

# Earmarked and specific funds

In addition to general reserves, the council maintains a number of earmarked and specific funds held to meet major expenditure of a non-recurring nature or where the income has been received for a specific purpose but not yet spent. Details of opening and closing balances, with approved/anticipated use over the budget period are set out in Appendix D.

The major earmarked and specific funds are listed below with balances as at 1 April 2018.

Fund	Balance at 1 April 2017 £000	Movement £000	Balance at 31 March 2018 £000	Committed spend in 2018-19
<b>Revenue reserves</b>				
New Homes Bonus GCP Reserve	(7,637)	1,224	(3,095)	£58.3k
New Homes Bonus A14 upgrade Reserve			(3,318)	
Business Rates Growth and Renewables Reserve	(5,744)	(3,152)	(8,896)	£1.270k available, of which £555k is approved expenditure
Pension Deficit Reserve	(702)	66	(637)	
Planning Enforcement Reserve	(500)	0	(500)	
Business Efficiency Reserve	(340)	100	(240)	
Homelessness Reserve	0	(166)	(166)	
Sustainability - climate change reserve	(117)	117	0	
Taxi Licencing Reserve	(67)	80	(147)	
Business accommodation reserves	(98)	(43)	(141)	£98k
Land Charges- appropriations	(19)	(99)	(118)	£19k
Private Stock Condition Survey	(75)	(15)	(90)	
Children & Young People	(75)	0	(75)	
Business Hub	(67)	10	(57)	
<b>Subtotal</b>	<b>(15,440)</b>	<b>(2,039)</b>	<b>(17,479)</b>	
<b>Planning reserves (revenue)</b>				
Planning Policy	0	(568)	(568)	
Major Developments and Parish Liaison Fees Reserve	(472)	0	(472)	£323k
Growth Agenda and Northstowe Reserve	(128)	(346)	(473)	
S106 Admin Fees	0	(109)	(109)	
Planning Fee Reserve excl Growth agenda	(179)	(0)	(179)	£179k
Service Contingency-Planning	(100)	0	(100)	£100k
Planning other	(95)	2	(92)	£95k
Brownfield Sites Reserve	0	(30)	(30)	
<b>Subtotal</b>	<b>(974)</b>	<b>(1,050)</b>	<b>(2,024)</b>	
Other	(259)	(37)	(296)	
<b>Total General Fund Revenue Earmarked reserves</b>	<b>(16,673)</b>	<b>(3,126)</b>	<b>(19,799)</b>	

<b>Capital reserves</b>				
Refuse Collection	(407)	(240)	(647)	
Refuse Supervisors' vehicles	(46)	(15)	(61)	
Street Cleansing	(229)	(81)	(310)	
Air Quality Monitoring	(119)	12	(106)	
Footway Lighting	(87)	0	(87)	
Cambourne Office	(83)	0	(83)	£83k
Heritage Initiatives and historic buildings	(40)	0	(40)	£40k
Community Development - Capital	(35)	30	(5)	
Other	(39)	(4)	(42)	
<b>Total General Fund Capital Earmarked reserves</b>	<b>(1,084)</b>	<b>(298)</b>	<b>(1,382)</b>	
<b>Total General Fund Earmarked reserves</b>	<b>(17,757)</b>	<b>(3,424)</b>	<b>(21,181)</b>	
<b>Breakdown of "Other" in GF Revenue</b>				
Travellers Site Reserve	(50)	(31)	(81)	
RCV's Sinking Fund	(41)	0	(41)	
South Cambs Crime & Disorder Partnership	(33)	0	(33)	
Air Quality Monitoring	(29)	0	(29)	
Street Cleansing Vehicles Sinking Fund	(24)	0	(24)	
Health & Environmental Services	(24)	0	(24)	
Economic Development Portfolio Reserve	(13)	0	(13)	
Waterbeach Depot	(5)	(5)	(10)	
Land Charges- new burdens grant	(9)	0	(9)	
Swavesey Byeways Fund	(6)	(0)	(6)	
Contributions-Cambridge Sports Lake Trust	(6)	(0)	(6)	
Insurance All Risks	(6)	(0)	(6)	
Air Quality Monitoring	(6)	0	(6)	
Community Chest Grants	(1)	(3)	(3)	
Webb's Hole Sluice	(3)	0	(3)	
2012/13	(3)	2	(1)	
Ecological Support Services	(0)	0	(0)	
Conservation Reserve -Revenue	(0)	(0)	(0)	
<b>Total General Fund Revenue Earmarked reserves "Other"</b>	<b>(259)</b>	<b>(37)</b>	<b>(296)</b>	

## General Fund Revenue Reserves - £17,479k

### New Homes Bonus GCP Reserve - £3,095k

NHB monies the authority receives from the Government, which are not used towards GF expenditure previously funded by Housing & Planning Delivery Grant or to meet Local Plan and associated costs; the any City Deal funding commitments A14 contribution of £5m will eventually come from this reserve. £1,124k contribution towards the Greater City Partnership was paid in 2017/18 using the balance on this reserve.

**New Homes Bonus A14 upgrade Reserve - £3,318k**

The A14 contribution of £5m will eventually come from this reserve.

**Business Rates Growth and Renewables Reserve - £8,896k**

Set up at the end of 2015/16 in order to fund an investment programme to build new sources of renewable energy. A proposal for use of these funds prepared by the Policy team has been presented to EMT on 27 September 2017. This will utilise £1.2m element of the reserve arising from the Business Rates received from the Renewable Energy sources and permitted to be retained locally at 100% in order to be reinvested back in Renewable Energy.

Remainder of the reserve consists of funds from the rates retention pilot.

**Pension Deficit Reserve - £637k**

An allocation from employer pension contributions to meet the current deficit on the Cambridgeshire Local Government Pension Scheme over the next few years.

**Planning Enforcement Reserve - £500k**

Established to meet legal and other costs arising from planning enforcement actions. This reserve is to be maintained in case of major enforcement and will be topped back up if used.

**Business Efficiency Reserve - £240k**

Set aside to meet costs associated with council actions, implementation of the Business Improvement and Efficiency Programme and Commercialisation Programme projects and the Shared Services Programme. Annual contribution of £50k is currently budgeted for transfer to this reserve. The Leaders of Cambridge City Council, Huntingdonshire District Council and SCDC have committed £200k of this reserve towards the costs of the 3C Programme Office over two years. This reserve was reduced by £60k to cover the costs of the 3C Shared Services Hub for 2016/17 and a further £40k relating to the budgeted costs of the 3C Shared Services Hub for 2017/18, making the two year cost of the 3C Shared Services Hub £100K instead of £200k.

Annual contributions to this reserve are stopped and the available remaining funds will be used to continue the work of setting up the Shared Services.

**Homelessness Reserve - £166k**

The Homelessness Reserve is used to hold government grant receipts (Flexible Homelessness Support Grant) which will be used over the next 3 years to finance increased staffing levels and

administrative costs arising from the new prevention and relief duties required under the Homelessness Reduction Act, which came into force in April 2018.

#### **Taxi Licencing Reserve - £147k**

Fund has been built up recently from excess income generated through the service compared to how much it costs to administer the function. Excess fee income must be re-invested back into the service or licence fees reduced to offset this excess sum on account. Plans are in place to draw-down from this fund by employing additional resource to cope with the high demand whilst keeping the licensing fee within current levels in the short term.

#### **Business Accommodation Reserves - £138k**

Consists of the Cambourne Office reserve of £23k relating to the access road and the Facilities Reserve of £75k created in 2015/16 to spread the cost of repairs. There is a separate capital reserve specifically for capital improvements to the Cambourne office (see below).

Reserves relating to the Cambourne office and Facilities improvements are to be used to fund the approved bids for office refurbishment programmes.

#### **Land Charges - Appropriations - £118k**

Set aside to either provide capital investment in Land Charges e.g. electronic service delivery or to offset unforeseen revenue demands that accrue but cannot be recovered through the current fee structure, set at the start of the year. The reserve has been accumulated in recent years from high income levels which have out-stripped costs; a significant amount was withdrawn from this reserve in 2016-17. Balance in the reserve at the end of 2016-17 is to be used towards a revenue bid in 2018-19. By its nature, this reserve can only be utilised through the Land Charges function.

#### **Private Stock Condition Survey - £90k**

Set aside to fund a future survey on the condition of private housing in the district. This is part of a Housing Standards initiative. It was a statutory obligation imposed on local authorities to undertake a survey of this nature every 5 years - £15k is set aside from budget each year (including 2017-18) to meet these 5 year costs.

#### **Children & Young People- £75k**

Set side to fund the current and future costs of the South Cambridgeshire and Cambridge City Children and Young People Area Partnership. SCDC provide the financial support and

administer the finances on behalf of the South Cambridgeshire and Cambridge City Children and Young Peoples Area Partnership. This is a partnership reserves shared with the County.

#### **Business Hub- £57k**

Reserve set up in 2015/16 to support the Business Hub initiative. Funds in this reserve include funds from the County Council (originally £72K), which cannot be used without their consent.

### **Planning Reserves - £2,024k**

#### **Planning Policy reserve - £568k**

Planning Policy reserve was created in 2017-18 with the funds allocated from

1. Roll over from year 2016-17 relating to the Local Plan (£223,877);
2. Topped up from the underspend projected to occur this year and to be used for future "commissioning" of SCDC specific policy work from the shared planning service policy team.

Creation of the reserve is based on the need for a carry forward of unspent funds associated with the delay in adoption of the Local Plan and associated projects (such as CIL) – which will push some of the final bills and costs into 2018/19.

#### **Major Developments Fees and Parish Liaison Reserve - £472k**

This reserve has been established from pre-app and planning application fees received in respect of major developments, to be called on as and when necessary to ensure planning teams are resourced to support and progress applications for those developments.

This includes the balance remaining from the Planning Enforcement Reserve when it was decided to reduce that reserve from a maximum of £1m to £500,000, set aside to fund two two-year fixed term posts, one in housing and one in planning, to support parish liaison and site development initiatives.

It is expected that this reserve will be used to cover Planning bids for funds in 2018-19, including the anticipated income shortfall.

#### **Growth Agenda Reserve - £346k**

#### **Northstowe Reserve - £128k**

Transfer of DCLG Capacity Funding income to reserve. This amount was previously incorrectly carried forward as receipt in advance is £144k in Growth Agenda Reserve. A further £202k is PPAs received in advance in 2017-18 in relation to future projects.

Northstowe reserve has been established from pre-app and planning application fees received in respect of Northstowe, identified separately in recognition of its importance, to be called on as and when necessary to ensure planning teams are resourced to support and progress applications for the Northstowe development.

**S106 Admin Fees - £109k**

Transfer of S106 Admin fees transferred to Reserve to cover future S106 Admin Officer costs. This amount was previously incorrectly carried forward as receipt in advance.

**Planning Fee Reserve excl Northstowe - growth agenda - £179k**

**Parish Liaison & Site Development Reserve - £100k**

These are general use reserves to be used to support Growth budget or additional Planning service requirements as and when necessary.

A detailed 5-year project plan for Growth sets out periodic shortfalls in revenue versus costs and would indicate when and how much for this reserve needs to be allocated for this purpose. This is due to be presented to Finance shortly. It is recommended that this is reviewed and any remainder of the reserve is used towards Planning service bids for 2018-19 or released.

**Planning other - £92k**

Includes Enforcement of unauthorised developments, Habitat Regulations Assessment, Legal costs: re Northstowe Trust. To be used towards Planning Revenue bids in 2018-19.

**Brownfield Sites Reserve - £30k**

DCLG Brownfields Sites income transferred to Reserve for future use. This amount was previously incorrectly carried forward as receipt in advance.

**Capital Reserves - £1,382k**

**Refuse Collection reserve - £647k**

**Refuse Supervisors' vehicles - £61k**

This is a sinking fund being built-up to fund future replacement vehicles for the Shared Waste Service. There is also a sum of £61k set aside for replacement of Supervisors' vehicles.

**Street Cleansing reserve - £229k**

This is a sinking fund being built-up to fund future replacement vehicles for the Street Cleansing Service.

**Air Quality monitoring - £310k**

The reserve was set up to fund replacement of equipment used for Air Quality monitoring.

**Footway Lighting reserve - £87k**

The reserve was set up in 2015-16 to fund the future planned replacement programme of those lights identified as of higher priority in the electrical and safety inspection survey undertaken recently.

**Cambourne Office - £83k**

The reserve was set up in 2008 for improvements to the office building, this was earmarked for refurbishment projects including moving the meeting rooms to a new location.

There is a separate Cambourne office revenue reserve of £23k (mentioned above).

It is recommended that this reserve is used towards the bids submitted for 2018-19 projects.

**Heritage initiatives and historic buildings - £40k**

The Reserves for Heritage and Historic Buildings consists of the following:

The Historic Buildings/Conservation Area Grants Reserve, which appears to have been overspent and currently has a debit balance of £28k.

The Preservation of Historic Buildings Reserve, first established in 1982 to provide the means, in the last resort, to save buildings at risk. It has enabled the Council to use its statutory powers, which could lead to compulsory purchase, repair and resale of such property. This Reserve currently has a balance of £35k.

The Heritage Initiatives Reserve set up in 1996/97 with a one-off contribution of £200,000, for use over a number of years to fund larger conservation projects. The balance of this Reserve is currently £34k.

No use of these reserves was made in the last 2 years, therefore these are recommended for release.

**Community Development - Capital - £5k**

This reserve has been given up to provide extra Community Chest funding in 2017/18.

## **GF Revenue Reserves - Other - £296k**

### Travellers Site Reserve - £81k

This fund has built-up in the last two years from the excess rental income generated from the two Council owned sites at Milton and Whaddon. Both sites have had capital injected in them recently and as such are relatively newly developed with low maintenance costs, meaning rental income as out-stripped the costs of running the sites. The money on this fund could be used for future capital improvements in the sites or used to counter-balance unexpected and therefore unbudgeted day-to-day running costs.

### RCV (Refuse Collection Vehicle) Sinking Fund - £41k

This is a revenue fund which we make contributions to as an insurance against heavy maintenance and repair costs that may be incurred on RCV's beyond their warranty period e.g. new engine or gearbox which aren't budgeted for within the running maintenance budget. Previously, these heavy costs would be covered under the contract lease agreement but SCDC are moving away from this policy to one of asset ownership.

### South Cambs Crime & Disorder Partnership - £33k

Partnership reserve held on behalf of the South Cambridgeshire Crime & Disorder Reduction Partnership. Any decision to utilise spend from this is made at Board level.

### Air Quality Monitoring x2 - £29k + £6k

These are in respect of two separate s106 agreements, one at Northstowe (£29k) and one on the Cambridge NW development site (£6k). These s106 will have conditions attached to them ensuring that the funds are spent in accordance with the purpose set out in the agreement.

### Street Cleansing Vehicles Sinking Fund - £24k

As RCV, but in respect to Street Cleansing vehicles.

### Health & Environmental Services - £24k

Council was successful in securing funding from Improvement East towards a new systems thinking process design. Funds from this are earmarked towards the facilitation of better mobile working strategy within the H&ES department.

### Economic Development - £13k

Council was successful in securing funding from Improvement East towards a new systems thinking process design. Funds from this are earmarked towards the facilitation of better mobile working strategy within the H&ES department.



Waterbeach Depot - £10k

There is an annual £5k appropriation into this fund (jointly funded with Cambridge City Council) as an insurance against any unexpected maintenance costs which as tenants, we'd be expected to cover. It is proposed that a ceiling level be set for this so that when it reaches this point e.g. £20k, no more extra money is put in, only replenishments up to the £20k.