

Appendix C - Reserves

The Council's departmental reserves and the capacity building reserve are monitored throughout the year and feed into the budget setting process accordingly. The next table summarises the expected balance for all reserves for 2017/18 to 2020/21

Out of the total reserves balance only £22m is deemed available or uncommitted, due to restrictions placed on the remaining reserves.

A contribution to the reserves position is projected at the end of 2017/18 through a forecast underspend and through the application of funds received from Planning Obligations Implementation System (POIS) for capital contributions.

Summary of Reserves	Balance Brought Forward 1.4.17	Contribution from reserves	Movement between reserves	Contribution to reserves	Forecast Balance 31.03.18	Forecast Balance at 31.03.19 £000	Forecast Balance at 31.03.20 £000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Balance	6,000				6,000	6,000	6,000
Available Reserves							
Capacity Building Reserve	4,314	(1,813)	1,445	7,866	11,812	12,332	11,092
Risk Management Contingency	680	(23)			657	657	657
Grant Equalisation Reserve	15,639	(7,827)	0	0	7,812	3,745	3,745
Development Equalisation Reserve	1,233	(689)			544	0	0
Departmental Reserve	3,855	(1,090)	(1,445)	255	1,575	870	870
	25,721	(11,441)	0	8,121	22,400	17,604	16,364
Ring-Fenced Reserves							
Insurance Reserve	4,425	0		511	4,936	4,936	4,936
Schools Capital Expenditure Reserve	1,287	0			1,287	1,287	1,287
Parish Council Burial Ground Reserve	53	0			53	53	53
Hackney Carriage Reserve	155	0			155	155	155
School Leases Reserve	336	0		3	339	324	274
Future Cities Reserve	569	(569)			0	0	0
Public Health Reserve	428	0			428	230	230
	7,253	(569)	0	514	7,198	6,986	6,935
Total Available and Ring-Fenced reserves and General Fund Balance	38,974	(12,010)	0	8,635	35,599	30,590	29,300

* £7.194m was drawn down as part of the budget setting process, the remaining £2.982m has been drawn down during the year as and when it has been required.

Key Changes in the movement in Reserves

Capacity Building Reserve – The £7.866m contribution is primarily available because of the under spend forecast for 2017/18 and £4.2m POIS balances. Between 2010 and 2015 the Council operated the system of Planning Obligations Implementation System (POIS) Section 106 planning agreements. Following Counsel's advice and discussions with external auditors, the balances that are held in the Strategic POIS Pool are available to apply to a capital financing purpose. The Strategic POIS balances will be used to

make minimum revenue provision. This allows the resulting underspend on the capital financing budget to be transferred to reserves.

£1.4m has been transferred from earmarked reserves to Capacity reserve as no longer being required for their specific purposes.

Grant Equalisation Reserve – The balance at the end of 2016/17 was greater than expected in the budget due to additional items that were transferred into the reserve.

Departmental reserve contributions:

Growth and Regeneration

£150k - Fourth annual contribution to create £600k fund for Fletton Quays revenue costs (stamp duty etc.)

£75k - Local development plan - LDP has slipped by 9 months into 18/19 and has no recurring budget to fund (cyclical activity)

£30k - New burdens funding for self & custom build housing - to fund fixed term post.

Insurance reserve - £511k is to fund future expected claims this comes from a review of previous years' claims, plus other elements that are not covered externally such as subsidence, an average of the figures plus a review of claims trends are then used to calculate a likely figure for future claims.