

REPORT TO: Cabinet

5 February 2020

LEAD CABINET MEMBER: Councillor John Williams,
Lead Cabinet Member for Finance

LEAD OFFICER: Trevor Roff, Interim Director of Finance

Review of Reserves & Provisions

Executive Summary

1. To undertake a review of the Council's Revenue Reserves and Provisions as part of the 2020/2021 budget setting process.
2. This is a key decision as earmarked reserves are held to fund specific projects or proposals and the total balance held is significant in the context of the Council's overall financial position.

Recommendations

3. **That Cabinet is requested to consider the report and, if satisfied, recommend to Full Council:**
 - (a) **That the Reserves as summarised at paragraph 13 of the report be released and transferred to the General Reserve on 31 March 2020.**
 - (b) **That the Reserves proposed for replenishment or combination, and the outstanding balances at 31 March 2020 proposed for release, as detailed in Appendix A to the report, be approved.**
 - (c) **That the proposed new Reserves, as summarised at paragraph 16 of the report, be approved.**
 - (d) **That the movement in Reserves in 2019/2020 as set out in Appendix A, and the estimated balance of Reserves of £41.763 million, be noted.**

Reason for Recommendations

4. To ensure that the Council regularly reviews the balances held in established reserves to confirm that the allocations remain valid and thus still needed for the purposes outlined and that they are at the correct level to meet this requirement.

Details

Background

5. When reviewing their medium term financial plans and preparing annual budgets local authorities should consider the establishment and maintenance of reserves but they should not be held without a clear and identified purpose. Reserves can be held for three main purposes:

- 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; earmarked reserves are accounted for separately but remain legally part of the General Fund.
6. Provisions are held to fund specific events where an obligation has arisen as a result of a past event.
 7. The Cabinet is invited, as part of the 2020/2021 revenue budget determination process, to review the level and purpose of the Council's Revenue Reserves and Provisions. A detailed summary of the various Reserves held during 2019/2020 is attached at **Appendix A**.
 8. The value of Revenue Reserves held at 1 April 2019 was £41,229 million of which £28,216 million was earmarked, and the balance of £13,013 million represented the General Reserve and working balance. Based upon current forecasts, it is expected that between the period 1 April 2019 and 31 March 2020 the level of reserves will have increased to £41.763 million.
 9. In terms of Provisions, the Council has an established Bad Debt Provision which is held against the future recognition of certain accounts receivable as being uncollectable. The estimated balance of the Bad Debt Provision, as at 31 March 2020, is expected to be around £2.9 million and is considered, following review, to be adequate. This relates to amounts receivable from Council Tax, Business Rates and Housing Rents as well as a number of various sundry debts.

Review Process

10. The Cabinet, in reviewing the existing reserves, must give due regard to professional guidance which includes consideration of the following issues:
 - The reason/purpose of the reserve;
 - How and when the reserve can be used;
 - Procedures for the reserves management and control;
 - A process and timescale for review of the reserve to ensure continuing relevance and adequacy.
11. The focus of the review, as part of the 2020/2021 revenue budget process, will be to ensure that they are still relevant and held at the right balance.
12. The schedule of Reserves, at **Appendix A**, also identifies:
 - (a) the variations to established Reserves that have been approved by Council during 2019/2020;
 - (b) the balances proposed for release following the review process;
 - (c) financial movements during 2019/2020 against the established revenue reserves and the estimated balance as at 31 March 2020.

13. The revenue reserves proposed for release at 31 March 2020, following the review, total £300,000 and are summarised below:

RESERVES	Estimated Balance 31/03/2020*
	£'000
Planning Services	
S106 Admin	148
	<u>148</u>
Housing and Community Services	
Community Chest Grants	10
	<u>10</u>
Environmental Services	
Mobile Working Strategy	24
	<u>24</u>
Corporate Services	
Insurance All Risks	6
Electoral Registration	109
Revenue & Benefits	3
	<u>118</u>
TOTAL	<u><u>300</u></u>

(Note: Further expenditure could potentially be incurred during the remainder of 2019/2020, therefore, reducing these balances as at 31 March 2020).

14. Consideration has also been given to future service needs and risks as part of the 2020/2021 revenue budget determination process and this has identified a number of reserves that need to be replenished or combined. These proposals are detailed in **Appendix A**. The summary also includes, for completeness, the existing reserves where the balances remaining at 31 March 2020 are proposed at paragraph 13 to be released and transferred to the General Reserve.
15. The annual review has identified a number of relatively small value reserves and it is proposed, in some cases, that these should be amalgamated and re-designated (for example, a number of specific Planning related reserves are proposed for amalgamation into a single Planning Reserve and a number of individual reserves that enable a sinking fund to be built-up to fund specific vehicle types (refuse vehicles, street cleansing vehicles, supervisor vehicles etc) are proposed for amalgamation into a single Renewal and Repairs (Vehicles and Plant) Fund. The proposals in relation to reserves are summarised at **Appendix B**.
16. The review has also identified the following proposed new Reserves:
- (a) **Business Rates Retention Reserve:** The creation of a Reserve to help manage the short-term financial impact in the event of an unpredictable reduction in retained receipts occurring. Such a Reserve is necessary due to the volatile nature of the non-domestic rating tax base.
 - (b) **Property Investment Reserve:** The creation of a Reserve for the investment and refurbishment costs above and beyond tenant repairing lease obligations (e.g. investment to encourage improved re-letting terms). This could include upgrades to improve environmental standards.

- (c) Repair and Renewal (Equipment & Plant) Fund: The creation of a Reserve for the purpose of defraying expenditure to be incurred from time to time in repairing, maintaining, replacing and renewing IT equipment and operational building plant and equipment belonging to the Council. Annual revenue contributions will be made to the R&R (Equipment & Plant) Fund to equalise costs over the life of the asset.
 - (d) Software Fund: The creation of a Reserve for the purpose of defraying expenditure to be incurred from time to time on IT replacement software solutions. Annual revenue contributions will be made to the Software Fund to meet the cost of replacement software systems.
17. The level of annual contribution in respect of (c) and (d) will be determined as part of the 2020/2021 revenue budget process and will depend on the extent of other funding pressures that will impact on the delivery of a balanced budget.

Options

18. The option of not reviewing Reserve and Provision balances is not considered to be appropriate as otherwise valuable resource which may be needed elsewhere could be inappropriately allocated.

Implications

19. In the writing of this report, taking into account the financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

Policy

20. The Medium Term Financial Strategy (MTFS), approved by Cabinet on 4 December 2019, requires the Cabinet to identify, as part of the annual budgetary process or at such other times where it is necessary, one-off unavoidable expenditure and one-off expenditure for identified requirements. Such funding will be held in earmarked reserves until spent but will be subject to annual review by the Cabinet as part of the annual budget process to determine whether the monies still need to be held.

Legal

21. Reserves are held to fund specific initiatives or held to cover unforeseen events within the Council's prudent financial management arrangements. The requirement for financial reserves is acknowledged in statute; specifically, Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
22. Provisions must be established for any material liabilities of uncertain timing or amount to be settled by the transfer of economic benefits. They are required, therefore, when the local authority has a present obligation as a result of a past event. A Provision should be made on the date of the obligating event – the date on which the event takes place that results in an authority having no realistic alternative to settling the obligation. Conversely, amounts set aside for purposes falling outside the definition of Provisions should be considered as reserves.

Financial

23. The value of Reserves and Provisions held is set out in the report. They are reviewed on an annual basis to determine whether (i) they are still needed for purposes outlined and (ii) they are at the correct level to meet this requirement.

Risk

24. The Council maintains Revenue Reserves and Provisions to help fund specific initiatives or to cover unforeseen events (i.e. risk mitigation) within the Council's prudent financial management arrangements.

Environmental

25. There are no environmental implications arising from this report.

Equality Analysis

26. This report is exclusively to consider support and administrative arrangements and has no direct relevance to the Council's duty to promote equality of opportunity, promote good relations and eliminate unlawful discrimination.

Background Papers

Where the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require documents to be open to inspection by members of the public, they must be available for inspection:

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

The following documents are relevant to this report:

- Budget Report – Report to Cabinet: 6 February 2019/Council: 21 January 2019
- Medium Term Financial Strategy and General Fund Budget – Report to Cabinet: 4 December 2019

Appendices

- A Reserves held in 2019/2020
- B Summary of Amendments to Reserves: 2020/2021

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Appendix A

Reserve Balances 2019/2020

Name of Reserve	Description of Reserve	Balances as at 01/04/2019 £'000	Transfer From Reserve £'000	Transfer to Reserve £'000	Revised Balance £'000	Net Movement 2019/2020 £'000	Balance expected 31/03/2020 £'000	Release Balance Y/N
<u>General Fund Revenue Reserves</u>								
New Homes Bonus (NHB) GCP Reserve	Funding received from the NHB initiative has, in the past, been used towards General Fund expenditure previously funded by the Housing & Planning Delivery Grant or to meet Local Plan and associated costs. The Greater City Partnership (GCP) partners also agreed that 40% of NHB receipts would be set aside to meet the GCP costs but, due to reducing amounts from NHB, this was reduced to 30% from 1 April 2019. General Fund forecasts may, however, necessitate a further review of the level of contribution.	3,131	-	-	3,131	-	3,131	N
New Homes Bonus A14 Upgrade Reserve	It is intended that the A14 contribution of £5m will be funded from this established reserve. Initial contributions to this reserve were funded from the balance of NHB after contributions to the General Fund and GCP. It has been recognised that an alternative source of funding needs to be identified for the balance of funding of £1.682m for the A14 contribution and it is proposed that this is transferred from the Business Rates Growth Reserve [see below].	3,318	-	1,682	5,000	-	5,000	N
Business Rates Growth Reserve	This comprises retained funds from the 100% Business Rates pilot. At the time the funds were made available, it was not clear if there were any restrictions on expenditure funded by this pilot, therefore funds were put in a reserve pending further clarifications from the Government. It is proposed that the Reserve is used to fund the A14 upgrade funding shortfall (see above), with the balance used to establish (i) a Business Rates Retention Reserve (£1m) and (ii) a Property Investment Reserve (£3.548m) [see below].	6,230	-6,230	-	-	-	-	Y
Business Rates Retention Reserve (NEW)	The creation of a reserve to help manage the short-term financial impact in the event of an unpredictable reduction in retained receipts occurring. Such a reserve is necessary due to the volatile nature of the non-domestic rating tax base.	-	-	1,000	1,000	-	1,000	N
Property Investment Reserve (NEW)	The creation of a reserve for the investment and refurbishment costs above and beyond tenant repairing lease obligations (e.g. investment to encourage improved re-letting terms). This could include upgrades to improve environmental standards.	-	-	3,548	3,548	-	3,548	N

Name of Reserve	Description of Reserve	Balances as at 01/04/2019	Transfer From Reserve	Transfer to Reserve	Revised Balance	Net Movement 2019/2020	Balance expected 31/03/2020	Release Balance
		£'000	£'000	£'000	£'000	£'000	£'000	Y/N
Renewables Reserve	The reserve was set up at the end of 2015/2016 to fund a programme of priority green energy investment projects. In line with established policy, the reserve is topped up annually by earmarking the retained renewable energy business rates for investment in green energy projects. Current investment projects include a range of green energy measures at South Cambridgeshire Hall and the LED lighting replacement programme.	4,475	-	-	4,475	318	4,793	N
Pension Deficit Reserve	An allocation from employer pension contributions to meet the current deficit on the Cambridgeshire Local Government Pension Scheme over the next few years. This reserve is being topped up and depleted through the year to smooth the pension contribution requirements.	471	-	-	471	-147	324	N
Transformation Reserve	<p>Previously the Business Efficiency Reserve that was 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. An annual contribution of £50,000 is currently budgeted for transfer to the reserve. This reserve is delegated to the Chief Executive, in consultation with the Lead Member for Finance.</p> <p>The Cabinet, at its meeting on 2 October 2019, approved the re-designation of the Business Efficiency Reserve as the Transformation Reserve, with the appropriation of £3 million from the unallocated balance on the General Fund Reserve (following consideration of the General Fund revenue budget outturn position for the financial year 2018/2019). It is proposed that a small outstanding balance on the Health & Environmental Services Reserve relating to a review of business processes (see below) is transferred to the Transformation Reserve.</p>	4,026	-	-	4,026	-119	3,907	N
Health & Environmental Services (H&ES)	The 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.	24	-	-	24	-24	0	Y
Electoral Registration	Following Governments rollout of Individual Electoral Registration (IER), an amount was held-back in reserves to offset the predicted increase in costs that was felt would arise on the Authority for administering the new scheme. There has been no movement on this reserve since 1 April 2017 and it is proposed that the balance can now be released and transferred to the General Reserve.	109	-	-	109	-109	0	Y

Name of Reserve	Description of Reserve	Balances as at 01/04/2019	Transfer From Reserve	Transfer to Reserve	Revised Balance	Net Movement 2019/2020	Balance expected 31/03/2020	Release Balance
		£'000	£'000	£'000	£'000	£'000	£'000	Y/N
Elections	An annual contribution to meet the cost of future election expenses.	-	-	-	-	57	57	N
Revenues and Benefits	This amount was the remainder left after funding some specific projects in 2015/2016 and should be returned to the General Fund. It is proposed, therefore, that this reserve can now be released and transferred to the General Reserve.	3	-	-	3	-3	0	Y
Brexit Preparation	Grants have been received for Brexit preparation and it has been held in a reserve for use in 2019/2020 and 2020/2021.	17	-	-	17	26	43	N
South Cambs Crime & Disorder Partnership	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.	33	-	-	33	-	33	N
Homelessness Reserve	<p>This reserve was originally set up to transfer the balance of the Flexible Homelessness Support Grant that was not utilised in the year 2017/2018 and it has been further topped up by the underspend of the level of grant received in 2018/2019.</p> <p>The 2019/2020 Flexible Homelessness Support Grant allocation totals £363,686 and it is proposed that the underspend will be transferred to the reserve to meet project commitments. Commitments on the Reserve in 2019/2020 to date are estimated at £172,686, including the cost of homelessness staffing, trailblazer contribution and Shire Homes Lettings. The projected 2019/2020 year end reserve balance is currently estimated at £191,000.</p>	452	-	-	452	191	643	N
Taxi Licencing Reserve	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 reinvested 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 licencing fee within current levels in the short term.	101	-	-	101	-48	53	N
Accommodation Reserve (REDESIGNATION)	It is proposed that the former Business Accommodation Reserve (originally established for the Cambourne Office access road and to create a Facilities Reserve to spread the cost of repairs) is re-designated as Accommodation Reserve. It is proposed that the balances on the Business Hub and Waterbeach Depot Reserves (see below) are also transferred to this Accommodation Reserve. Commitments have been made during 2019/2020 to fund the office refurbishment programme.	274	-	106	380	-193	187	N

Name of Reserve	Description of Reserve	Balances as at 01/04/2019	Transfer From Reserve	Transfer to Reserve	Revised Balance	Net Movement 2019/2020	Balance expected 31/03/2020	Release Balance
		£'000	£'000	£'000	£'000	£'000	£'000	Y/N
Business Hub Reserve	Reserve set up in 2015/2016 to support the Business Hub initiative.	57	-57	-	0	-	0	Y
Waterbeach Depot	There is an annual £5,000 appropriation into this fund (jointly funded with Cambridge City Council) as an insurance against any unexpected maintenance costs which as tenants, the Council would be expected to cover.	49	-49	-	0	-	0	Y
Land Charges – Appropriations Reserve	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. By its nature, this Reserve can only be utilised through the Land Charges function.	396	-	-	396	-48	348	N
Private Stock Condition Survey	Funding is set aside to fund future surveys on the condition of private housing in the district. This includes, as part of a Housing Standards initiative, the annual sum of £15,000 being set aside from the revenue budget to meet the statutory obligation imposed on local authorities to undertake condition surveys every 5 years. The reserve also enables other essential housing surveys to be commissioned to inform maintenance programmes.	105	-	-	105	-	105	N
Community Development	This reserve was originally established for community development initiatives and has in the past been used to provide extra Community Chest funding. It is proposed that this reserve is amalgamated with the existing Child and Young People Reserve to create the capacity for priority community based projects.	5	-	75	80	-	80	N
Children & Young People Reserve	Set aside to fund the current and future costs of the South Cambridgeshire and Cambridge City Children and Young People Area Partnership. Priority projects are determined in partnership with Cambridgeshire County Council.	75	-75	-	0	-	0	Y
Community Chest Grants	This reserve has been created from historic underspends and is intended to fund years when an overspend occurs; to date this has not happened. It is proposed that this reserve can now be released and transferred to the General Reserve.	10	-	-	10	-10	0	Y
Footway Lighting Reserve	The reserve was set up in 2015/2016 to fund the future planned replacement programme of those lights identified as of higher priority in the electrical and safety inspection survey undertaken recently. It is expected to be fully committed in 2020/2021.	87	-	-	87	-	87	N

Name of Reserve	Description of Reserve	Balances as at 01/04/2019	Transfer From Reserve	Transfer to Reserve	Revised Balance	Net Movement 2019/2020	Balance expected 31/03/2020	Release Balance
		£'000	£'000	£'000	£'000	£'000	£'000	Y/N
Air Quality Monitoring	The reserve was set up to fund replacement of equipment used for air quality monitoring. It also includes provision for the air quality monitoring required in relation to two separate s106 agreements, one at Northstowe (£29,000) and one on the Cambridge NW development site (£6,000); these s106 contributions will have conditions attached to them ensuring that the funds are spent in accordance with the purpose set out in the agreement. It is expected that this reserve will be fully committed in 2019/2020.	50	-	-	50	-50	0	-
Travellers Site Reserve	This fund has built-up 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 has out-stripped the costs of running the sites. It is proposed that this reserve is retained to enable needs assessments to be undertaken and for any enforcement action.	111	-	-	111	-	111	N
Swavesey Byeways Fund	Amounts have been received from a third party toward maintenance of the Byeways and can only be used for that purpose. The balance relates to amounts yet to be utilised.	8	-	-	8	-	8	N
Contributions: Cambridge Sports Lake Trust	This relates to a contribution towards the maintenance of the lake at Milton Country Park. It is not clear whether there are any restrictions on the use of this contribution and further work is needed to determine the conditions that apply.	6	-	-	6	-	6	N
Webb's Hole Sluice	This small amount is held for any one-off equipment replacement that might be required. It has been in existence for at least three years and further work is needed to assess the necessity for it.	12	-	-	12	-	12	N
LA Parks Improvement Fund	A grant from Central Government was received toward the end of 2018/2019 for improvements to parks and open spaces within the District. It is proposed to use this at Northstowe.	25	-	-	25	-	25	N
Saxon Close, Oakington Commuted Sum	This reserve comprises S106 monies held to provide grounds maintenance on a shared space at this housing development.	16	-	-	16	-	16	N
S106 Admin Fees	This reserve comprises S106 administration fees set aside to cover future S106 Administrative Officer costs. The Officer is now employed on a permanent basis and funded from the General Fund and, therefore, this is no longer needed. It is proposed that this can now be released and transferred to the General Reserve.	148	-	-	148	-148	0	Y

Name of Reserve	Description of Reserve	Balances as at 01/04/2019	Transfer From Reserve	Transfer to Reserve	Revised Balance	Net Movement 2019/2020	Balance expected 31/03/2020	Release Balance
		£'000	£'000	£'000	£'000	£'000	£'000	Y/N
Section 106 AWC	This will be used to fund future Plant and Equipment represented within the Authority's capital programme.	10	-	-	10	-	10	N
Insurance – All Risks	Historically the Council insured several sundry items under an "All Risks" insurance policy. A decision was made to only insure items with a value of £10,000 or more, under this policy, and this small reserve was, therefore, created to fund any losses of items below this £10,000 limit. In reality the amount is so small that it makes more sense to fund any items from underspends elsewhere or, if necessary, the General Fund Balance. It is proposed that this can, therefore, now be released and transferred to the General Reserve.	6	-	-	6	-6	0	Y
		23,840	-6,411	6,411	23,840	-313	23,527	
<u>Planning Reserves</u>								
Planning Reserve (NEW)	The amalgamation of a number of existing planning related reserves (see below) to provide funding for unforeseen and unexpected levels of service, the resource needs associated with major developments, legal and other costs arising from planning enforcement actions and a contribution to consultancy and other resource needs associated with Local Plan preparations.	0	-	1,963	1,963	-93	1,870	N
Planning Enforcement Reserve	Established originally to meet legal and other costs arising from planning enforcement actions. It is proposed that this reserve is transferred to the new Planning Reserve.	500	-500	-	0	-	0	Y
Planning Policy Reserve	The Planning Policy reserve was created in 2017/2018 with the funds allocated from: <ul style="list-style-type: none"> Roll over from year 2016/2017 relating to the Local Plan (£223,877); Topped up from the underspend projected and to be used for future "commissioning" of SCDC specific policy work from the shared planning service policy team. It is proposed that this reserve should now be transferred to the new Planning Reserve.	568	-568	-	0	-	0	Y
Staff Resources Reserve	This reserve was created from staffing underspends and, as such, is not for any specific purpose other than Planning related expenditure. It is proposed that this reserve should now be transferred to the new Planning Reserve.	472	-472	-	0	-	0	Y

Name of Reserve	Description of Reserve	Balances as at 01/04/2019	Transfer From Reserve	Transfer to Reserve	Revised Balance	Net Movement 2019/2020	Balance expected 31/03/2020	Release Balance
		£'000	£'000	£'000	£'000	£'000	£'000	Y/N
Major Development Fees and Parish Liaison Reserve	This reserve was originally established from pre-app and planning application fees received in respect of major developments, so that it could be called on as and when necessary to ensure planning teams are resourced to support and progress applications for those developments. This includes funding 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 proposed that this reserve is transferred to the new Planning Reserve.	179	-179	-	0	-	0	Y
Planning Service Contingency Reserve	This reserve was created to meet any unforeseen staff costs arising from the transformation to the shared Planning Service with Cambridge City Council. It is proposed that this reserve should now be transferred to the new Planning Reserve.	100	-100	-	0	-	0	Y
Heritage and Historic Buildings	This reserve was created to fund any unexpected costs relating to Heritage Initiatives or works to historic/listed buildings which might need to be carried out. It is proposed that this reserve can be transferred to the new Planning Reserve.	51	-51	-	0	-	0	Y
Habitats Regulation Reserve	This reserve was created from European funding received for specific use to provide appropriate assessments under (Regulation 48) of the Conservation (Natural Habitats &c) Regulations, 1994. The reserve is, therefore, ring fenced and can only be used for this purpose. It is proposed that this reserve should be transferred to the new Planning Reserve.	50	-50	-	0	-	0	Y
Brownfield Sites Reserve	DCLG Brownfields Sites income transferred to Reserve for future use. It is proposed that this reserve should be transferred to the new Planning Reserve.	30	-30	-	0	-	0	Y
Economic Development	Carry forward of funding relating to the underspend created by training needs project. It is proposed that this reserve can now be transferred to the new Planning Reserve.	13	-13	-	0	-	0	Y
Growth Agenda		1,963	-1,963	1,963	1,963	-93	1,870	
Northstowe Reserve	The Northstowe reserve was originally 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. It is proposed that a number of other reserves identified for Northstowe (see below) can be amalgamated into this reserve.	127	-	380	507	-	507	N

Name of Reserve	Description of Reserve	Balances as at 01/04/2019	Transfer From Reserve	Transfer to Reserve	Revised Balance	Net Movement 2019/2020	Balance expected 31/03/2020	Release Balance
		£'000	£'000	£'000	£'000	£'000	£'000	Y/N
Northstowe Growth Agenda	The reserve was originally established from DCLG capacity funding and it is proposed that this reserve can now be transferred to the Northstowe Reserve	346	-346	-	0	-	0	Y
Northstowe Legal Costs	This reserve was created to fund the legal costs of the once proposed "Northstowe Trust", which was to be formed to manage several local issues relating to Northstowe. The Trust was not formed and is no longer required. It is proposed that this reserve should, therefore, be transferred to the Northstowe Reserve.	34	-34	-	0	-	0	Y
		507	-380	380	507	-	507	
<u>Vehicles, Plant and Equipment</u>								
Repair and Renewal (Vehicles & Plant) Fund (NEW)	The creation of a reserve for the purpose of defraying expenditure to be incurred from time to time in repairing, maintaining, replacing and renewing vehicles and plant belonging to the Council. Annual revenue contributions will be made to the R&R Fund to equalise costs over the life of the asset. It is proposed, therefore, that a range of existing reserves should be amalgamated into the R&R (Vehicle & Plant) Fund – see below.	0	-	1,906	1,906	640	2,546	N
Refuse Collection Vehicles Reserve	This is the balance of a sinking fund that has been built-up to fund future replacement vehicles for the Shared Waste Service. It is proposed that this balance should be transferred to the new R&R (Vehicle & Plant) Fund.	1,272	-1,272	-	0	-	0	Y
Refuse Supervisors' Pooled Vehicles	This is the balance of a sinking fund that has been built-up to date to fund replacement Supervisors' vehicles. It is proposed that this should now be transferred to the new R&R (Vehicle & Plant) Fund.	76	-76	-	0	-	0	Y
Street Cleansing Reserve	This is the balance of a sinking fund that has been built-up to date to fund replacement vehicles for the Street Cleansing Service. It is proposed that this should now be transferred to the new R&R (Vehicle & Plant) Fund.	425	-425	-	0	-	0	Y
Street Cleansing Vehicles Sinking Fund	This relates to contributions to a revenue fund as an insurance against heavy maintenance and repair costs that may be incurred on Street Cleansing Vehicles. It is proposed that this should now be transferred to the new R&R (Vehicle & Plant) Fund.	24	-24	-	0	-	0	Y

Name of Reserve	Description of Reserve	Balances as at 01/04/2019	Transfer From Reserve	Transfer to Reserve	Revised Balance	Net Movement 2019/2020	Balance expected 31/03/2020	Release Balance
		£'000	£'000	£'000	£'000	£'000	£'000	Y/N
Refuse Collection Vehicle Sinking Fund	This relates to contributions to a revenue fund as an insurance against heavy maintenance and repair costs that may be incurred on Refuse Collection vehicles beyond their warranty period e.g. new engine or gearbox which are not budgeted for within the running maintenance budget. Previously these heavy costs would be covered under the contract lease agreement, but the Council has moved away from this policy to one of asset ownership. It is proposed that this balance should now be transferred to the new R&R (Vehicle & Plant) Fund.	41	-41	-	0	-	0	Y
Waste Management	This is the residual amount retained in reserve from the sum set aside to offset one-off expenditure, foreseen to accrue from the transitional process in creating the Greater Cambridge Shared Waste Service. This is not a shared reserve. It is proposed that this should now be transferred to the new R&R (Vehicle & Plant) Fund.	45	-45	-	0	-	0	Y
Enviro-crime Vehicles	This reserve includes annual revenue contributions to facilitate the replacement of the Enviro-crime Enforcement vehicle when the need arises. It is proposed that this should now be transferred to the new R&R (Vehicle & Plant) Fund.	23	-23	-	0	-	0	Y
Repair and Renewal (Equipment & Plant) Fund (NEW)	The creation of a Reserve for the purpose of defraying expenditure to be incurred from time to time in repairing, maintaining, replacing and renewing IT equipment and operational building plant and equipment belonging to the Council. Annual revenue contributions will be made to the R&R (Equipment & Plant) Fund to equalise costs over the life of the asset.	0	-	-	0	-	0	N
Software Fund (NEW)	The creation of a Reserve for the purpose of defraying expenditure to be incurred from time to time on IT replacement software solutions. Annual revenue contributions will be made to the Software Fund to meet the cost of replacement software systems.	0	-	-	0	-	0	N
		1,906	-1,906	1,906	1,906	640	2,546	
Total Earmarked Reserves		28,216	-10,660	10,660	28,216	234	28,450	
General Fund Reserve		13,013	-	300	13,313	-	13,313	
TOTAL		41,229	-10,660	10,960	41,529	234	41,763	

Appendix B

Proposed Amendments to Reserves 2020/2021

	Balance	Transfer	Transfer	Balance	Remarks
	01/04/2019	from	to	after	
	£'000	£'000	£'000	£'000	
Name of Reserve					
Greater Cambridge Partnership	3,131			3,131	Retain
Business Rates Growth	6,230	6,230		0	Reallocate balance (see below)
Infrastructure	3,318		1,682	5,000	To set aside £5m for A14 infrastructure payments
Business Rates Retention Reserve	0		1,000	1,000	New
Property Investment Reserve	0		3,548	3,548	New
Renewables	4,475		0	4,475	Retain
Pension Deficit Reserve	471			471	Retain
Transformation Reserve	4,026			4,026	Formerly Business Efficiency Reserve – Retain
Health & Environmental Services	24			0	Release to the General Fund 31/3/2020
Electoral Registration	109			109	Release to the General Fund 31/3/2020
Revenues and Benefits	3			3	Release to the General Fund 31/3/2020
Brexit Preparation	17			17	Retain
South Cambs Crime & Disorder	33			33	Retain
Homelessness (Flexible homeless grant)	452			452	Retain
Taxi Licensing	101			101	Retain
Business Accommodation Reserve	274		106	380	Rename Accommodation Reserve
Business Hub	57	57		0	Amalgamate with Accommodation Reserve
Waterbeach Depot	49	49		0	Amalgamate with Accommodation Reserve

Land Charges	396			396	Retain
Private Stock Condition Survey	105			105	Retain
Sports/Community Development	5		75	80	Transfer to Community Development Reserve
Children & Young People	75	75		0	Transfer to Community Development Reserve
Community Chest Grants	10			10	Release to the General Fund 31/3/2020
Footway Lighting	87			87	To be Used in 2019/2020
Air Quality Monitoring	50			50	To be Used in 2019/2020
Travellers Sites	111			111	Retain
Swavsey Byeways Fund	8			8	Retain
Contributions Cambridge Sports Lake Trust	6			6	Retain
Webbs Hole Sluice	12			12	Retain
LA Parks Improvement Fund	25			25	Retain
Commuted Sum Saxon Close Oakington	16			16	Retain
S106 Admin	148			148	Release to the General Fund 31/3/2020
Section 106 AWC	10			10	Retain
Insurance All Risks Reserve	6			6	Release to the General Fund 31/3/2020
Planning Reserve	0		1,963	1,963	New
Planning Policy	568	568		0	Amalgamate with Planning Reserve
Enforcement Reserve	500	500		0	Amalgamate with Planning Reserve
Staff Resources Reserve	472	472		0	Amalgamate with Planning Reserve
Planning Fee Reserve	179	179		0	Amalgamate with Planning Reserve
Planning Service Contingency Reserve	100	100		0	Amalgamate with Planning Reserve
Heritage and Historic Buildings	51	51		0	Amalgamate with Planning Reserve
Habitats Regulation Reserve	50	50		0	Amalgamate with Planning Reserve
Brownfield Sites	30	30		0	Amalgamate with Planning Reserve
Economic Development Reserve	13	13		0	Amalgamate with Planning Reserve

Northstowe Reserve	127		380	507	Amalgamate existing balances
Northstowe Growth Agenda	346	346		0	Amalgamate with Northstowe Reserve
Northstowe Legal Costs	34	34		0	Amalgamate with Northstowe Reserve
Repair and Renewal Fund	0		1,906	1,906	New
Refuse Vehicles	1,272	1,272		0	Amalgamate with Repairs and Renewals Fund
Refuse Supervisor Pooled Vehicles	76	76		0	Amalgamate with Repairs and Renewals Fund
Street Cleansing Vehicles	425	425		0	Amalgamate with Repairs and Renewals Fund
Street Cleansing Vehicles SF	24	24		0	Amalgamate with Repairs and Renewals Fund
RCV Sinking Fund	41	41		0	Amalgamate with Repairs and Renewals Fund
Waste Management	45	45		0	Amalgamate with Repairs and Renewals Fund
Enviro-crime Vehicles	23	23		0	Amalgamate with Repairs and Renewals Fund
	28,216	10,660	10,660	28,216	