

REPORT TO: THE MORAY COUNCIL ON 2ND JULY 2008

SUBJECT: FUNDING FROM RESERVES

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To ask Members to note the progress on projects which were approved to be funded from reserves in 2007/08 and to consider whether various projects included in expenditure plans for 2007/08 be carried forward and funded from the Council's Reserves in 2008/09.
- 1.2 This report is submitted to Committee in terms of Section A(2) of the Council's Administrative Scheme relating to managing the finances of the Council.

2. RECOMMENDATION

2.1 It is recommended that Council:

- (a) **notes the progress on projects approved to be funded from reserves in 2007/08.**
- (b) **agrees that the projects detailed in APPENDIX 1 totalling £1,861,000 are funded from reserves in 2008/09.**

3. BACKGROUND

- 3.1 At its meeting on 4th July 2007, the Council agreed expenditure plans for specific projects totalling £2,186,000 to be funded from reserves in 2006/07. Some of these projects remain to be completed and it is proposed that the Council should agree to these projects continuing to be funded from Reserves.
- 3.2 **APPENDIX 1** provides a list of the projects with the amount spent to 31st March 2008 and the proposed amount to be funded from reserves for 2008/09 with details of the reason.
- 3.3 Leisure and Health Living projects totalling £1,017,000 have been planned by the Council as follows:

	£'000
Transfer to Schools budget	305
Moray Wheels Project	87
Moray Sports Facility (net of £667 designated capital receipt)	<u>625</u>
	<u>1,017</u>

Projects carried out in schools in 2007/08 at a cost of £305,000 were met from the Schools Fund in the first instance.

- 3.4 It has been difficult to source suitable accommodation to meet the needs of the Council which has resulted in the budget of £250,000 remaining unused during 2007/08.
- 3.5 Modernising Government Funding from the Scottish Executive is received in advance. Projects were planned over a two to three year period. A balance of £19,000 remains.
- 3.6 The Council committed to spend £25,000 to employ consultants to facilitate consultations with Citizens Panel during 2007/08. £12,000 remains unspent.
- 3.7 Funding from the Scottish Executive has been used for various Anti-Social Behaviour projects over a three year period. £40,000 for Community Safety projects remains unspent.
- 3.8 The Moray Paths Project is due to be completed early in 2008/09 at a cost of £21,000.
- 3.9 The allocation of Quality of Life funding for Care and Repair was unused in 2007/08 as expenditure was met from Scottish Executive grant funding. Quality of Life funding is restricted in its application and it is proposed that this sum is used for the Care and Repair project in 2008/09.
- 3.10 EU funding was applied for the Ancestral Tourism project and accommodation study. The project was delayed until funding was approved. Slippage of £22,000 ensued.
- 3.11 Funding of £320,000 for the NoSLA Shared Revenues & Benefits Feasibility study and £150,000 for the Designing Better Services project was received as Revenue Support Grant in March 2008. Expenditure on these review will be incurred during 2008/09.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

The following Community Plan objectives are reflected in the projects detailed in this report.

- Achieving a Healthy and Caring Community
- Building a Stronger Community
- Achieving a Safer Community
- Working for Increased Prosperity

This Report is consistent with the Corporate Development Plan commitment to Sound Management of Resources.

(b) Policy and Legal

The Council's policy is to maintain a minimum of £5 million as a working balance to cushion the impact of any unforeseen circumstance or emergency.

(c) Resources (Financial, Risks, Staffing and Property)

All the projects detailed in **APPENDIX 1** have previously been approved by Members.

(d) Consultations

Consultations with the relevant Departments have been undertaken in the preparation of this Report.

5. CONCLUSION

- 5.1 The General Services Reserve currently stands at £12,383,000 and will reduce to £10,482,000 if the projects in APPENDIX 1 are funded from reserves in 2008/09. The General Services Reserve includes: £154,000 of Devolved School Management balances of £401,000 for Winter Maintenance and £204,000 for the Central Energy Efficiency Fund.**

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Background Papers:
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