve (post actuarial review)			- 74	- 148	- 222	- 296
26	Net transfer from reserve (line 2 above)	- 86	- 264	- 338	- 412	- 486	- 560
27	Additional contributions	-	-	250	250	250	500
	<b>Reserve balance carried forward</b>	<b>955</b>	<b>691</b>	<b>602</b>	<b>440</b>	<b>204</b>	<b>143</b>

## Earmarked Reserves

Reserve Name	Bal as at 31/03/09 £000	Receipts £000	Payments £000	Bal as at 31/03/10 £000	Comments and Recommendation
Capital	1,185	390	-184	1,391	Fully committed to fund schemes in the capital programme
Closed circuit television	44	17	-	61	For replacement and upgrading of CCTV cameras in Stroud and Dursley
Concessionary fares	200	-	-	200	Could be closed pending transfer of service to GCC
Economic development	78	8	-	86	Commitments to fund town centre schemes need to be reviewed.
Efficiency / Invest to Save	200	-	-	200	Some bids coming forward. Useful to keep for the time being.
Housing	244	-	-	244	Committed to the GF costs of housing development e.g. Woolaways project
Hydro power	14	-	-	14	Close
Information communication technology	469	72	-47	494	A schedule for refreshing key IT infrastructure is in place. Reserve needed.
Interest equalisation	300	-	-	300	To cushion the impact of interest rate fluctuations in year. Review in Dec.
Legal counsel	51	80	-86	45	Heavily used. Need to review use of Counsel. May need to be increased.
Local plan preparation	88	-	-	88	Needs to be reviewed in conjunction with progress on the L D Framework
Miscellaneous General Fund	21	-	-	21	Close
Opportunity land purchase	100	-	-	100	Could be closed & opportunities that arise considered & funded as & when.
Pension fund	1,040	515	-600	955	Fully committed
Planning appeal costs	180	25	-37	168	Maintain. One large appeal could use all the reserve
Planning delivery grant	94	132	-	226	Need to review commitments. PDG now stopped so may need to maintain.
Property maintenance	609	-	-	609	Will be reviewed in conjunction with condition surveys this year and next.
Redundancy/Pension costs	74	56	-1	129	Should be maintained for the time being.
Risk management / insurance	186	-	-14	172	Needed to meet uninsured costs and insurance excesses
Stratford Park Leisure Centre sinking fund	150	30	-6	174	Needed to replace plant & equipment. May be needed for contract neg.
S106 Maintenance	16	-	-1	15	Committed for maintenance under a S106 agreement
<b>Total movements in reserves</b>	<b>5,343</b>	<b>1,325</b>	<b>-976</b>	<b>5,692</b>	