
Report To:	Policy & Resources Committee	Date:	30 March 2010
Report By:	Chief Financial Officer	Report No:	FIN/26/10/AP/GJ
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	General Fund Revenue Budget 2009/10 – Position as at 31 January 2010		

1.0 PURPOSE

- 1.1 The purpose of the report is to advise Committee of the latest position of 2009/10 General Fund Revenue Budget and to provide an update in respect of earmarked reserves and other relevant matters.

2.0 SUMMARY

- 2.1 Appendix 1 shows that as at 31 January 2010 there is a projected underspend of £2.549 million in the General Fund Revenue Budget which is an increase in underspend of £692,000 since the last report to Committee.
- 2.2 The underspend arises from a previously reported projected underspend in loans charges, a projected non-utilisation of part of the contingency, an increase in Revenue Support Grant and a £1.15 million projected underspend by Service Committees.
- 2.3 All Service Committees are projecting underspends albeit care will need to be taken to ensure this position is maintained to the year end.
- 2.4 Appendix 2 gives the position in respect of earmarked reserves as at 31 January 2010. It can be seen that expenditure is £11.33 million which represents 49% of projected spend 10 months into the financial year. The Committee can be assured that all earmarked reserves have been reviewed by the Lead Officers who have confirmed the projections reported.
- 2.5 Appendix 3 shows the latest projected position of the General Fund Reserve as at 31 March 2010. This shows a projected balance of £6.65 million. The Appendix also shows the projected Reserves position as at 31 March 2011 after taking account of the February 2010 budget decisions.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the current position of the 2009/10 General Fund Revenue Budget.
- 3.2 It is recommended that the Committee note the position of the General Fund Reserves and the associated earmarked reserves.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Council agreed the 2009/11 Revenue Budget on 12 February 2009. This was the first two year budget agreed by the Council and included an estimated allowance for the pre-budget efficiency saving announced by the Chancellor in 2008.
- 4.2 As part of the approved budget, the Council agreed the utilisation of General Fund Reserves with a result of reducing the non-earmarked General Fund Reserve of £4 million by 31 March 2010.
- 4.3 A number of amendments were made to this budget on 9 February 2010 and these are included in this report.

5.0 2009/10 CURRENT POSITION

- 5.1 Appendix 1 shows that as at 31 January 2010 there is a projected underspend of £2.549 million. This is an increase in underspend of £692,000 since the last report, with the main reasons for the overall underspend being projected savings in loans charges, a saving in the contingency, increases in Revenue Support Grant and a £1.15 million projected underspend in Service Committees.
- 5.2 It can be seen from Appendix 1 that all Committees are projecting underspends. This is encouraging given the significant pressures on budgets but continued care will need to be taken to ensure underspends are maintained to the year end.

6.0 EARMARKED RESERVES

- 6.1 It can be seen from Appendix 2 that expenditure on Earmarked Reserves in 2009/10 is £11.33 million which represents 49% of projected expenditure. This level of expenditure is quite low compared to the proportion of the financial year which has passed, but Committee are advised that there are several very large areas of expected spend in March 2010. In addition, the CMT review progress each month in order to ensure that there is appropriate challenge for the projections reported.

7.0 GENERAL FUND RESERVES

- 7.1 Appendix 3 shows the projected position in respect of the General Fund Reserve as at 31 March 2010. It can be seen that based on the current projected underspend and the previously approved utilisation of resources, there is a projected balance at 31 March 2010 of £6.65 million. Proposals in respect of the General Fund Reserves were approved as part of the 2010/11 budget on 9th February 2010 and the Appendix reflects these decisions.

8.0 FINANCIAL STRATEGY

- 8.1 Each Policy & Resources Committee highlights other issues not included in the projections which may impact on future revenue monitoring reports and future years' budgets. Issues to highlight in the report are as follows:

Economic Outlook

The economic situation remains largely unchanged with base rates expected to be at current levels for the next 6 months. However there has been a sharp rise in inflation in recent months, the impact of which has not yet been felt by the Council.

Pay Awards

The approved 2010/11 included 2.5% for pay inflation. Negotiations in respect of the award are ongoing but it is expected the final award will be significantly less than this allowance. Committee has agreed that any saving in this area in 2010/11 should be put into the Early retiral/VST earmarked reserve.

Reopening 2010/11 Settlement

There remains a possibility that an incoming Government in Westminster may revisit Public Sector funding for 2010/11. There is therefore a risk that the Council's grant funding could be revised. Details of this will not be known until after the summer recess.

Equal Pay

There remains a large number of Equal Pay claims outstanding. Officers from HR and Finance are currently calculating an appropriate provision to be included in the 2009/10 Accounts. This could significantly reduce the 2009/10 surplus with the resultant impact on reserves. A detailed report on this issue is expected to be reported to the next meeting of the Committee.

9.0 CONSULTATION

9.1 This report has been approved by the Corporate Management Team.

Policy & Resources Committee**Revenue Budget Monitoring Report****PERIOD 10 : 1st April 2009 to 31st January 2010**

Committee	Approved Budget 2009/2010	Revised Budget 2009/2010	Projected Out-turn 2009/2010	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	30,311	31,500	30,459	(1,041)	(3.30%)
Safe, Sustainable Communities	18,229	17,502	17,495	(7)	(0.04%)
Regeneration & Resources	10,223	8,575	8,416	(159)	(1.85%)
Education & Life Long Learning	76,170	76,681	76,514	(167)	(0.22%)
Health & Social Care	51,212	51,309	51,061	(248)	(0.48%)
Committee Sub-Total	186,145	185,567	183,945	(1,622)	(0.87%)
Loan Charges	14,680	14,283	13,583	(700)	(4.90%)
Revenue Support Grant	(134,349)	(135,621)	(135,848)	(227)	0.17%
Allocation to Non General Fund Budgets	(278)	(278)	(278)	0	0.00%
Council Tax	(32,900)	(32,900)	(32,900)	0	0.00%
Community Charge	(20)	(20)	(20)	0	0.00%
Non Domestic Rates	(34,125)	(34,125)	(34,125)	0	0.00%
Contribution to General Fund Reserve	847	847	847	0	0.00%
¹ Earmarked Reserves	0	2,247	2,247	0	0.00%
Net Expenditure	0	0	(2,549)	(2,549)	

Notes: This represents 2009/10 funding which is to be carried forward to future years.

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Riverside Inverclyde	1,065
Modern Apprenticeship	80
Landfill Tax	677
FSF	292
Workforce Dev	107
RVJB	26
	<u>2,247</u>

Earmarked Reserves Position Statement

Appendix 2

Summary

Committee	<u>c/f Funding</u> 2008/09 £000	<u>New</u> Funding 2009/10 £000	<u>Total</u> Funding 2009/10 £000	<u>Actual Spend</u> To 31 Jan 10 £000	<u>Projected</u> Spend 2009/10 £000	<u>Earmarked</u> 2010/11 & Beyond £000	<u>2009/10</u> %age Spend
Education & Lifelong Learning	1,786	5,394	7,180	486	3,186	3,994	15.25%
Safe Sustainable Communities	2,977	4,531	7,508	1,418	2,883	4,625	49.18%
Health & Social Care	997	1,111	2,108	1,209	1,757	351	68.81%
Regeneration	2,344	9,814	12,158	6,614	9,616	2,542	68.78%
Policy & Resources	2,103	6,491	8,594	1,606	5,634	2,960	28.51%
	10,207	27,341	37,548	11,333	23,076	14,472	49.11%

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2008/09</u>	<u>New Funding 2009/10</u>	<u>Total Funding 2009/10</u>	<u>Actual To Period 10 2009/10</u>	<u>Projected Spend 2009/10</u>	<u>Amount to be Earmarked for 2010/11 & Beyond</u>	<u>Lead Officer Update</u>	<u>Proposed to Write Back to General Fund Reserves</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>		
School Estate M P	Tom Reid	1,786	5,394	7,180	486	3,186	3,994	A further review of the SEMP model took place in December 2009 and as a result the projected spend for 2009/10 has been reduced by £227k to £3,186k. The majority of this expenditure (£2,345k) relates to Loan Charges / Unitary Charges and will be incurred at the year end. £55k of the £313k of expenditure for maintenance work is included in Period 10 Actual. The remaining balance will be transferred from Property Services by the year end.	
Total		1,786	5,394	7,180	486	3,186	3,994		

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Safe Sustainable Communities

Project	Lead Officer/ Responsible Manager	c/f Funding 2008/09	New Funding 2009/10	Total Funding 2009/10	Actual To Period 10 2009/10	Projected Spend 2009/10	Amount to be Earmarked for 2010/11 & Beyond	Lead Officer Update	Proposed to Write Back to General Fund Reserves
		£000	£000	£000	£000	£000	£000		
Community Investment Fund	Neil Graham	328		328	124	148	180	Due to potential delay in agreeing a lease deal with Ardgowan estates, £180k is set aside for the project at Lunderston Bay for 2010/11 (£155k agreed and £25k uncommitted balance).	
Maintenance of Trunk Road Network	Alan Barnes	59		59	0	0	59	Transport Scotland have advised that the Traffic Regulation order will be promoted and they will start work at the South Street Roundabout prior to the financial year end. This will allow the Council to commence work early next financial year..	
Strategic Housing Fund	Neil Graham	782	627	1,409	4	4	1,405	The total funding is earmarked for Strategic Housing functions, especially Contaminated Land costs. Previously estimated £100k spend for 2009/10 for Private Sector House condition survey is now projected to be spend in early 2010/11. There is a potential Employment Tribunal case involving former Sheltered Housing Warden/s, the outcome of which would need to be funded from this fund.	
National Accommodation Strategy for Sex Offenders	Fraser Williamson	33		33	33	33	0	Full spend incurred. Post to continue to 31st March 2010 using funding available within Directorate.	
Private Sector Housing Grant	Fraser Williamson	447	1,178	1,625	937	1,412	213	It is projected that the proposed regeneration enabling budget of £186k will not be able to be utilised in 2009/10. Confirmation has been received from the Scottish Government that underspend can be carried forward. Earmarked reserves c/fwd from 2008/09 includes an overclaim of £50k which potentially has to be returned back to the Scottish Government and £16k to be written back to General Reserves.	16
Antisocial Behaviour Funding	John Arthur	30		30	24	30	0	Employee in post. Full spend projected by year end.	
Food Waste Trial	Alan Barnes	104		104	104	104	0	Trial finished in January 2010.	
Support for Owners (Right to Buy Receipts)	Fraser Williamson	437	1,634	2,071	65	889	1,182	There is a underspend of £1,182k. Clarification received from Scottish Government that underspends cannot be carried forward. River Clyde Homes identified a maximum of £889k of spend based on their investment programme to 31/03/2010. At present the Council has to repay the Scottish Government the full £1,634k of new funding and then reclaim £452k, which along with the c/fwd funding of £437k will constitute the total spend of £889k. Committee has agreed to form a cross party group which will meet with the Scottish Government to discuss potential of retaining underspend for spend in 2010/11.	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Safe Sustainable Communities

Project	Lead Officer/ Responsible Manager	c/f Funding 2008/09	New Funding 2009/10	Total Funding 2009/10	Actual To Period 10 2009/10	Projected Spend 2009/10	Amount to be Earmarked for 2010/11 & Beyond	Lead Officer Update	Proposed to Write Back to General Fund Reserves
		£000	£000	£000	£000	£000	£000		
Play Areas	Neil Graham	0	250	250	127	157	93	This earmarked reserve has been set aside as funding for play areas. This work is currently being reported through Capital Programme as CFCR. Spend of £81k incurred for Overton Play Area and Quarriers Play Area and £46k incurred for Area Renewal. Note that £76k of the projected total spend relates to Area Renewal within the Capital Programme.	
Implementation of Green Charter	Neil Graham	0	50	50	0	0	50	It is anticipated that the Green Charter reserve will be underspent by the full amount as the new post for Carbon Management Development Officer did not attract any suitable candidate. As a result it has not been possible to progress the Green Charter project works in 2009/10. The budget will be required in 2010/11 to meet the Carbon Reduction Commitment Energy Efficiency Scheme and the recently-approved Climate Change (Scotland) Act 2009.	
Traffic Study - George Rd/Larkfield Rd	Neil Graham	0	25	25	0	25	0	The traffic study has been completed and Service expects spend to be incurred from February onwards. Full spend expected by year end.	
Landfill Penalty Scheme	Neil Graham	676	677	1,353	0	0	1,353	Spend is subject to Scottish Government deciding to levy the penalties.	
Affordable HRA (Council Tax 2nd Home Discount)	Fraser Williamson	81	90	171	0	81	90	New funding for 2009/10 is subject to variation. Service confirmed £81k to be awarded to Cloch Housing Association as the Council's contribution towards affordable social rented housing at Maukinhill Phase 2, and payment to be made by year end.	
Total		2,977	4,531	7,508	1,418	2,883	4,625		

EARMARKED RESERVES POSITION STATEMENT

Appendix 2 (3)

COMMITTEE: Health and Social Care

Project	Lead Officer/ Responsible Manager	c/f Funding 2008/09	New Funding 2009/10	Total Funding 2009/10	Actual To Period 10 2009/10	Projected Spend 2009/10	Amount to be Earmarked for 2010/11 & Beyond	Lead Officer Update	Proposed to Write Back to General Fund Reserves
		£000	£000	£000	£000	£000	£000		
Telecare Grant	Gillian McCready	107	320	427	150	298	129	The underspend is mainly due to delays due to technical difficulties with the installation of the Telehealth Equipment. Match funding budget and expenditure being identified.	
Demonstrators Grant	Gillian McCready	113	0	113	51	90	23	£90k expenditure projected, balance requested to be earmarked to 2010/11. Service seeking permission from Scottish Government to carry forward.	
Homelessness Task Force Grant	Jim Anderson	224		224	201	201	23	Retention for 2010/11. Contract will otherwise be completed in 2009/10.	
Financial Inclusion - FSF	Anne Feeney	224	112	336	156	336	0	Full spend anticipated prior to 31/3/10, confirmed with Service Manager.	
- Champions Fund	Anne Feeney	196	0	196	187	196	0	Contract runs to 2011, with further funding in 2010/11. Full spend expected.	
FSF Social Care **	Colin Struthers	123	679	802	464	636	166	FSF funding to cover to March 2010. Detail of projects below. Underspend anticipated of £166k (breakdown below) in projects due to slippage and recruitment problems. FSF are aware of the project slippage and have reduced the contract values accordingly, thus reducing the internal income transferred, therefore the underspend will not be earmarked for 2010/11.	
Pilot to enhance job opportunities for care leavers	Sharon McAlees	10		10	0	0	10	Service Manager has confirmed funding will not be spent in this financial year and is requesting approval from the Scottish Government to carry forward.	
Total		997	1,111	2,108	1,209	1,757	351		

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Fairer Scotland Fund - Choose Life	B Young	3	25	28	5	11	17		
Fairer Scotland Fund - Drugs Carers Programme	D Carmichael	35	69	104	64	81	23		
Fairer Scotland Fund - YPAT Culture Change	C Park	20	165	185	126	140	45		
Fairer Scotland Fund - Road to Recovery	D Carmichael	18	173	191	108	191	0		
Fairer Scotland Fund - Homeless Detox	C Park	47	247	294	161	213	81	housing support to be charged included in actuals to date.	
		123	679	802	464	636	166		

EARMARKED RESERVES POSITION STATEMENT

Appendix 2 (4)

COMMITTEE: Regeneration

Project	Lead Officer/ Responsible Manager	c/f	New	Total	Actual	Projected	Amount to be	Lead Officer Update	Proposed to Write Back to General Fund Reserves
		Funding	Funding	Funding	To Period 10	Spend	Earmarked for		
		2008/09	2009/10	2009/10	2009/10	2009/10	2010/11 & Beyond		
		£000	£000	£000	£000	£000	£000		
Riverside Inverclyde	Stuart Jamieson	1,052	1,513	2,565	826	1,500	1,065	A request for funding was received in period 10 for £175k however due to timing issues it was not possible to process this before the period end. Therefore the £175k spend will be seen in Period 11.	
Modern Apprenticeship	Stuart Jamieson	50	100	150	64	70	80	The Service has recently employed 2 part-skilled Apprentice Joiners on 2 January 2010.	
Tall Ships	Aubrey Fawcett	70	150	220	20	20	200	£20k for port fees was paid for in January 2010.	
FSF	Stuart Jamieson	1,150	6,125	7,275	5,162	6,983	292	Reflects the position reported to the Scottish Executive in the FSF Mid-Year Expenditure Return. The final quarterly payments will be made in period 12.	
FSF Community Hubs	Stuart Jamieson	22	506	528	439	528	0	This includes funding of £200k (capital) given by Economic and Social Regeneration for Wellpark Community Facility..	
Area Renewal Fund	Aubrey Fawcett	0	500	500	0	219	281	To date £430k has been allocated, however it is expected that only £219k of this will actually be spent in Period 12 2009/10 with £281k carried forward into 2010/11. The funding has been allocated as follows: - Retail Assessment for Greenock South West - £19k; - Master planning for Drumfrochar Road/ Broomhill Area - £30k; - Match funding for bid to Town Centre Regeneration Fund for Port Glasgow and Greenock Town Centre's - £200k; - Match funding contribution to Gibshill Community Centre project - £100k; and - Clune Park Resource Centre - £75k The remaining balance of £76k is expected to be allocated by the year end but not spent until 2010/11.	
Arts Guild - Further Funding	Aubrey Fawcett	0	500	500	0	0	500	Report was presented to the September Regeneration Committee updating the timescales. As a result £500k will be carried forward.	
Hunter Place Toilet - Refurbishment	Joe Lynch	0	20	20	20	20	0	Public Convenience now opened	
Facilities Management Efficiency Review	Joe Lynch	0	400	400	83	276	124	A first payment totalling £83k was made in December 2009 and the second payment for £193k will be made in March 2010. This has increased by £56k mainly due to the late acceptance of new terms by 7 staff. This leaves six staff who if they accepted new terms would result in a further payment of £45k.	79
Total		2,344	9,814	12,158	6,614	9,616	2,542		

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2008/09</u>	<u>New Funding 2009/10</u>	<u>Total Funding 2009/10</u>	<u>Actual To Period 10 2009/10</u>	<u>Projected Spend 2009/10</u>	<u>Amount to be Earmarked for 2010/11 & Beyond</u>	<u>Lead Officer Update</u>	<u>Proposed to Write Back to General Fund Reserves</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>		
Early Retiral/Voluntary Severance Reserve	Alan Puckrin	799	2,800	3,599	923	3,599	0	Anticipated that all of the earmarked sum will be committed by 31/03/10. £1.8 million added to reserves by P&R Committee 22/09/09.	
Single Status	Alan Puckrin	309		309	65	80	229	Sum held for financing training of red circled employees and managing the appeals process.	
Single Status Appeals Back Pay	Alan Puckrin	0	500	500	0	0	500	Allocation for back dating any appeals. No appeals yet considered but pre appeals process & training in progress.	
MGF	Gordon McLoughlin	514		514	99	103	411	Modernisation and Efficiency programme extends over a number of years. Slippage in 2009/10 of £411k previously reported. The Young Persons Smartcard scheme was funded by the Scottish Government however the scheme was abandoned and to date funding has not been requested as a result £51k proposed to be written back to General Fund as part of 2010/11 budget process.	51
Modernisation & Efficiency Fund	Gordon McLoughlin	205		205	117	117	88	Modernisation and Efficiency Fund created in 2008/09. Slippage of £74k earmarked for 2010/11 will be used on Asset Management projects. Fund has a £14k balance which is to be transferred to the Future Operating Model.	
Birkmyre Pavilion	Aubrey Fawcett	9		9	9	9	0	Final internal fee claim was paid on December 2009.	
RVJB Capital Contribution	Alan Puckrin	30	26	56	0	30	26	Council invoiced at the year end.	
Workforce Development Fund	Alasdair Moore	42	150	192	84	85	107	£112k committed to date on various projects. The £107k earmarked for 2010/11 will be mainly used on an employee survey.	
Short Term Cash Flow - Economic Downturn	Alan Puckrin	0	1,500	1,500	0	850	650	£850k approved to fund vehicle replacements 16/06/09. Balance proposed to be written back to General Fund as part of 2010/11 budget process.	650
Future Operating Model Delivery	Gordon McLoughlin	0	1,000	1,000	227	452	548	Detailed budget approved by Committee, anticipate full spend of 2009/10 budget.	
One off Costs, Savings Implementation	Alan Puckrin	0	150	150	62	90	60	Funding to manage implementation of savings. Balance proposed to be written back to General Fund as part of 2010/11 budget process.	60

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2008/09</u>	<u>New Funding 2009/10</u>	<u>Total Funding 2009/10</u>	<u>Actual To Period 10 2009/10</u>	<u>Projected Spend 2009/10</u>	<u>Amount to be Earmarked for 2010/11 & Beyond</u>	<u>Lead Officer Update</u>	<u>Proposed to Write Back to General Fund Reserves</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>		
Allowance for Elections to May 2012	Elaine Paterson	0	300	300	12	12	288	Projected 2009/10 spend assumes no further by-elections before the financial year end.	
Revenue Expenditure Transferred from Capital	Alan Puckrin	175	0	175	0	175	0	Sum set aside and utilised as part of the accounts closure process.	
ICMS Security Upgrade	Alan Puckrin	20	0	20	4	16	4	Funding to make cash collection system fully credit card compliant. Server purchased and upgrade ongoing, £12k committed to date. Balance proposed to be written back to General Fund as part of 2010/11 budget process.	4
Taxi Study	Howard McNeilly	0	15	15	0	12	3	The Taxi Study has been completed and the Service has again requested that an invoice for £11.5k be issued by the consultant.	3
Waterfront Legal Fees	Elaine Paterson	0	50	50	4	4	46	Litigation costs. Final invoice paid in December 2009. Balance proposed to be written back to General Fund as part of 2010/11 budget process.	46
Total		2,103	6,491	8,594	1,606	5,634	2,960		

APPENDIX 3

GENERAL FUND RESERVE POSITION Position as at 31/01/2010

	<u>£000</u>	<u>£000</u>
Balance 01/04/09		4590
Legal Fees - Waterfront Consultants	(50)	
Voluntary Severance	(1800)	
Facilities Management Efficiency Review	<u>(400)</u>	(2250)
Budgeted Contribution to Reserves 2009/10		847
Projected Surplus/(Deficit) 2009/10		2549
Write back of Earmarked Reserves to General Fund		909
Projected Balance 31/03/10		<u><u>6645</u></u>

Write back of earmarked reserves to General Fund

Private Sector Housing Grant	16	
MGF	51	
Short Term Cash Flow - Economic Downturn	650	
One off costs, Savings Implementation	60	
ICMS Security Upgrade	4	
Taxi Study	3	
Waterfront Legal Fees	46	
FM Review	79	
	<u><u>909</u></u>	

Note:

Position approved 09/02/10 for 2010/11	<u>£000</u>	<u>£000</u>
Projected Balance 31/03/10		6645
<u>Approved Usage:</u>		
Aids and Adaptations 2010/14	(400)	
Flooding Strategy - Initial Allowance	(500)	
Implementation of Saving Workstreams	(200)	
Double Pot Hole Repair Budget 2010/11	(400)	
Play Area Strategy	(350)	
Support for Community Facilities	<u>(750)</u>	(2600)
Budget Contribution to Reserves 2010/11		907
Projected Surplus 2010/11		<u><u>4952</u></u>

¹ Minimum Reserve required is £4.2 million

² Agreed that any surplus over minimum reserve could be added to VST Earmarked Reserve