

AGENDA ITEM 9

VALUATION JOINT BOARD FOR CENTRAL SCOTLAND

Subject: RESERVES STRATEGY
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 7th SEPTEMBER, 2012
Author: REPORT BY ASSESSOR AND TREASURER

1. INTRODUCTION

- 1.1 This report presents the proposed Reserves Strategy for Central Scotland Valuation Joint Board.
- 1.2 The report details the percentage of general reserves as well as the value of ear-marked reserves required for specific projects.

2. GENERAL RESERVES

- 2.1 It is proposed that a minimum level of general Reserves of 3% of budget are maintained. This would equate to £76K. It is proposed that this would be implemented by the close of the 2012/13 financial year and will be subject to annual review.

3. EAR-MARKED RESERVES

- 3.1 There are currently two major projects that are likely to have additional financial implications for the Valuation Joint Board. These are the introduction of Individual Electoral Registration and the end of the current rental accommodation agreement.

- 3.2 On the basis of the information currently available estimated costs for the introduction of the IER (individual Electoral Registration):-

• Targeted household / individual Registration	£150,000
• E mail security improvement	£30,000
• New back office software	£20,000
TOTAL	£200,000

- 3.3 The lease for Hillside House comes to an end in October 2013 and the ear-marked provision required for this property review is estimated to be **£159K**.

- 3.4 The amount of reserves that is therefore required to be ring-fenced for specific projects is £359,000.

The amount of reserves carried forward from 2011/12 is £432,000.

Therefore after setting aside the funds for the ring-fenced projects the balance currently available for general reserves is £73K. This is equivalent to 2.8% and is just short of the proposed reserves strategy provision.

An underspend is projected for the current financial year and it is therefore anticipated that by the end of the financial year reserves in excess of the minimum of 3% will be realised.

4. RECOMMENDATIONS

The recommendations arising from this report are that the Joint Valuation Board :-

- (i) Formally approves the ring fencing of the ear-marked reserves as detailed above.**
- (ii) Agrees a minimum general reserves provision of 3% of revenue budget.**

Assessor

Treasurer

Date : 24th August, 2012

LIST OF BACKGROUND PAPERS

1. IER Report to Board 7th September (Assessor)
2. Property Review report to Board 7th September(Assessor)