

Review of Reserves and Provisions

Summary

To enable Members to review the criteria for maintaining individual Reserves and Provisions, following the closure of the 2016/17 accounts and to make recommendations as appropriate.

Portfolio - Finance

Date Signed Off – 25 August 2017

Wards Affected

All

Recommendation

The Executive is asked to note the report and make recommendations as appropriate

1. Resource Implications

- 1.1 As at the 31st March 2017 the Council had £21.35m in usable reserves which were backed by cash. The report makes an estimate as to the level of reserves as at the 31st March 2018 based on current knowledge together with schedules showing what each reserve is for and the rules regarding expenditure.
- 1.2 The cash that the reserves represent has been used to offset the council's borrowings thereby reducing borrowing costs. Were these reserves required as cash for expenditure then this would increase borrowings.

2. Key Issues

- 2.1 The Council's reserves fall into two categories. These are:
 - Usable reserves, which represent sums put aside to cover future liabilities and/or capital purchases: Examples include the Interest Equalisation and Community fund 2002 reserves.
 - Unusable reserves are created as a result of rules on local government accounting. Examples include the Revaluation reserve and Pension reserve.
- 2.2 This paper only considers usable reserves.
- 2.3 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
- An amount ring-fenced for specific purpose such as housing contributions from developers.

An example of this could be a reserve for future repairs.

2.4 The Council's Reserves are reviewed by officers whilst preparing the annual financial statements and are also subject to external audit.

2.5 Members are asked to consider whether the criteria for maintaining a specific reserve is appropriate and if it is, whether the amount put aside is adequate or not.

3. Options

3.1 Members can accept, reject or amend the recommendation as set out.

4. Proposals

4.1 It is proposed that the Executive is asked to note the report and make recommendations as appropriate.

5. Supporting Information

5.1 A detailed schedules of reserves and accompanying information is attached to this paper.

6. Corporate Objectives And Key Priorities

6.1 Financial sustainability is a key aim of the Council and the use of reserves contributes to this.

7. Risk Management

7.1 Reserves and provisions are ways of managing future financial risk.

8. Officer Comments

8.1 Changes to the reserves and provisions can only be made if they do not breach any legal undertaking given by the Council and are financially prudent.

Annexes	A – List of Reserves and provisions B – Detailed schedules on each reserve and provision
Background Papers	None
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Head Of Service	Kelvin Menon – Executive Head of Finance

Consultations, Implications And Issues Addressed

Resources	Required	Consulted
Revenue	✓	
Capital		
Human Resources		
Asset Management		
IT		

Other Issues	Required	Consulted
Corporate Objectives & Key Priorities	✓	
Policy Framework		
Legal		
Governance		
Sustainability		
Risk Management		
Equalities Impact Assessment		
Community Safety		
Human Rights		
Consultation		
P R & Marketing		

Review Date:

Version:

ANNEX A

CASH BACKED CAPITAL AND REVENUE RESERVES 2016 TO 2018				
		Actual Balance	Actual Balance	Estimated Balance
		31/03/2016	31/03/2017	31/03/2018
		£000	£000	£000
Capital Reserves				
Capital Receipts		483	151	0
Earmarked Revenue purposes				
Affordable Housing		777	1,051	1,051
Atrium Public art		13	13	13
Atrium S106 Agreement		334	326	276
Blackwater Valley developers contributions		101	95	85
Chewing gum machine		10	8	6
Chobham and Town Team Partnership		5	5	5
Community fund 2002		300	253	178
C.I.L		288	500	500
C.I.L Admin and Monitoring		0	44	44
Commutated sums		628	598	550
Crime and disorder partnership		109	102	82
Custom Build		0	15	15
Deepcut Village Centre: Alma Dettingen		377	358	308
Frimley Lodge Park 3G Pitch		25	46	67
Heatherside: multi-use games area		33	33	27
Insurance reserve fund		203	203	203
Interest Equalisation		0	675	675
Land drainage		384	384	384
LLC Personal Search Revocation		34	23	0
New Burdens Fund		103	103	80
Old Dean toddlers playground		20	18	10
One Public Estate		0	119	119
Personalisation and Prevention Partnership Fund		57	87	87
Planning S106 Agreements		190	216	216
Planning Tariff Contributions		613	635	635
Property Maintenance		1,784	1,904	1,754
Recycling/Refuse Equalisation		206	180	150
Remediation fund		45	45	0
SANGS		997	1,245	500
Surrey Family Support Programme		201	242	192
Total Earmarked Reserves				
		7,837	9,526	8,212
Other Revenue reserves				
Capital Fund		9,672	9,445	9,145
General Fund		2,398	2,236	2,200
		12,070	11,681	11,345
TOTAL USABLE RESERVES				
		20,390	21,358	19,557

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 or support the inclusion of affordable housing in developments where viability could be an issue.
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 2017	£ 1.051m
Projected Balance at 31st March 2018	£ 1.051m
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 2016/17.
Restrictions of Use	The fund can only be used for the purpose agreed under the S106 Agreement
Balance at 31st March 2017	£ 13,000
Projected Balance at 31st March 2018	£ 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.

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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. During 17/18 part of the balance will be used to fund the Kevin Cantlon Shop Front Improvement Scheme
Movement within year	Expenditure incurred for CCTV scheduled maintenance during 2016/17. Interest has been credited to this account for 2016/17.
Restrictions of Use	This fund can only be used in accordance with the S106 Agreement
Balance at 31st March 2017	£ 326,000
Projected Balance at 31st March 2018	£ 276,000
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, 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 2017	£ 95,000

Projected Balance at 31st March 2018	£ 85,000
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

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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	Expenditure on maintenance of the machine and cleaning of designated areas. Interest has been credited to this account for 2016/17.
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 2017	£ 8,000
Projected Balance at 31st March 2018	£ 6,000
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 2016/17
Restrictions of Use	This fund can only be in accordance with the DCLG conditions
Bal at 31st March 2017	£ 5,000
Projected Balance at 31st March 2018	£ 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.

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Fund	COMMUNITY INFRASTRUCTURE LEVY
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 2016/17. Interest was also credited for 2016/17
Restrictions of Use	This fund can only be used in accordance with the CIL Conditions
Balance at 31st March 2017	£ 500,000
Projected Balance at 31st March 2018	£ 0
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. It is assumed it will be used to support a LEP project
Criteria for calculating fund requirement	N/A – from external contributions.
Criteria for	N/A – from external contributions.

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

Fund	COMMUNITY INFRASTRUCTURE LEVY – Admin and Monitoring
Purpose of Fund	Fund set up 2016/17, to cover the officer costs of monitoring the Community Infrastructure Levy Administration and Monitoring (for the collection of the levy and allocation of the spending).
Movement within year	Transfer into the reserve of net income received during 2016/17.
Restrictions of Use	This fund can only be for the purpose noted above
Balance at 31st March 2017	£ 44,000
Projected Balance at 31st March 2018	£ 44,000
Approval of Spending	Executive Head of Regulatory
Monitoring	Executive Head of Regulatory
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.

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Fund	COMMUNITY FUND (2002)
Purpose of Fund	Fund set up in 2002/03 to make grants to community based organisations. 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.
Restrictions of Use	The Executive can amend or remove any restrictions as it sees fit.
Balance at 31st	£ 253,000

March 2016	
Projected Balance at 31st March 2017	£ 178,000
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. Interest has been credited to this account for 2016/17.
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 2017	£ 598,000
Projected Balance at 31st March 2018	£ 550,000
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

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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) February 2017 Executive agreed a transfer of £20,000 from this fund during 2017/18
Movement within year	The net expenditure for 2016/17 totalled £7.5K
Restrictions of Use	This fund can only be used for the purpose noted above
Bal at 31st March 2017	£ 102,000
Projected Balance at 31st March 2018	£ 82,000
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	CUSTOM BUILD
Purpose of Fund	Fund set up at year end 2016/17 from money received from Central Government so that Planning Departments can produce and maintain the Brownfield Register and Self Build Registers required under legislation
Movement within year	Transfer into the reserve of net income received during 2016/17.
Restrictions of Use	This fund can only be used for the purpose noted above
Bal at 31st March 2017	£ 15,000
Projected Balance at 31st March 2018	£ 15,000
Approval of Spending	Executive Head of Regulatory
Monitoring	Executive Head of Regulatory
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.

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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 works to remodel the centre. Interest has been credited to this account for 2016/17.
Restrictions of Use	This fund can only be used for the purpose noted above
Balance at 31st March 2017	£ 358,000
Projected Balance at 31st March 2018	£ 308,000
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 £21K 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 2017	£ 46,000

Projected Balance at 31st March 2018	£ 67,000
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

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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 2016/17. Planned Health and Safety works are to be carried out during 2017/18.
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2017	£ 33,000
Projected Balance at 31st March 2018	£ 27,000
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 contribution

	towards costs. It also available for risk management and to cover uninsured losses.
Movement within year	None
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2017	£ 203,000
Projected Balance at 31st March 2018	£ 203,000
Approval of Spending	Executive Head of Finance
Monitoring	Executive Head of Finance
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

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Fund	INTEREST EQUALISATION
Purpose of Fund	To provide a fund to deal offset the interest rate risk associated with the Council's borrowings.
Movement within year	Transfer to the reserve of additional investment income received not budgeted for
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2017	£ 675,000
Projected Balance at 31st March 2018	£ 1,200,000
Approval of Spending	Executive Head of Finance
Monitoring	Executive Head of Finance
Proposed changes to policy	None
Criteria for calculating fund requirement	Review of the total annual interest received against budget.
Criteria for calculating annual contribution	None

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

Fund	LAND DRAINAGE
Purpose of Fund	To finance land drainage schemes. This fund can only be used for expenditure on Council owned land
Movement within year	None
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2017	£ 384,000
Projected Balance at 31st March 2018	£ 384,000
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.

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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 2017/18 resulting in this fund being fully utilised.
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2017	£ 23,000
Projected Balance at 31st March 2018	£ 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.

Fund	NEW BURDENS
Purpose of Fund	DCLG Funding set aside to allow for additional resources required for Central Government legislation and 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	No income or expenditure throughout the year
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2017	£ 103,000
Projected Balance at 31st March 2018	£ 80,000
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

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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. During 2017/18 additional funding will be spent out of the reserve to replace the equipment that is no longer fit for use.

	This fund receives interest on an annual basis
Movement within year	Interest has been credited to this account for 2016/17.
Restrictions of Use	This fund can only be used for the above
Balance at 31st March 2017	£ 18,000
Projected Balance at 31st March 2018	£ 10,000
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.

Fund	ONE PUBLIC ESTATE
	Fund set up at year end 2016/17 from money awarded to SHBC from the Governments One Public Estate Programme to explore the possibilities around release of publicly owned land for residential development
Movement within year	Transfer into the reserve of net income received during 2016/17.
Restrictions of Use	This fund can only be used for the above
Balance at 31st March 2017	£ 119,000
Projected Balance at 31st March 2018	£ 0
Approval of Spending	Executive Head of Regulatory
Monitoring	Executive Head of Regulatory
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

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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. It is assumed that this will be used in the year on works at Windle Valley
Movement within year	£30,000 transferred into this reserve to fund the underspend in revenue expenditure during 2016/17 as this income is ring-fenced
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2017	£ 87,000
Projected Balance at 31st March 2018	£ 0
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 2016/17, transfer of income into the reserve. Interest has been credited to this account for 2016/17.
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2017	£ 216,000
Projected Balance at 31st March 2018	£ 150,000
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.

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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. It has been assumed that this will be used to support LEP bids. This fund receives interest on an annual basis
Movement within year	Revenue net expenditure transferred into the reserve for 2016/17. Interest has been credited to this account for 2016/17.
Restrictions of Use	This fund can only be used for the purpose noted above.
Balance at 31st March 2017	£ 635,000
Projected Balance at 31st March 2018	£ 135,000
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, to provide a maintenance fund for the depot and to support the role out of the new waste contract.
Movement within	No expenditure incurred within the year. £30,000

year	expenditure has been built into the 2017/18 budget.
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2017	£ 180,000
Projected Balance at 31st March 2018	£ 150,000
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 prevention/ remediation costs of land damaged by traveller incursions. This fund is expected to be fully utilised in 2017/18 for Swift Lane
Movement within year	No expenditure incurred within the year
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2017	£ 45,000
Projected Balance at 31st March 2018	£ NIL
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. February 2017 Executive agreed a transfer of £150,000 from this reserve for 2017/18
Movement within year	The PPM revenue budget was under spent by £119,000 so a transfer was made to the reserve to the GFWB.
Restrictions of Use	The Executive can amend or close the fund
Balance at 31st March 2017	£ 1.904m
Projected Balance at 31st March 2018	£ 1.754m
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.

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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. It also is used to fund the purchase and maintenance of land to be used as SANGS. This fund receives interest on an annual basis
Movement within year	Revenue net expenditure transferred into the reserve for 2016/17.
Restrictions of Use	This fund is restricted to the purpose above.
Balance at 31st March 2017	£ 1.245m
Projected Balance at 31st March 2018	£ 0.500m
Approval of Spending	Executive Head of Regulatory and Executive Head of Business
Monitoring	Planning Policy and Support Manager / Recreation and Business Manager
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 February 2017 Executive agreed £50,000 would be transferred from this reserve during 2017/18
Movement within year	DCLG grant underspend transferred into the reserve for 16/17 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 2017	£ 242,000
Projected Balance at 31st March 2018	£ 192,000
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 £250,000 of this fund will be used to fund the Transformation Budget 2017/18 along with £100,000 for survey work in the Town Centre. This fund also includes unspent new homes bonus payments
Movement within	£28,000 transferred in from ICT to be ring-fenced for ICT,

year	£250,000 transferred into the GFWB Executive Feb 2016 Minute 59/E refers and £4,975 transferred to the GFWB for revenue over-spend Executive September 2013 Minute 40/E refers
Restrictions of Use	The fund can be amended or closed by Executive
Balance at 31st March 2017	£ 9.445m
Projected Balance at 31st March 2018	£ 9.145m
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 programme.
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 2017	£ 2.236m
Projected Balance at 31st March 2018	£ 2.200m
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 2016/17
Restrictions of Use	This fund can only be used to purchase new capital assets.
Balance at 31st March 2017	£ 151,000
Projected Balance at 31st March 2018	£ NIL
Review	The projected balance anticipates the delivery of the approved capital programme in 2017/18. No major capital receipts have been budgeted for in 2017/18 .
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