

**Officer Response 1–Resources Directorate**  
**to questions raised at Extraordinary Budget OSC 2 on 22<sup>nd</sup> January 2013**

**EARMARKED RESERVES**

<i>Earmarked Reserve</i>	<i>Detailed allocation</i>	<i>Purpose</i>	<i>Balances as at 1<sup>st</sup> April 2012 (£million)</i>
<b>Improvement &amp; Efficiency Reserve</b>	Efficiency Reserve	Allocated to fund measures to deliver efficiency savings in order to meet the funding gap. £2.8m of this is allocated to projects and the balance will be utilised over the period of the MTFP.	9.868
	Mainstream Grants	Cabinet decided to allocated £0.954m of 2011/12 underspends to the Mainstream Grants Programme as a Mayoral priority.	0.954
	Invest to Save Fraud Investigation	An underspend in the internal audit budget has been carried forward and will be used to fund additional fraud investigation work which has a good chance of delivering a greater amount of recovered monies.	0.150
	Procurement	Being used to fund procurement savings initiatives and to part-fund an NVQ apprenticeship for 2 years in the Procurement team.	0.425
	Future Sourcing	Since the Future Sourcing contract was concluded early in the 2012/13 financial year this amount was carried forward and used to help fund implementation	0.100
		<b>Total Improvement &amp; Efficiency Reserves</b>	<b>11.496</b>

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<b>Severance</b>	Severance	Held to pay for redundancy and pensions top-ups for staff taking up voluntary redundancy and any compulsory severance.	<b>4.000</b>
<b>Finance Systems</b>	Finance systems	Held to pay for the implementation of the Agresso Business World finance system in April 2013. The new system will deliver savings which will pay for implementation within the period of the MTFP.	<b>2.724</b>
<b>ICT Refresh</b>	ICT Refresh	Reserves previously held for the replacement of desktop equipment, now allocated to fund part of the ICT investment required in Smarter Working.	<b>1.355</b>
<b>Olympics</b>	Olympics	Part of the reserve (£700k) is allocated to fund the Olympics Legacy Team in D&R for one further year. The balance was held in case of additional costs arising during the Olympic/Paralympic period and this balance is now subject to review.	<b>1.879</b>
<b>Education Grant Reduction</b>	Education Grant Reduction	£4m was set aside in the 2011/12 budget to facilitate the implementation of grant reductions in Education services. £0.846m of this remains unallocated.	<b>4.000</b>
<b>Employment &amp; Other Corporate Initiatives</b>	Access to Employment / Future Jobs Fund	Committed to fund Skills Match core activity and the Council's Employment Strategy. Includes £0.273m of Future Jobs Fund grant carried forward.	1.539
	Legal Services	Earmarked for case management systems for the Legal and FOI teams	0.170

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	Elections	Used to fund the two by-elections in April/May 2012 and the electoral registration canvas	0.060
	One Tower Hamlets	To fund projects to tackle inequality and strengthen community cohesion	0.275
	Registrar Service	To complete the refurbishment of Bromley Public Hall	0.100
	Healthy Boroughs	Funding from the NHS to deliver the Healthy Borough Programme. However all obligations to the NHS have been met and this funding remains unallocated	0.144
	Approved initiatives - budget 2012/13	Funding spending initiatives agreed by Cabinet and Council in setting the budget for 2012/13. These comprise;  Additional policing            £1.485m Victim support                    £0.210m Energy co-op                      £0.030m Avenue of trees                  £0.010m Small business support        £0.040m Graduate scheme                £0.760m ESOL                                 £0.255m	2.790
	Corporate Initiatives	Earmarked for the completing the reorganisation of the Communications team and other future Chief Executive's department reorganisations	1.091
	Beacon Status	Reallocated to fund the costs of running the Fairness Commission during 2012/13	0.065
		<b>Total Employment &amp; Other Corporate Initiatives</b>	<b>6.235</b>

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<b>Other Reserves</b>	Area Based Grant	To fund residual allocations for community engagement and work placement projects made from Area Based Grant before the grant was abolished in 2010.	0.248
	Partnership Accelerated Delivery	Funding is set aside to fund the Tower Hamlets CVS.	0.058
	Various unallocated	Following a review of reserves, a number of amounts have been identified as no longer required. Some of this funding was allocated by the Mayor at October Cabinet to fund grants to Faith Buildings. (£900,000, with intention to increase to £2m)	1.635
		<b>Total Other Reserves</b>	<b>1.941</b>
<b>Homelessness</b>	Homelessness	Fully committed to deal with an anticipated funding issues within the Homelessness Service. In addition to ongoing pressures, welfare reform will significantly impact upon the service. Includes funding for homelessness prevention measures.	<b>2.924</b>
<b>Parking Control</b>	Parking Control	Use of parking control account surpluses is governed by the Road Traffic Regulation Act. Whilst this account has been running at a surplus, this is expected to change over the next couple of years and reserves will be utilised to smooth this transition.	<b>2.595</b>
<b>Development &amp; Renewal</b>	Community Use of Buildings	To ensure community buildings meet statutory health and safety standards	0.200

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	Facilities Management Contract relet	Invest to save programme to implement SAFCOM system by the end of 2012/13	0.112
	Land Charges	The balance on the statutory land charges account can only be used to smooth the costs of the service over time. In addition, the reserve is held to fund potential liabilities to repay fees in the event of an adverse outcome to an ongoing legal challenge	0.469
	Regeneration	Future costs relating to the Davenant Centre as approved by Cabinet in 2009.	0.150
	Ocean New Deal for Communities	Expenditure in accordance with the Ocean Regeneration succession strategy as agreed with DCLG.	0.133
	Barkantine	Future funding of the Barkantine Combined Heating and Power Scheme	1.700
	Other minor D&R Reserves	Various carbon reduction and LDF commitments.	0.039
		<b>Total Development &amp; Renewal</b>	<b>2.804</b>
<b>Communities, Localities and Culture</b>	Civil contingencies	Complete the installation of a backup generator at Mulberry Place in accordance with the Business Continuity Plan	0.014
	Big Lottery Play	Big Lottery grant funding carried forward from 2011/12 to be utilised in accordance with grant terms and conditions.	0.095
	Drugs Intervention Programme	Funding redundancy and severance for DIP staff following reduction in government funding	0.090

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	BaishakhiMela	Part-funding the Council's commitment to support the 2012 Mela	0.133
	Police Partnership Task Force	Part-funding the costs of the two year agreement with the Met Police which came into operation in July 2012.	0.060
	Street Trading Account	The balance on the statutory Street Trading Account can be used in connection with the Council's functions under the London Local Authorities Act 1990 in relation to the provision of street trading.	0.067
	LSC/LLL Core Funding	Grant from the Skills Funding Agency and Young Peoples Learning Agency carried forward to be spent in 2012/13	0.096
	Education FEFC Access	Grant from the Skills Funding Agency carried forward to be spent in 2012/13	0.123
	Community Bus	Funding for the community bus project	0.048
	Safer Stronger Communities	Home Office funding for Safer Stronger Communities carried forward to be spend in 2012/13	0.063
		<b>Total Communities, Localities &amp; Culture</b>	<b>0.789</b>
<b>Children Schools &amp; Families</b>	Minor grants carried forward	A number of small residual grants which either need to be devolved to schools or returned to the DfE.	0.167
	CWDC Social Work Funding	Planned activities supported by the 2011/12 Children's Workforce Development Grant which will be completed in 2012/13.	0.212
		<b>Total Children Schools and Families</b>	<b>0.379</b>

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<b>Adults, Health and Wellbeing</b>	Supporting People	Accumulated funding from Supporting People grant which will be used to fund expenditure to support vulnerable people through to 2014.	1.123
	Joint Health & Social Care Initiatives	Funding provided from NHS sources to fund a joint service agreement between LBTH and the NHS. Due to the timing of the transfer, it was agreed that funding would be utilised over two financial years to ensure delivery of the required outcomes.	4.055
	Other minor AHWB reserves	Minor balances which, following review, are no longer required by the Directorate.	0.355
		<b>Total Adults, Health &amp; Wellbeing</b>	<b>5.534</b>
<b>Resources</b>	Children's Workforce Development	Funding a number of places targeted at Children's Centre staff (programmes managed by HR)	<b>0.102</b>
<b>Insurance</b>	Insurance Reserve	An actuarially assessed reserve representing the risk to the Council of future 'claims' against self insured risks. The level of the reserve is reassessed each year and if necessary topped up from Council budgets.	<b>24.087</b>
<b>Schools Balances</b>	Schools Balances	These are the accumulated balances of locally managed schools which are at the disposal of school governing bodies under the guidance of the Schools Forum.	<b>25.783</b>

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<b>CSF – Early Intervention</b>	CSF Early Intervention	This is a reserve formed of underspent government grants, including Standards Fund Early Intervention Grant from 2011/12. The Standards Fund element will be used for schools and services to schools in accordance with the original grant terms, while the EIG element is earmarked for projects that were not completed by the end of 2011/12.	<b>4.184</b>
<b>Housing Revenue Account</b>	HRA balances	The working balance for the HRA is earmarked for the purpose of expenditure on Council-owned social housing provision. The balances will be used over the course of the HRA Business Plan for the purpose of maintaining the housing stock.	<b>14.578</b>
<b>Capital Programme (General Fund)</b>	Capital Programme	Earmarked to fund the Council's approved capital programme and related revenue expenditure	<b>20.900</b>
		<b>TOTAL – ALL EARMARKED RESERVES</b>	<b>138.293</b>
<b>General Fund Reserve</b>			<b>26.380</b>
			<b>164.673</b>