

**BALANCES MONITORING REPORT FOR THE NINE MONTHS PERIOD ENDING
30 DECEMBER 2009**

Within the key lines of enquiry of the "Use of Resources" assessment, there is a criteria that seeks confirmation that 'the council monitors and maintains its levels of reserves and balances within the range determined by its agreed policy'.

This appendix therefore covers the main balances and reserves in the council's accounts.

Revenue Balances**General Fund Balance.**

Opening balance £1,632k + Nil budgeted withdrawal from balances - £0k b/f from 08/09 + £319k under-spend (per main report) = potential £1,951k closing balance. This is within the policy level set out in Appendix 8 to the budget report to Executive on 25 January 2007, of being between £1.5 million and £3 million.

Housing Revenue A/C Balance

Opening balance £5,790k - £1,448k budgeted deficit for year - £1,424k over-spend (per Appendix 1) = projected £2,918k closing balance.

Collection Fund Balance

Opening balance £211k + Nil budgeted to distribute or collect from precept authorities (i.e. KCC, Kent Police, Kent Fire and ourselves) + projected surplus in current year £89k = projected £300k closing balance.

The projected surplus or deficit (or break-even position) at the year-end has to be formally assessed by mid-January every year and notified to each of the four precept authorities of their share of this surplus or deficit. A £300k surplus has been notified.

Earmarked Reserves

A full list of earmarked reserves and their specific purpose and projected movements is always appended to the budget reports that go to Executive in January every year and to Full Council in February. The earmarked reserves are to be committed to meet specific known occurrences in most cases. The insurance reserves are to meet claims where the council self-insures risks. This report always includes an assurance statement from the Director of Corporate Services that earmarked reserves have been reviewed and their levels represent proper stewardship of public funds.

The total opening balance £13,385k - estimated movements in and out £2,952k = projected closing balance of £10,433k. This includes the windfall income from H M Revenues and Customs from the Fleming case received in 2008/09, which was transferred to a reserve. This had an opening balance of £2,641k in 2009/10 – estimated movements out of £417k = projected closing balance of £2,224k which will be used to fund any impairment from banks in 2010/11 and to assist with future year's budget deficits.

Usable Capital Receipts reserve

General Fund Usable Capital Receipts

The General Fund Capital Receipts reserve had an opening balance of £9,808k which is all earmarked for capital projects. Adding projected new receipts in the year from the disposals programme (£200k) less receipts used to fund capital projects £7,027k = projected closing balance of £2,981k.

Housing Usable Capital Receipts

This reserve had an opening balance of £588k. Adding projected new receipts in the year less receipts used to fund the housing part of the capital programme = projected closing balance of about £420k. The balance is projected to reduce further because of the continued slowdown in right to buys.