

## APPENDIX B

### MOVEMENTS IN RESERVES

(extract from the draft Statement of Accounts 2013/14)

#### 1. CORPORATE PROJECTS AND PRIORITIES

	Balances as at 31 March 2013	Net movement in reserves	Balances as at 31 March 2014
	£000	£000	£000
Modernisation, service & operational improvement:			
- Customer service and customer access development	1,037	-	1,037
- Other	3,268	(2,018)	1,250
Artefacts replacement & security reserve	575	(48)	527
Business support fund	1,000	(48)	952
Cleaner Greener Safer	40	105	145
Community engagement & Links development	250	47	297
Contract realignment (low paid staff)	1,052	-	1,052
Internal audit & anti fraud	356	-	356
Community safety schemes	750	-	750
Community restoration fund	115	(85)	30
Voluntary sector transition fund	581	-	581
Welfare hardship fund	800	601	1,401
Youth fund	898	330	1,228
Other reserves individually less than £100k	32	-	32
London living wage	-	275	275
Employment support	-	1,206	1,206
Revenue grants	275	(175)	100
<b>Total</b>	<b>11,029</b>	<b>190</b>	<b>11,219</b>

## 2. SERVICE REVIEWS AND IMPROVEMENTS RESERVES

	Balances as at 31 March 2013	Net movement in reserves	Balances as at 31 March 2014
	£000	£000	£000
Adult workforce development	142	80	222
Blackfriars trust allocation	138	-	138
Children's Services restructure	440	-	440
Dedicated schools grant reserve	7,343	8,005	15,348
Public Health Contingency Reserve	-	1,512	1,512
Early intervention pilot	435	80	515
Early Years Review	300	-	300
Environmental health & community safety	142	-	142
General litigation costs	172	-	172
Highways winter maintenance	576	-	576
Homelessness	403	-	403
HR transformation	290	227	517
Learning disability & social care reform	3,748	-	3,748
Local flood risk	170	158	328
Managed accounts underspend	451	-	451
Management and administration of elections	409	-	409
Member development	142	40	182
Ofsted inspection	200	-	200
Organisational development	1,217	120	1,337
OT clients adaptations	886	-	886
Prevention of illegal tobacco distribution	120	-	120
SALIX energy efficiency	61	-	61
School improvement	300	(100)	200
Schools condition survey	775	(638)	137
SEN/Learning difficulties	140	-	140
Signage	108	-	108
Southwark safe and independent living scheme	215	(215)	-
Street trading	110	-	110
Street trading account	(641)	6	(635)
Youth service	450	(380)	70
SSF PFI equalisation St Michael's	-	60	60
SAP HR systems development	-	100	100
Children's & Families Bill	-	300	300
Leisure Management	-	150	150
Cycling Safety	-	800	800
Interserve Project	-	50	50
SELHP closedown	-	48	48
Education Standards	-	156	156
Other reserves individually less than £100k	15	-	15
<b>Total</b>	<b>19,257</b>	<b>10,559</b>	<b>29,816</b>

### 3. CAPITAL PROGRAMME AND OTHER CAPITAL INVESTMENT RESERVES

	Balances as at 31 March 2013	Net movement in reserves	Balances as at 31 March 2014
	£000	£000	£000
Modernisation, service & operational improvement	5,878	(1,746)	4,132
ATM & exchequer services development	550	-	550
Regeneration & development	5,911	(1,566)	4,345
Capital contingency	2,204	-	2,204
Aylesbury development	5,361	1,080	6,441
Carefirst procurement	200	(75)	125
CCTV	250	(250)	-
Contracts realignment (capital)	1,396	-	1,396
IT and customer service development	3,171	-	3,171
New homes bonus grant capital allocation	3,682	(2,978)	704
Parking capital projects	900	(748)	152
Planned preventative maintenance & building compliance	2,565	4,383	6,948
Resource centre	181	(100)	81
BSF PFI Transition Fund	-	1,349	1,349
Legal Case Management System	-	300	300
<b>Total</b>	<b>32,249</b>	<b>(351)</b>	<b>31,898</b>

### 4. STRATEGIC FINANCING, TECHNICAL LIABILITIES AND FUTURE FINANCIAL RISKS RESERVES

	Balances as at 31 March 2013	Net movement in reserves	Balances as at 31 March 2014
	£000	£000	£000
Planned contribution to support General Fund budget 2013/14	6,271	(6,271)	-
Planned contribution to support General Fund budget 2014/15	-	6,213	6,213
Financial risk & future liabilities	3,106	(2,786)	320
Business rate retention risk	1,402	1,098	2,500
Council tax and housing benefits subsidy equalisation	636	364	1,000
Insurance	7,313	1,773	9,086
Interest and debt equalisation	4,000	-	4,000
Legal and contractual risks	1,804	-	1,804
Queen's Road lease smoothing	290	(428)	(138)
Schools in financial difficulties, schools closures and academies	482	-	482
Social care demand pressures	3,703	914	4,617
Waste PFI equalisation reserve	7,297	(1,796)	5,501
Auto enrolment	-	500	500
Future Government Funding Risk Reserve	-	1,900	1,900
<b>Total</b>	<b>36,304</b>	<b>1,481</b>	<b>37,785</b>

## 5. NOTES ON MAJOR RESERVES

- 5.1. Modernisation, service & operational improvement reserve. This reserve is for one-off expenditure that may be incurred over more than one year on projects that are designed to modernise and improve service levels and operational efficiency of the council's activities. By its nature is not appropriate for the costs of these projects to be included within annual revenue budgets. Schemes will range across all Council services but will be especially relevant for transformational priorities such as information technology, customer services and accommodation strategies. Schemes funded by this reserve may be of either a capital or revenue nature.
- 5.2. Regeneration & development reserve. This reserve is to fund one-off expenditure that may be incurred over more than one year and by its nature is not appropriate to be included within annual revenue budgets, to facilitate the significant regeneration and development taking place in the borough. Projects include the Elephant & Castle, Canada Water, Southwark Schools for the Future, land acquisitions and other significant one-off costs associated with these projects. Schemes funded by this reserve are predominantly of a capital nature.
- 5.3. Financial risk & future liabilities reserve. This reserve is set aside against future financial risks that may arise. For example, taxation risks, legislative and funding changes including actions involving the Greater London Authority and other government bodies, risks as a result of unavoidable changes in accounting practice, and circumstances in so much as they represent uninsured risks.

## 6. SCHOOLS BALANCES

	Balances as at 31 March 2013	Net movement in reserves	Balances as at 31 March 2014
	£000	£000	£000
Funds held by schools	15,874	937	16,811
Funds held by nursery schools	135	108	243
Funds held by pupil referral units	236	-	236
<b>Total</b>	<b>16,245</b>	<b>1,045</b>	<b>17,290</b>