

REVIEW OF RESERVES AND PROVISIONS

Portfolio:	Finance
Ward(s) Affected:	All

Purpose

To enable members to review the criteria for maintaining individual Reserves and Provisions, following the closure of the 2014/15 accounts and to make recommendations to the Executive as appropriate.

Background

1. The Council's Reserves and Provisions are reviewed by officers whilst preparing the annual financial statements.
2. Members are asked to consider whether the criteria for maintaining a specific reserve or provision is appropriate and if it is whether the amount put aside is adequate or not.
3. Provisions are required for any liability of uncertain timing or amount that have been incurred. They are recognised when:
 - The local authority has a present obligation (legal or constructive) as a result of a past event;
 - It is probable that a transfer of economic benefit will be required to settle the obligation; and
 - A reliable estimate can be made of the amount of the obligation
4. Reserves are amounts set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cash flow management. Generally they are:
 - A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing - this forms part of general reserves
 - A contingency to cushion the impact of unexpected events or emergencies - this also forms part of general reserves
 - A means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements.

Current Position

5. All of the Council's the Reserves and Provisions are listed in Annex A. This also shows the balances as at the 31st March 2014 and 2015 together with a projected balance as at 31st March 2016.

Annex B include details on each reserve and provision such as any restrictions, approval process, monitoring and revenue impact. It also includes a rationale for the level of fund retained if appropriate.

6. Any individual revenue reserves deemed to be no longer required after taking account of medium and longer term financial risks are released back to the Council's General Fund.
7. No discretionary interest will be added to any reserves and provisions in 2015/16 in order to meet the Council's budgetary requirements.
8. The Capital Receipts Reserve, which arises from the sale of assets, can only be used to purchase new capital assets and cannot be taken to General Fund.
9. Currently reserves are invested to generate interest returns to support the budget although the return achieved is only 1.59%. The level of reserves retained by Councils will become more important going forward as the level of volatility in Council finances increases due to various funding changes.
10. In order to assess the adequacy of unallocated general reserves the Council needs to take account of the strategic, operational and financial risks facing the authority.

Proposals

11. The Committee is recommended to propose to Executive that all reserves and provisions and associated criteria remain unchanged.

Options

12. The Committee may accept, reject or amend the proposals

Recommendation

It is RECOMMENDED that the Committee proposes to Executive that all reserves and provisions and the associated criteria remain unchanged.

Background Papers: None

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GENERAL FUND CAPITAL AND REVENUE BALANCES 2014 TO 2016			
<i>Status: Performance & Finance Scrutiny Committee</i>	ACTUAL	ACTUAL	ESTIMATED
<i>29-Jul-15</i>	BALANCE	BALANCE	BALANCE
	31-Mar-14	31-Mar-15	31-Mar-16
	£000	£'000	£000
CASH-BACKED CAPITAL RECEIPTS	2,063	809	0
<u>Earmarked Revenue Reserves :</u>			
Affordable Housing	0	316	316
Atrium Public Art	12	13	13
Atrium S106 Agreement	367	341	311
Blackwater Valley & Developer Contributions	137	106	90
Chewing Gum Machine (S106)	13	13	11
Chobham and Town Team Partnership	6	5	4
Community Fund (2002)	355	329	299
Commuted Sums	786	691	600
Crime and Disorder Partnership	125	122	39
Deput Village Centre (Commuted Sums - Leisure Service)	375	377	377
Heatherside Multi - Use Games	43	39	35
Insurance Reserve	218	217	217
Land Drainage	384	384	329
Local Land Charges Revocation Fund	25	25	0
New Burdens Funding	49	130	100
Old Dean Toddlers Playground	20	20	19
Personalisation and Prevention Partnership Fund	70	44	0
Planning S106 Agreements	135	134	134
Planning Tariff Contributions	405	459	459
Recycling Equisation Fund	206	206	206
Remediation Fund	45	45	45
Repairs and Maintenance Fund	1842	1915	1815
Safer Surrey Heath	7	0	0
SANGS (Suitable Alternative Natural Green Space)	887	1500	1500
Surrey Family Support Programme	247	158	72
Windle Valley Wellbeing Centre	60	0	0
Sub-Total Earmarked Revenue Reserves	6,819	7,589	6,991
<u>Revenue Reserves :</u>			
Capital Fund	9,704	9,367	8,967
General Fund Working Balance	2,415	3,761	1,053
Sub-Total Revenue Reserves	12,119	13,128	10,020
REVENUE RESERVES AND PROVISIONS	18,938	20,717	17,011

Fund	AFFORDABLE HOUSING
Purpose of Fund	Fund set up from Developers contributions where they are unable to provide Affordable Housing at their site to enable SHBC to provide Affordable Housing elsewhere.
Movement within year	Developer Contributions received and credited to the reserve
Restrictions of Use	The fund can only be used for the purpose stated above
Balance at 31st March 2015	£ 316,000
Projected Balance at 31st March 2016	£ 316,000
Approval of Spending	The Executive
Monitoring	Executive Head of Regulatory
Proposed changes to policy	None
Criteria for calculating fund requirement	There is a formula for the calculation of the provision, but not for the actual contributions. Contributions are agreed on a scheme by scheme basis with the Regulatory Officers
Criteria for calculating annual contribution	N/A – from external contribution
Proposal	N/A – from external contribution
Impact on Revenue Budget	None directly but use of fund reduces investment income.

Fund	ATRIUM PUBLIC ART
Purpose of Fund	Fund for the construction and installation of the Atrium Public Art together with on-going maintenance and insurance costs. This fund receives interest on an annual basis
Movement within year	No maintenance was been required on the art. Interest has been credited to this account for 2014/15.
Restrictions of Use	The fund can only be used for the purpose agreed under the S106 Agreement
Balance at 31st March 2015	£ 13,000
Projected Balance at 31st March 2016	£ 13,000
Approval of Spending	The Executive
Monitoring	Executive Head of Finance
Proposed changes to policy	None
Criteria for calculating fund requirement	The fund is meant to be adequate enough for on-going maintenance and costs.
Criteria for calculating annual contribution	N/A – from external contribution
Proposal	N/A – from external contribution
Impact on Revenue Budget	Use of fund supports revenue expenditure but reduces investment income.

Fund	ATRIUM S106 AGREEMENT
Purpose of Fund	Fund set up from the Developer Contributions for Town Centre Management Improvements. This fund receives interest on an annual basis
Movement within year	Expenditure incurred for CCTV and new litter bins for Camberley Town Centre. Interest has been credited to this account for 2014/15.
Restrictions of Use	This fund can only be used in accordance with the S106 Agreement
Balance at 31st March 2015	£ 341,000
Projected Balance at 31st March 2016	£ 311,000
Approval of Spending	Delegated to Chief Executive – Executive 26 January 2010
Monitoring	Chief Executive
Proposed changes to policy	None
Criteria for calculating fund requirement	N/A - from external contributions
Criteria for calculating annual Contribution	N/A – from external contributions
Proposal	None
Impact on Revenue Budget	None directly but use of fund reduces investment income.

Fund	BLACKWATER VALLEY & DEVELOPER CONTRIBUTIONS
Purpose of Fund	Committed sum held to meet the annual maintenance costs and refurbishment of the recreational facilities at Crabtree Park and Mytchett Recreation Ground.
Movement within year	Expenditure on improvements to, and the maintenance of, Crabtree Park and Mytchett Recreation Ground. Crabtree Park had part of it's skating equipment replaced
Restrictions of Use	This fund can only be used for the purpose noted above
Balance at 31st March 2015	£ 106,000
Projected Balance at 31st March 2016	£ 90,000
Approval of Spending	The Executive
Monitoring	Executive Head of Business
Proposed changes to policy	None
Criteria for calculating fund requirement	N/A
Criteria for calculating annual Contribution	N/A
Proposal	None
Impact on Revenue Budget	Eliminates impact on revenue budget of maintenance costs but use of fund reduces investment income

ANNEX B - cont

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Fund	CHEWING GUM MACHINE (S106)
Purpose of Fund	Fund set up from S106 contribution from the Atrium Development, (Executive 6 May 2009 184/E refers), for the replacement of the chewing gum machine after 4 years and parts and consumables over the 8 year life of the extended street cleansing contract. This fund receives interest on an annual basis
Movement within year	Minimal expenditure on maintenance of the machine. Interest has been credited to this account for 2014/15.
Restrictions of Use	This fund is set aside for the purpose above and is therefore restricted in accordance with the S106 Agreement
Balance at 31st March 2015	£ 13,000
Projected Balance at 31st March 2016	£ 11,000
Approval of Spending	Executive
Monitoring	Executive Head of Community
Proposed changes to policy	None.
Criteria for calculating fund requirement	N/A.
Criteria for calculating annual contribution	N/A
Proposal	None
Impact on Revenue Budget	None directly but use of fund reduces investment income

Fund	CHOBHAM AND TOWN TEAM PARTNERSHIP
Purpose of Fund	A ring fenced fund set up in 2012/13 to hold grant funds from the DCLG for the use of Chobham BEE to support the economic vitality of the village. These funds do not belong to Surrey Heath. The Council is a custodian and approved the expenditure.
Movement within year	Expenditure for Festive Lights for Christmas 2014
Restrictions of Use	This fund can only be in accordance with the DCLG conditions
Balance at 31st March 2015	£ 5,000
Projected Balance at 31st March 2016	£ 4,000
Approval of Spending	Executive Head of Finance
Monitoring	Executive Head of Finance
Proposed changes to policy	None can be made as the fund is ring fenced
Criteria for calculating fund requirement	A one off contribution made by the DCLG in 2012/13
Criteria for calculating annual contribution	A one off contribution made by the DCLG in 2012/13
Proposal	None
Impact on Revenue Budget	None directly but use of fund reduces investment income.

Fund	COMMUNITY FUND (2002)
Purpose of Fund	Fund set up in 2002/03 to make grants to community based organisations. The fund is split into the four categories of Projects, Pedestrian Safety, Reserve and Environmental Bursary. Although it is estimated that £75,000 of this will be spent each year all grants are made are subject to Executive approval.
Movement within year	Expenditure for community grants, as approved by the Executive. All applications are considered and recommendations are made to the Executive to Approve, Amend or Reject
Restrictions of Use	The Executive can amend or remove any restrictions as it sees fit.
Balance at 31st March 2015	£ 329,000
Projected Balance at 31st March 2016	£ 299,000
Approval of Spending	The Executive
Monitoring	Fund commitments updated with each report to the Executive.
Proposed changes to policy	None.
Criteria for calculating fund requirement	A one off contribution made from General fund in 2002/03
Criteria for calculating annual Contribution	A one off contribution made from General fund in 2002/03.
Impact on Revenue Budget	None – grants should not have any direct revenue implications for the Council however use of fund reduces investment income.

Fund	COMMUTED SUMS
Purpose of Fund	Funds contributed by developers for the maintenance of open spaces and recreational amenities e.g. playground equipment to cover their annual maintenance and eventual refurbishment. Executive Report 12 March 2013, minute 105/E Refers approving an increase to the capital program to finance capital improvements to leisure facilities on various sites for which sums have been received. Interest has been credited to this account for 2014/15.
Movement within year	Expenditure on Frimley Lodge Park, Camberley Park and Upland Road Play Area. Minor works to Clearsprings and Deanside
Restrictions of Use	This fund can only be used for the purpose noted above
Balance at 31st March 2015	£ 691,000
Projected Balance at 31st March 2016	£ 600,000
Approval of Spending	Executive
Monitoring	Executive Head of Business
Proposed changes to policy	None
Criteria for calculating fund requirement	N/A – from external contributions.
Criteria for calculating annual Contribution	N/A – from external contributions.
Proposal	None.
Impact on Revenue Budget	Reduces the cost of maintenance in the revenue budget but use of fund reduces investment income

Fund	CRIME AND DISORDER PARTNERSHIP
Purpose of Fund	Fund set up in 2000/01 to finance Community Safety activities of mutual benefit to the whole partnership set up under the Crime and Disorder Act 1999 e.g. Safety Campaigns and Your Sanctuary (Domestic Abuse Support)
Movement within year	The Safer Surrey Heath Partnership has been merged with this fund, resulting in the net Expenditure on the fund totalling £3,000 during 2014/15. There is approval for £83,000 of spend during 2015/16 Executive 24/02/15 minute 106/E refers
Restrictions of Use	This fund can only be used for the purpose noted above
Balance at 31st March 2015	£ 122,000
Projected Balance at 31st March 2016	£ 39,000
Approval of Spending	The partners in the Responsible Authorities Group of Surrey County Council, North West Surrey Police and this Council who approve all spend on schemes.
Monitoring	Chief Executive / Transformation Team Manager
Proposed changes to policy	None.
Criteria for calculating fund requirement	None.
Criteria for calculating annual contribution	None.
Proposal	None.
Impact on Revenue Budget	None - grants should not have any direct revenue implications for the Council however use of fund reduces investment income

Fund	DEEPCUT VLLAGE CENTRE (COMMUTED SUMS -LEISURE SERVICES)
Purpose of Fund	Sum set aside to provide for maintenance of Deepcut Village Centre. This fund receives interest on an annual basis
Movement within year	No expenditure incurred. Interest has been credited to this account for 2014/15.
Restrictions of Use	This fund can only be used for the purpose noted above
Balance at 31st March 2015	£ 377,000
Projected Balance at 31st March 2016	£ 377,000
Approval of Spending	Executive Head of Business
Monitoring	Executive Head of Business
Proposed changes to policy	None.
Criteria for calculating fund requirement	None
Criteria for calculating annual contribution	None
Impact on Revenue Budget	Prevents future maintenance costs being charged to revenue but use of fund reduces investment income

Fund	HEATHERSIDE MULTI-USE GAMES
Purpose of Fund	To provide a fund to cover future maintenance of this facility This fund receives interest on an annual basis
Movement within year	Expenditure on repairs and new equipment for the area. Interest has been credited to this account for 2014/15.
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2015	£ 39,000
Projected Balance at 31st March 2016	£ 35,000
Approval of Spending	The Executive
Monitoring	Executive Head of Business
Proposed changes to policy	None.
Criteria for calculating fund requirement	None.
Criteria for calculating annual contribution	None.
Proposal	None.
Impact on Revenue Budget	None directly but use of fund reduces investment income,

Fund	INSURANCE RESERVE
Purpose of Fund	Comprises a sum set aside in connection with the run-down of Municipal Mutual Insurance (MMI) and the potential contribution towards costs. This is likely to crystallise in the near future due to a supreme court judgement. It also available for risk management and to cover uninsured losses
Movement within year	Expenditure on a minor insurance claim within the borough
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2015	£ 217,000
Projected Balance at 31st March 2016	£ 217,000
Approval of Spending	Executive Head of Finance
Monitoring	Monitoring statement of Insurance Reserve Risk Management spend versus commitments reported via the Members' Information Bulletin twice a year.
Proposed changes to policy	None
Criteria for calculating fund requirement	Municipal Mutual (MM) provides a twice yearly statement of Payments/Recoveries and estimated Outstanding Claims. MM's Finance Director advised the Council's liability may last until 2024.
Criteria for calculating annual contribution	No budgeted contributions to be budgeted.
Proposal	None
Impact on Revenue Budget	The fund means any claims made should not fall on revenue but use of fund reduces investment income

Fund	LAND DRAINAGE
Purpose of Fund	To finance un budgeted land drainage schemes
Movement within year	No expenditure incurred within the year. There is Executive approval, July 2014, for expenditure to be incurred and this will be during 2015/16
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2015	£ 384,000
Projected Balance at 31st March 2016	£ 329,000
Approval of Spending	Executive
Monitoring	Executive Head of Regulatory
Proposed changes to policy	None.
Criteria for calculating fund requirement	None.
Criteria for calculating annual contribution	None.
Proposal	None
Impact on Revenue Budget	None but without the fund any significant drainage costs would fall on revenue and use of fund reduces investment income.

Additional information for Land Drainage from the Executive held on 22 July 2014**Minute 33/E Refers**

The Executive considered a proposed Drainage Works Programme for 2014/15. The work schedule contained works that were undertaken regularly as a maintenance responsibility and project works which were more involved both in complexity and duration.

Members considered proposed projects in Chobham and Lightwater which could be undertaken following receipt of DEFRA funding, with additional funds required being met by the Drainage Reserve.

The Executive was reminded that the Drainage Reserve Fund had originally been set up to respond to significant emergencies. It was reported that some of the reserve funds had recently been used for joint projects with other parties but it was considered that, in future, any such proposals should receive authorisation by the Executive prior to the submission of the funding bid.

Resolved, that

- (i) the proposed Drainage Works Programme for 2014/15 be approved;**
- (ii) subject to the receipt of a DEFRA grant of up to £70,000, watercourse improvements within Lightwater Village be undertaken, with additional funds of up to £40,000 to be met from the drainage reserve;**
- (iii) subject to the receipt of a DEFRA grant of £20,000, modelling of the SH proposed Chobham Village Flood Alleviation Scheme be undertaken, with additional funds of up to £10,000 to be met from the drainage reserve;**
- (iv) subject to the receipt of a DEFRA grant of £20,000, flood alleviation works around the Chobham North catchment area be undertaken, with additional funds of up to £5,000 to be met through the drainage reserve; and**
- (v) in future, funding bids for all projects requiring external funding for drainage works on third party land where this would also require the Council to part fund from the Drainage Reserve be approved by Executive prior to submission of the funding bid.**

Fund	LOCAL LAND CHARGES REVOCATION FUND
Purpose of Fund	Grant from a DCLG Grant following a legal judgement to finance claims for refunds of Personal Search fees from August 2005 – August 2010
Movement within year	No expenditure incurred within the year. Litigation continues and we are hopeful of a resolution during 2015/16 resulting in this fund being fully utilised.
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2015	£ 25,000
Projected Balance at 31st March 2016	£ NIL
Approval of Spending	Executive
Monitoring	Executive Head of Regulatory
Proposed changes to policy	None
Criteria for calculating fund requirement	The potential cost of claims may exceed this figure
Criteria for calculating annual contribution	N/A
Proposal	None
Impact on Revenue Budget	The fund reduces the impact of the cost of any potential refunds but use of fund reduces investment income.

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Fund	NEW BURDENS
Purpose of Fund	2012/13 DCLG Funding set aside to allow for additional resources required for the new Council Tax and Housing Benefit regulations that have come into force under the Localism Act. We have also received funding for Community Rights to Challenge and Assets of Community Value.
Movement within year	£90,000 of grant income was received in 2014/15. £10,000 was utilised for EBilling in respect of Council Tax and Business Rates and for ICT's EU Inspire Project. The Inspire Project is continuing during 2015/16.
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2015	£ 130,000
Projected Balance at 31st March 2016	£100,000
Approval of Spending	Executive Head of Finance
Monitoring	Executive Head of Finance
Proposed changes to policy	None
Criteria for calculating fund requirement	N/A – external contributions
Criteria for calculating annual contribution	N/A – external contributions
Proposal	None
Impact on Revenue Budget	None directly but use of fund reduces investment income

Fund	OLD DEAN TODDLERS PLAYGROUND
Purpose of Fund	Fund set up to finance the revenue costs of future maintenance so that these do not fall on the Council. This fund receives interest on an annual basis
Movement within year	No expenditure was incurred during 2014/15. Interest has been credited to this account for 2014/15.
Restrictions of Use	This fund can only be used for the above
Balance at 31st March 2015	£ 20,000
Projected Balance at 31st March 2016	£ 19,000
Approval of Spending	Executive Head of Business
Monitoring	Executive Head of Business
Proposed changes to policy	None
Criteria for calculating fund requirement	N/A – external contributions
Criteria for calculating annual contribution	N/A – external contributions

Proposal	None
Impact on Revenue Budget	Prevents costs of maintenance falling on revenue but use of fund reduces investment income.

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Fund	PERSONALISATION AND PREVENTION PARTNERSHIP FUND
Purpose of Fund	Funded by Surrey County Council to enable Surrey Heath BC to invest in projects which, through improved efficiency and increased income will benefit the older community
Movement within year	£26,000 transferred from this reserve to fund the shortfall in revenue expenditure during 2014/15 e.g. Assessment Reports, equipment and repairs
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2015	£ 44,000
Projected Balance at 31st March 2016	NIL
Approval of Spending	The Executive
Monitoring	Executive Head of Community
Proposed changes to policy	None
Criteria for calculating fund requirement	N/A – external contributions
Criteria for calculating annual contribution	N/A – external contributions
Proposal	None
Impact on Revenue Budget	None directly but use of fund reduces investment income.

Fund	PLANNING S106 AGREEMENTS
Purpose of Fund	Fund set up from Developer contributions collected to fulfil specific financial obligations contained in S106 Agreements and are to be used for specific projects and purposes as detailed in the Section 106 Agreements. This fund receives interest on an annual basis
Movement within year	Minor net expenditure during 2014/15 Executive 24 Feb 2015 minute 109/E refers. Interest has been credited to this account for 2014/15.
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2015	£ 134,000
Projected Balance at 31st March 2016	£ 134,000
Approval of Spending	Executive Head of Regulatory
Monitoring	Development Control Manager / S106 Officer
Proposed changes to policy	None
Criteria for calculating fund requirement	N/A – external contributions
Criteria for calculating annual contribution	N/A – external contributions

Proposal	None
Impact on Revenue Budget	None directly but use of fund reduces investment income.

ANNEX B - cont

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Fund	PLANNING TARIFF CONTRIBUTIONS
Purpose of Fund	Fund set up from Developer Contributions collected via the Surrey Heath Developer Tariff Scheme for the provision of additional infrastructure projects in the borough in order to mitigate the impact of new development on local infrastructure. A detailed report on the scheme went to the Executive on 3 July 2012. This fund receives interest on an annual basis
Movement within year	Revenue net expenditure transferred into the reserve for 2014/15. Minor expenditure revenue approved for Hammonds Pond and Capital Expenditure for London Road Rec and Camberley Park. Interest has been credited to this account for 2014/15.
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2015	£ 459,000
Projected Balance at 31st March 2016	£ 459,000
Approval of Spending	Executive
Monitoring	Development Manager / S106 Officer
Proposed changes to policy	None
Criteria for calculating fund requirement	N/A – set by tariff
Criteria for calculating annual contribution	N/A – set by level of tariff
Proposal	None
Impact on Revenue Budget	None directly but use of fund reduces investment income.

Fund	RECYCLING EQUALISATION FUND
Purpose of Fund	To mitigate the effect of volatility in prices for recycled materials and to provide a maintenance fund for the depot.
Movement within year	No expenditure incurred within the year
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2015	£ 206,000
Projected Balance at 31st March 2016	£ 206,000
Approval of Spending	Executive
Monitoring	Executive Head of Community
Proposed changes to policy	None
Criteria for calculating fund requirement	N/A
Criteria for calculating annual contribution	N/A

Proposal	None
Impact on Revenue Budget	None directly but use of fund reduces investment income.

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Fund	REMEDATION FUND
Purpose of Fund	Fund set up to cover the remediation costs of land damaged by traveller incursions.
Movement within year	No expenditure incurred within the year
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2015	£ 45,000
Projected Balance at 31st March 2016	£ 45,000
Approval of Spending	The Executive
Monitoring	Executive Head of Regulatory.
Proposed changes to policy	None.
Criteria for calculating fund requirement	Further funding may be required to cover various issues at traveller sites subject to Executive approval.
Criteria for calculating annual contribution	N/A.
Proposal	None.
Impact on Revenue Budget	Prevents costs of remediation being charged to revenue but use of fund reduces investment income

Fund	REPAIRS AND MAINTENANCE FUND
Purpose of Fund	Fund to cover on going repairs and renewals and property maintenance costs. The Repairs and Renewals Fund has been closed and the balance merged with the Property Maintenance Fund to create this new reserve. Executive Approved 18 Feb 2014 Minute 88/E refers
Movement within year	The PPM revenue budget was under spent by £73,000 so a transfer was made to the reserve for the funds to be used at a later date
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2015	£ 1.915m
Projected Balance at 31st March 2016	£ 1.815m
Approval of Spending	Executive Head of Finance
Monitoring	Estates and Asset Manager
Proposed changes to policy	None.
Criteria for calculating fund requirement	None
Criteria for calculating annual contribution	There is an annual budget of £130,000 for property maintenance. Any underspend is then transferred to this fund.

Proposal	None.
Impact on Revenue Budget	None directly but use of fund reduces investment income.

ANNEX B - cont

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Fund	SAFER SURREY HEATH
Purpose of Fund	Funding is received from the Home Office, and others, which is allocated by way of a grant to partner and other organisations to fund community safety projects e.g. Neighbourhood Watch and CCTV.
Movement within year	The fund has been merged with Crime and Disorder due to the minimal balance, at the Transformation Team Managers request.
Restrictions of Use	This reserve can only be used for the above purpose.
Balance at 31st March 2015	NIL
Projected Balance at 31st March 2016	NIL
Approval of Spending	The Executive
Monitoring	Chief Executive / Transformation Team Manager
Proposed changes to policy	None.
Criteria for calculating fund requirement	None.
Criteria for calculating annual contribution	None.
Proposal	None.
Impact on Revenue Budget	None directly but use of the fund reduces investment income

ANNEX B - cont

ANNEX B –cont

Fund	SANGS (SUITABLE ALTERNATIVE NATURAL GREEN SPACE)
Purpose of Fund	Planning tariff contributions to finance the provision and maintenance of SANGS for SPA mitigation for perpetuity. This fund receives interest on an annual basis
Movement within year	2014/15 saw the creation of a new designated space, Clewborough House. Net income has been transferred to the reserve in respect of Chobham Place Woods, Hawley Meadows and Clewborough House, with net expenditure being transferred out of the reserve in respect of Swan Lakes. Interest has been credited to this account for 2014/15.
Restrictions of Use	This fund is restricted to the purpose above.
Balance at 31st March 2015	£ 1.5m
Projected Balance at 31st March 2016	£ 1.5m
Approval of Spending	Executive Head of Regulatory
Monitoring	Planning Policy and Support Manager / S106
Proposed changes to policy	None
Criteria for calculating fund requirement	N/A – set by Tariff
Criteria for calculating annual Contribution	N/A – set by tariff
Proposal	None
Impact on Revenue Budget	The council has agreed to maintain the SANGS in perpetuity so the reserve is required to fund this obligation. Use of fund reduces investment income.

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Fund	SURREY FAMILY SUPPORT PROGRAMME
Purpose of Fund	Funding is received from SCC to deliver the Troubled Families Project locally and SHBC are working jointly with Runnymede BC for the period to March 2015
Movement within year	Revenue expenditure funded from this reserve for 2014/15. Grant income was received, but due to the success for the programme there was a shortfall on the revenue spend. There is approval for £86,000 of spend during 2015/16 Executive 24/02/15 minute 106/E refers
Restrictions of Use	This reserve can only be used for the above purpose.
Balance at 31st March 2015	£ 158,000
Projected Balance at 31st March 2016	£ 72,000
Approval of Spending	Executive Head Regulatory Services
Monitoring	Family Support Officer
Proposed changes to policy	None
Criteria for calculating fund requirement	None
Criteria for calculating annual contribution	None
Proposal	None.
Impact on Revenue Budget	None directly but use of fund reduces investment income.

Fund	WINDLE VALLEY WELLBEING CENTRE
Purpose of Fund	Initially funded by SCC to provide support for people living in Surrey Heath who are in need of advice, information and assistance in relation to confusion, memory and dementia. The funding will be used in 2014/15 for the building works required for the centre
Movement within year	The fund was fully utilised for the building works as above
Restrictions of Use	The fund can be amended or closed by Executive
Balance at 31st March 2015	£ NIL
Projected Balance at 31st March 2016	£ NIL
Approval of Spending	Executive Head of Community
Monitoring	Executive Head of Community
Proposed changes to policy	None.
Criteria for calculating fund requirement	None
Criteria for calculating annual	None

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Proposal	None.
Impact on Revenue Budget	None directly but use of fund reduces investment income

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Fund	CAPITAL FUND
Purpose of Fund	Revenue funds put aside to fund future capital expenditure in line with council policy. As approved by Executive £250,000 of this fund will be used to fund the Transformation Budget 2014/15. This fund also includes unspent new homes bonus payments
Movement within year	£337,000 was transferred to the GFWB, £250K as above and £87K for revenue expenditure Exec Sept 2013 Minute 40/E refers. There is approval for £300,000 of spend during 2015/16 Executive 24/02/15 minute 106/E refers
Restrictions of Use	The fund can be amended or closed by Executive
Balance at 31st March 2015	£ 9.367m
Projected Balance at 31st March 2016	£ 8.967m
Review	The Council will be unable to fund its capital expenditure from Capital receipts within the next year and this fund will be needed to maintain that program.
Approval of Spending	Executive / Executive Head of Finance
Monitoring	Chief Executive / Executive Head of Finance
Proposed changes to policy	None.
Criteria for calculating fund requirement	None.
Criteria for calculating annual contribution	A transfer can be made each year from the Repairs & Renewals Fund equal to expenditure incurred but charged to capital. This is to compensate for the additional unplanned use of capital reserves and thus maintain the capital balances.
Proposal	None
Impact on Revenue Budget	None.

Fund	GENERAL FUND WORKING BALANCE
Purpose of Fund	To meet day-to-day cash flow requirements and to provide a general contingency which is used to fund non-budgeted service expenditure requirements, and other unforeseen risks, which were not identified in the budget setting process
Restrictions of Use	Expenditure is subject to Executive/Full Council Approval
Balance at 31st March 2015	£ 3.761m
Projected Balance at 31st March 2016	£ 1.053m
Review	The GFWB generates interest to support revenue expenditure and also provides a contingency for unexpected fluctuations in income and expenditure.
Approval of Spending	The Executive and full council through the setting of the budget
Monitoring	The Executive Head of Finance, Section 151 Officer, reports to the Performance and Finance Scrutiny Committee and The Executive.
Criteria for calculating fund requirement	The General Fund must be sufficient to cover unforeseen events. A risk analysis is undertaken each year to determine the level required and this was found to be £1.1 m in February 2015.
Criteria for calculating annual contribution	The level of annual contribution or withdrawal is determined annually as part of the budget strategy, taking into account finances available to support General Fund services and the financial target of the working balance.
Proposal	None.
Impact on Revenue Budget	An increase or decrease in this fund has a direct impact on the Council's revenue expenditure.

Fund	CAPITAL RECEIPTS RESERVE
Purpose of Fund	Receipts from sales of council assets used to finance the approved capital programme
Movement within year	Expenditure in line with the approved Capital Programme for 2014/15
Restrictions of Use	This fund can only be used to purchase new capital assets.
Balance at 31st March 2015	£ 809,000
Projected Balance at 31st March 2016	£NIL
Review	The projected balance anticipates the delivery of the approved capital programme in 2014/15. No major capital receipts have been budgeted for in 2014/15.
Approval of Spending	Full Council on the recommendation of Executive
Monitoring	Executive Head of Finance
Proposed changes to policy	None.
Criteria for calculating fund requirement	Reserve should be maintained at a level which meets existing and future capital commitments however future capital spending will need to be funded by borrowing or other reserves
Criteria for calculating annual contribution	None.
Impact on Balances	Any sum available for new capital initiatives will be considered when the corporate capital programme is being prepared.
Impact on Revenue Budget	None but the reduction in the balance will have an effect on investment income. This may be offset by sales of assets in the year