

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 2015/16 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; or
 - 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 2015 and 2016 together with a projected balance as at 31st March 2017.

Annex B includes 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 2016/17 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 and last year this contribution was £512k. 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, particularly around the 100% localisation of business rates.
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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ANNEX A

ANNEX A

GENERAL FUND CAPITAL AND REVENUE BALANCES 2015 TO 2017				
<i>Status: Performance & Finance Scrutiny Committee</i>	ACTUAL	ACTUAL	ESTIMATED	
<i>28-Sep-16</i>	BALANCE	BALANCE	BALANCE	
	31-Mar-15	31-Mar-16	31-Mar-17	
	£000	£'000	£000	
CASH-BACKED CAPITAL RECEIPTS	809	483	0	
<u>Earmarked Revenue Reserves :</u>				
Affordable Housing	316	777	777	
Atrium Public Art	13	13	13	
Atrium S106 Agreement	341	334	325	
Blackwater Valley & Developer Contributions	106	101	95	
Chewing Gum Machine (S106)	13	10	7	
Chobham and Town Team Partnership	5	5	5	
Community Infrastructure Levy	0	288	288	
Community Fund (2002)	329	300	270	
Commutated Sums	691	628	565	
Crime and Disorder Partnership	122	109	100	
Deput Village Centre (Commutated Sums - Leisure Service)	377	377	377	
Frimley Lodge Park 3G Pitch	0	25	50	
Heatherside Multi - Use Games	39	33	30	
Insurance Reserve	217	203	203	
Land Drainage	384	384	364	
Local Land Charges Revocation Fund	25	34	0	
New Burdens Funding	130	103	73	
Old Dean Toddlers Playground	20	20	20	
Personalisation and Prevention Partnership Fund	44	57	57	
Planning S106 Agreements	134	190	190	
Planning Tariff Contributions	459	613	613	
Recycling Equalisation Fund	206	206	146	
Remediation Fund	45	45	45	
Repairs and Maintenance Fund	1914	1784	1634	
SANGS (Suitable Alternative Natural Green Space)	1167	997	997	
Surrey Family Support Programme	158	201	50	
Sub-Total Earmarked Revenue Reserves	7,255	7,837	7,294	
<u>Revenue Reserves :</u>				
Capital Fund	9,367	9,672	9,272	
General Fund Working Balance	2,703	2,398	2,000	
Sub-Total Revenue Reserves	12,070	12,070	11,272	
REVENUE RESERVES AND PROVISIONS	19,325	19,907	18,566	

ANNEX B

ANNEX B

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 2016	£ 777,000
Projected Balance at 31st March 2017	£ 777,000 It is anticipated that this money will be used to provide affordable housing at Pembroke House which is due to commence in the next 12 months
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 affordable housing contributions made by developers in to the fund. 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 2015/16.
Restrictions of Use	The fund can only be used for the purpose agreed under the S106 Agreement
Balance at 31st March 2016	£ 13,000
Projected Balance at 31st March 2017	£ 13,000
Approval of Spending	The Executive
Monitoring	Executive Head of Finance
Proposed changes to policy	None
Criteria for calculating fund requirement	The fund was created to ensure that it could meet on-going maintenance and costs and hence these would not fall on the Council Tax Payer.
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.

ANNEX B - cont

ANNEX B -cont

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 scheduled maintenance during 2015/16. Interest has been credited to this account for 2015/16.
Restrictions of Use	This fund can only be used in accordance with the S106 Agreement
Balance at 31st March 2016	£ 334,000
Projected Balance at 31st March 2017	£ 325,000
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	Commuted sum held to meet the annual maintenance costs and refurbishment of the recreational facilities at Crabtree Park, Watchmoor Reserve and Mytchett Recreation Ground.
Movement within year	Expenditure on improvements to, and the maintenance of, Crabtree Park, Watchmoor Reserve and Mytchett Recreation Ground.
Restrictions of Use	This fund can only be used for the purpose noted above
Balance at 31st March 2016	£ 101,000
Projected Balance at 31st March 2017	£ 95,000
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
ANNEX B -cont

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	Expenditure on maintenance of the machine and cleaning of designated area's. Interest has been credited to this account for 2015/16.
Restrictions of Use	This fund is set aside for the purpose above and is therefore restricted in accordance with the S106 Agreement
Bal at 31st March 2016	£ 10,000
Projected Balance at 31st March 2017	£ 7,000
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	No expenditure incurred for 2015/16
Restrictions of Use	This fund can only be in accordance with the DCLG conditions
Bal at 31st March 2016	£ 5,000
Projected Balance at 31st March 2017	£ 5,000
Approval of Spending	Executive Head of Finance on request from the Chobham BEE committee.
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.

ANNEX B - cont

ANNEX B -cont

Fund	COMMUNITY INFRASTRUCTURE LEVEL
Purpose of Fund	This reserve holds balances relating to the timing differences between collection of the levy and the allocation of spending.
Movement within year	Transfer into the reserve of net income received during 2015/16. Interest was also credited for 2015/16
Restrictions of Use	This fund can only be in accordance with the CIL Conditions
Balance at 31st March 2016	£ 288,000
Projected Balance at 31st March 2017	£ 288,000
Approval of Spending	Executive Head of Regulatory
Monitoring	Executive Head of Regulatory
Proposed changes to policy	None – this fund is being built up to support the Town centre regeneration.
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	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 2016	£ 300,000
Projected Balance at 31st March 2017	£ 270,000
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.

ANNEX B - cont

ANNEX B -cont

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 2015/16.
Movement within year	Expenditure on Deanside, Camberley Park, Wellington Park and Upland Road Play Area.
Restrictions of Use	This fund can only be used for the purpose noted above
Bal at 31st March 2016	£ 628,000
Projected Balance at 31st March 2017	£ 565,000
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 net expenditure for 2015/16 totalled £12.5K
Restrictions of Use	This fund can only be used for the purpose noted above
Bal at 31st March 2016	£ 109,000
Projected Balance at 31st March 2017	£ 100,000
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

ANNEX B - cont

ANNEX B -cont

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	Expenditure on Lighting Refurbishment. Interest has been credited to this account for 2015/16.
Restrictions of Use	This fund can only be used for the purpose noted above
Balance at 31st March 2016	£ 377,000
Projected Balance at 31st March 2017	£ 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	FRIMLEY LODGE PARK 3G PITCH
Purpose of Fund	Sum set aside, via an annual transfer of £25K per annum from the revenue budget to provide for maintenance/replacement of the 3G Pitch Surface. Executive 16 July 2014, minute ref 27/E refers
Movement within year	Transfer from the revenue budget as per the above
Restrictions of Use	This fund can only be used for the purpose noted above
Balance at 31st March 2016	£ 25,000
Projected Balance at 31st March 2017	£ 50,000
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/replacement costs being charged to revenue but use of fund reduces investment income

ANNEX B - cont
ANNEX B -cont

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 2015/16.
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2016	£ 33,000
Projected Balance at 31st March 2017	£ 30,000
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 for 2015/16 in respect of the MMI contribution noted above
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2016	£ 203,000
Projected Balance at 31st March 2017	£ 203,000
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

ANNEX B - cont

ANNEX B –cont

Fund	LAND DRAINAGE
Purpose of Fund	To finance un budgeted land drainage schemes. This fund can only be used for expenditure on Council owned land
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 2016/17 due to SCC funding additional expenditure in 2015/16. The amount of funding required in 2016/17 is expected to be approx. £20,000.
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2016	£ 384,000
Projected Balance at 31st March 2017	£ 364,000
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.

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	Grant income as litigation continues and we are hopeful of a resolution during 2016/17 resulting in this fund being fully utilised.
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2016	£ 34,000
Projected Balance at 31st March 2017	£ 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.

ANNEX B - cont
ANNEX B -cont

Fund	NEW BURDENS
Purpose of Fund	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	£14,000 of grant income was received in 2015/16. £28,000 was utilised for additional resources for the new legislation, £7,000 for software upgrade, £6,000 for ICT's EU Inspire Project
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2016	£103,000
Projected Balance at 31st March 2017	£73,000
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	Expenditure on a new basketball Hoop. Interest has been credited to this account for 2015/16.
Restrictions of Use	This fund can only be used for the above
Balance at 31st March 2016	£ 20,000
Projected Balance at 31st March 2017	£ 20,000
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.

ANNEX B - cont

ANNEX B -cont

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	£13,000 transferred into this reserve to fund the underspend in revenue expenditure during 2015/16 as this income is ringfenced
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2016	£ 57,000
Projected Balance at 31st March 2017	£ 57,000
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	No expenditure during 2015/15, transfer of income into the reserve. Interest has been credited to this account for 2015/16.
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2016	£ 190,000
Projected Balance at 31st March 2017	£ 190,000
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.

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 2015/16. Minor expenditure revenue approved for Hammonds Pond and Capital Expenditure for London Road Rec, Camberley Park and Chobham Woods Rec. Interest has been credited to this account for 2015/16.
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2016	£613,000
Projected Balance at 31st March 2017	£613,000
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.

ANNEX B - cont

ANNEX B -cont

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. £60,000 expenditure has been built into the 2016/17 budget approved by Council on 24 February 2016.
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2016	£206,000
Projected Balance at 31st March 2017	£146,000
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	REMEDATION FUND
Purpose of Fund	Fund set up to cover the prevention/ 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 2016	£45,000
Projected Balance at 31st March 2017	£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

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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 over spent by £111,000 so a transfer was made from the reserve to the GFWB. The overspend was for carpets at SHH, Works for the DWP occupying the ground floor, Boiler pumps for the Theatre and Pot Hole Repairs.
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2016	£ 1.784m
Projected Balance at 31st March 2017	£ 1.634m
Approval of Spending	Executive Head of Finance
Monitoring	Estates and Asset Manager
Proposed changes to policy	None.
Criteria for calculating fund requirement	The anticipated annualised cost of all of the works on the council's assets should they need to be completed at the same time.
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

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	Revenue net expenditure transferred into the reserve for 2015/16. Transfers made to cover expenditure at Chobham Woods, Shepherd Meadows and the purchase of SANGS land. Interest has been credited to this account for 2015/16.
Restrictions of Use	This fund is restricted to the purpose above.
Balance at 31st March 2016	£ 997,000
Projected Balance at 31st March 2017	£ 997,000
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.

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	DCLG grant underspend transferred into the reserve for 15/16 as the income is ring fenced for this project. This will be used in the coming year.
Restrictions of Use	This reserve can only be used for the above purpose.
Balance at 31st March 2016	£201,000
Projected Balance at 31st March 2017	£50,000
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.
Impct on Rev Budget	None directly but use of fund reduces investment income.

ANNEX B - cont

ANNEX B –cont

Fund	CAPITAL FUND
Purpose of Fund	Revenue funds put aside to fund future capital expenditure in line with council policy. As approved by Executive £300,000 of this fund will be used to fund the Transformation Budget 2015/16. This fund also includes unspent new homes bonus payments
Movement within year	£370,000 was transferred to the GFWB, £300K as above and £70K 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. £675k was transferred in to the from New Home Bonus payments as above.
Restrictions of Use	The fund can be amended or closed by Executive
Balance at 31st March 2016	£9.672m
Projected Balance at 31st March 2017	£9.272m
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 2016	£2.398m
Projected Balance at 31st March 2017	£2.0m
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.
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 2015/16
Restrictions of Use	This fund can only be used to purchase new capital assets.
Balance at 31st March 2016	£483,000
Projected Balance at 31st March 2017	£0
Review	The projected balance anticipates the delivery of the approved capital programme in 2015/16. No major capital receipts have been budgeted for in 2015/16 .
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	This fund can only be increased from the sale of assets.
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