



Cabinet

30 November 2016

Item
8(i)

Report of

Assistant Chief Executive

Author

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Title

2017/18 Revenue Budget, Fees and Charges and Financial Reserves

Wards
affected

Not applicable

**This report provides an update on the 2017/18 Revenue Budget,
Fees and Charges and Financial Reserves**

1. Decisions Required

1.1. Cabinet is requested to:

Re: Overall Budget position and changes

- (a) Note the current 2017/18 revenue budget forecast which at this stage shows a budget gap of £325k and the forecast variables and risks.
- (b) Note the action being taken to finalise the budget.
- (c) Agree that the 2017/18 taxbase will be agreed by the Section 151 Officer in consultation with the Portfolio Holder for Business and Resources

Re: Specific budget decisions

- (d) Approve the distribution of revenue grants to Parish, Town and Community Councils for 2017/18 as set out at Appendix B.
- (e) Approve the funding for voluntary welfare organisations and arts grants as set out in Appendix C and D.
- (f) Agree all fees and charges as set out in Appendix G and to continue to delegate to Heads of Service the authority to vary fees and charges in-year as set in section 12 of this report.

2. Reasons for Decisions

- 2.1 The Council is required to approve a budget strategy and timetable in respect of the year 2017/18.
- 2.2 This report relates to the budget update and a review of balances. This report also includes decisions in respect of fees and charges and certain specific budget changes to ensure that these can be reflected in the final budget.

3. Alternative Options

- 3.1 There are different options that could be considered and as the budget progresses changes and further proposals will be made and considered by Cabinet and in turn Full Council. The separate appendices showing specific decisions include alternative options where relevant.

4. Background

- 4.1. The timetable for the 2017/18 budget process (see Appendix A) was agreed at Cabinet on 13 July 2016
- 4.2. An updated 2017/18 budget forecast was presented and agreed at the Cabinet meeting on 12 October 2016. This showed a budget gap of c£325k

5 In year Budget Review – 2016/17

- 5.1. The Scrutiny Panel reviewed the current year's budget position on 8 November 2016. This showed a forecast net underspend of £207k and a net shortfall in income of £447k giving a combined forecast overspend of £240k.
- 5.2. Whilst there remains a number of risk and variables that will affect the forecast it is viewed as reasonable to assume that the final outturn is delivered 'on budget' and this is considered as part of the assessment of balances.

6. Local Government Finance Settlement and other Government Grants

Government Funding & Business Rates

- 6.1. The 2016/17 Finance Settlement included the announcement of an "offer" of a four year funding settlement. Cabinet agreed on 7 September 2016 to "apply to accept" this offer. This was done by the deadline and a formal response is still awaited. As part of this an efficiency statement was published.
- 6.2. The following table sets out the four year figures for 2016/17 to 2019/20. These show a total reduction of £2.1million (35%) from April 2017 with a reduction next year of almost £1m (17%).

	Actual	Provisional allocations			
	2016/17	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant	(1,978)	(920)	(275)	446	
Business Rates Baseline	(3,960)	(4,038)	(4,157)	(4,290)	
<i>Settlement Funding Assessment (SFA)</i>	<i>(5,938)</i>	<i>(4,958)</i>	<i>(4,432)</i>	<i>(3,844)</i>	
Reduction (£'000)		980	526	588	2,094
Reduction (%)		-17%	-11%	-13%	-35%

- 6.3. The provisional figures are reflected in the budget forecast and confirmation of this grant will be provided in the 2017/18 finance settlement.

New Homes Bonus

- 6.4. Alongside the announcement of the Finance Settlement we expect to receive confirmation of the New Homes Bonus. The Government published a consultation paper on changes to the New Homes Bonus: "New Homes Bonus: Sharpening the Incentive" and to date there has been no communication as to how the scheme will change.
- 6.5. The 2017/18 budget forecast and MTFP includes the New Homes Bonus at the current level. This is only *indicative* as the future sums will change depending on the outcome of the consultation and actual housing numbers. However, recognising the risk that the level of NHB will reduce further, the budget forecast shows a planning assumption that £150k less of the NHB in each year will be used to support the base budget. It is also assumed that the annual contribution of £250k to the RIF (Revolving Investment Fund) is maintained. It is still expected

that there will be a sum in excess of £1million which will be available to support one off projects and it should be noted that Cabinet has previously agreed to allocate a second tranche of £500k towards the Mercury Theatre project in the 2017/18 budget

7. Summary of 2017/18 Budget Forecast

- 7.1 The 2017/18 budget forecast reported to Cabinet in October showed a forecast gap of 325k as set out below:

	Reported in October
	2017/18
	£'000
Base Budget	23,959
Adjustment for one off items	(548)
Cost Pressures	1,116
Growth Items	252
Savings	(1,600)
Forecast Base Budget	23,179
<i>Funded By:</i>	
Revenue Support Grant	(920)
Business Rates Baseline	(4,038)
<i>Settlement funding</i>	<i>(4,958)</i>
Increase in NNDR / taxbase above baseline	(900)
New Homes Bonus	(5,714)
Total Gov't grants	(11,572)
Council Tax	(11,010)
Use of Reserves	(272)
Total Funding	(22,854)
Budget gap	325

- 7.2 Detailed budget setting work is continuing and at this stage no specific changes are proposed to the forecast, however, updates are provided on a number of current issues below.

Pension costs

- 7.3 We have received the outcome of the triennial actuarial review of the pension fund. In summary the resulting impact is an increase in the annual percentage pension contribution and options that would reduce the deficit funding payment A number of different options for the Council to consider how the fund deficit can be paid for have been provided and we are seeking some further alternatives. These are all being considered and a proposal will be made within the final budget report. The budget forecast includes an allowance of £250k for the combined impact and at this moment we expect that this will not all be required.

Service savings and cost pressures

- 7.4. Service budget are being produced and all savings and income plans scrutinised. There are a number of emerging issues which are currently being examined and whilst no changes are proposed at this stage, there will be changes to the budget assumptions required in the final budget report.

Grant funding proposals

- 7.5. As is usual at this stage in the budget process proposals in respect of grants to parish grants and community and arts organisations are set out in this report at Appendix B, C and D

8. Council Tax

- 8.1. In the final Settlement the Government announced that all district councils would be allowed to increase their Council Tax by the higher of £5 or 2%. For Colchester the limit is therefore £5 which would currently equate to an increase of 2.85%. The budget forecast includes a planning assumption that the Band D tax rate will increase by £5.
- 8.2. The Council is required to agree the taxbase and notify precepting authorities between 1st December and the 30th January. As has been the case in previous years it is proposed to delegate the agreement of the taxbase to the Section 151 officer in consultation with the Portfolio Holder for Business and Resources. The taxbase will be reflected in the final budget report and Full Council report on the Council Tax setting.

9. Summary and Risk and variables

- 9.1. As is common at this stage in the budget setting process there remain a number of key budget risks which include areas where information has not yet been released. The following table sets out the key issues and the current assumption used.

Risk / Variable	Current Budget Assumption	Comment / Timing
Grant Settlement / NNDR retention	Cash reduction in SFA of 17% (£980k) Current increase assumed in NNDR figures of £100k.	Announcement expected middle / end of December NNDR projections to be produced for final report. The 2017/18 figures will reflect the impact of the revaluation exercise.
Collection fund position for Council Tax and NNDR	Nil assumed	Projections currently being produced. A deficit is expected for NNDR given impact of changes to appeals provision in 2015/16, however, it is assumed that this will be funded from the business rates reserve.
Other Government grants e.g.:- Benefit Admin grant New Homes Bonus	No reduction assumed Grant of £5.7m included but expected to be lower based on reforms to the scheme which have still not yet been confirmed by Government.	Figures should be confirmed alongside Settlement.
Proposed use of New Homes Bonus	Assumed that £1.633m is used to support the base	As above, this will first be dependent on confirmation of the grant for 2017/18 and then

Risk / Variable	Current Budget Assumption	Comment / Timing
	budget with the balance to support one off projects. It has previously been agreed that £500k will be allocated to the Mercury Theatre project from the 2017/18 NHB grant.	consideration of any proposals for how it is used.
Confirmation of budget savings	As set out in report	Ongoing risk assessment and detailed consideration of proposed savings.
Consideration of any potential recurring pressures and savings identified in the review of 2016/17 budget to date.	Some issues reflected in existing budget forecast. Other areas subject to review.	Work continuing as part of detailed budget setting and critical analysis of budget issues.
Completion of detailed budgets / Housing Revenue Account (HRA) recharges	Assumed all delivered as per budget allocation. No adverse impact on the charge to HRA.	Detailed budgets to be finalised and recharges calculated in December.
Confirmation of potential one off costs arising from budget proposals	Nil included in budget (sum separately held in balances)	Assessment of costs following confirmation of proposed budget savings.
Forecast balances position at 31 March 17	Current position shows a surplus of £0.6m above the current recommended level of £1.9million.	Continue monitoring of current year budget and forecasting of end of year position. Review position in December and report in January.
Proposed use of reserves / balances	Proposals to use £20k of earmarked reserves.	Review as part of final budget proposals.
Links to capital programme	Budget proposals based on current programme.	Assess revenue impact of any proposed changes to capital programme.
Council Tax Rate	Planning assumption of an increase of £5 in the Band D taxrate.	Consider implication of final Council Tax proposal.
Taxbase calculated	Increase assumed in line with draft figures.	Taxbase determined in December. Will be impacted by Local Council Tax Support Scheme and changes to assumptions.

- 9.2. The above highlights the key risks and variables that may affect the budget forecast. Senior Management Team (SMT) and Leadership Team will continue to review these areas to minimise any potential impact and identify remedial action.
- 9.3. In summary, there remains a budget gap. SMT and Leadership Team are continuing to work through the outstanding areas of work and consideration of options to deliver a balanced budget will be detailed in the final budget report. These proposals will include an update of the Medium

Term Financial Forecast (MTFF) which will reflect any impact in future years arising from proposals to balance the 2017/18 budget.

10. Revenue Balances

Recommended Level of Balances

- 10.1 The Local Government Act 2003 places a specific duty on the Chief Financial Officer (Section 151 Officer) to report on the adequacy of the proposed financial reserves when the budget is being considered. This will be covered in full within the final budget report with an initial review in this and the following section.
- 10.2 The Council is required to maintain a prudent level of revenue balances in order to ensure sufficient funding is available to meet cash flow requirements and urgent or emergency issues that may arise during a financial year.
- 10.3 The minimum level of revenue balances is determined through a Risk Management Analysis based on criteria recommended by the Chartered Institute of Public Finance and Accountancy. For 2016/17 this level was agreed at £1.9million.
- 10.4. This detailed risk analysis for the financial year 2017/18 will be completed and reported within the final budget report. The proposal on the recommended level of balances will consider any issues arising from:-
- the Finance Settlement,
 - assumption in respect of business rates
 - Council Tax base (including collection rate assumptions)
 - budget savings and other variables

Forecast Balances Position - Update

- 10.5 The current balances position is set out at Appendix E. This shows a current surplus of unallocated balances of £0.6million. This reflects a number of decisions made by Cabinet during 2016/17.
- 10.6. As shown reported at paragraph 5.2 the latest forecast outturn for the current year is a deficit of £240k. A number of variables remain that could affect this position, both favourably and adversely. As part of the final budget report in January the current year position will be reviewed and the impact on balances will be considered. It is currently assumed that the final outturn will be on budget.

11. Earmarked Reserves and Provisions

- 11.1. The Council maintains a number of earmarked reserves and provisions, which allows it to prudently plan for future expenditure requirements. As at 31 March 2017 we are currently forecasting earmarked reserves to total £19.7m and provisions of £4.3m.
- 11.2. As part of the budget process an initial review has been undertaken into the level and appropriateness of earmarked reserves and provisions. No changes are currently proposed and it is considered that the reserves and provisions detailed in Appendix F remain appropriate and at a broadly adequate level. The appendix shows that 88% of the earmarked reserves are committed or allocated to various spending plans. Further detailed work is on-going to confirm this assumption and the position will be considered as part of the final budget report.

- 11.3. It is currently assumed that we will use £20k from these reserves to specifically support the budget as set out below:-

(a) Use of the S106 reserve to support costs (£20k)

We continue to use the S106 reserve to support costs of staff involved in monitoring S106 agreements, however, it should be noted that the current balance is reducing and may therefore not be sustainable over the short to medium term.

12. Fees and Charges

- 12.1. Proposals in respect of fees and charges are set out at Appendix H with relevant supporting information.
- 12.2. The Council agreed a pricing framework to reflect the Council taking a more commercial approach to service delivery that requires managers to behave in a more commercial manner and to be able to respond more quickly to market forces. This can mean responding to periods of lower demand by reducing prices or offering promotions, or increasing prices where demand exceeds supply and there is clear competition for services. It is proposed that the Council continues this approach with its wide range of fees and charges. Clearly this only applies to those charges where the Council has discretion to alter prices, and statutory fees and charges are outside of this approach.

13. Consultation

- 13.1. The Council is required to consult on its budget proposals. A consultation exercise took place as part of the production of the Strategic Plan agreed by Council in February 2015.
- 13.2. The budget strategy and timetable aims to ensure that information is available for scrutiny and input from all Members on proposals in the process. The aim is that detailed information will be available prior to the final budget report being submitted to Cabinet and approval by Council in February.
- 13.3. As has been the case in previous years the opportunity remains open for the leader of the opposition to meet with officers to assist with consideration of any alternative budget proposals.
- 13.4. Furthermore, we will continue with the statutory consultation with business ratepayers and communicate with parish councils in respect of grant funding.

14. Financial implications

- 14.1 As set out in the report.

15. Risk Management Implications

- 15.1 The strategic risks of the authority are being considered in developing the 2017/18 budget and all forecast savings/new income options are being risk assessed as part of the budget process.

16. Other Standard References

- 16.1 Having considered publicity, equality, diversity and human rights, community safety and health and safety implications, there are none that are significant to the general matters in this report. Where issues have been considered as part of fees and charges proposals or other budget changes these are detailed in the relevant appendix.

Background Papers

Report to Cabinet 13 July 2016, 7 September 2016 and 12 October 2016.

2017/18 Budget Timetable	
Budget Strategy	
March – June (SMT and Budget Group)	Budget Group Meetings Agreed Update MTFF /Budget Strategy Review potential cost pressures, growth and risks Consider approach to budget Initial budget reviews started
Cabinet – 13 July 16	<ul style="list-style-type: none"> Review 15/16 outturn Report on updated budget strategy / MTFF Timetable approved
Scrutiny Panel – 19 July 16	Review Cabinet report
Detailed Budget preparation and Budget Setting Consultation	
Budget Group / Leadership Team regular sessions on progress / budget options now - December	Review budget tasks Consider delivery of existing budget savings Complete outturn review
Cabinet – 7 September 16 and /or 12 October 16	<ul style="list-style-type: none"> Budget Update Consider “4 year settlement” Review of capital resources / programme
Cabinet – 30 November 16	<ul style="list-style-type: none"> Budget update Reserves and balances Agree fees and charges / budget changes Government Finance settlement (if available) Review in year budget position
Scrutiny Panel – 31 January 17	Budget position (Detailed proposals)
Cabinet – 1 February 17	Revenue and Capital budgets recommended to Council
Council – 22 February 17	Budget agreed / capital programme agreed / Council Tax set

Revenue Grants to Parish, Town and Community Councils 2017/18**1 Decision Required**

- 1.1. To approve the distribution of Revenue grant to Parish, Town and Community Councils for 2017/18 as set out.

2. Reasons for Decision

- 2.1 It is necessary to set the level of Revenue grant to Parish, Town and Community Councils now in order that they may set their precepts for next year.

3. Alternative Options

- 3.1 The level of revenue grant could remain at the current level.
- 3.2 Alternative methods of distribution were also considered. However, feedback from an earlier consultation with Parish, Town and Community Councils had shown opposition to an element of the grant being subject to a bidding process.

4. Supporting Information

- 4.1 For 2013/14 allocations of revenue grant were discontinued, other than a base figure of £500 for each Parish, Town and Community Council to provide an equal level of support. No changes are proposed to this allocation for 2016/17.
- 4.2 The Portfolio Holder for Housing wrote to Parish, Town and Community Councils on 14 December 2012 to explain the impact of Local Council Tax Support (LCTS) on the tax base of Local Councils. The Government had advised of an indicative funding of £120k for Parish, Town and Community Councils in our area, and this was allocated based on calculations of what would achieve a 'neutral' impact on each Council.
- 4.3 The Portfolio Holder's letter advised that Colchester Borough Council had no control over the level of the grant in future years, it was unlikely that it would be separately identified in the overall funding figures, and that the allocation to Parish, Town and Community Councils would reduce in line with the overall grant from Government.
- 4.4 Colchester Borough Council's overall settlement funding allocation for 2017/18 is reducing by 17%. It is therefore proposed that this element of the 2017/18 grant to Parish, Town and Community Councils is reduced in accordance with this assumption.
- 4.5 The cost of Parish, Town and Community Council revenue grants set out in this report is £77.8k. The final approval of this sum is subject to the Council's internal scrutiny process and the approval of the overall budget by full Council in February 2017.
- 4.6. Implications for equality and diversity have been considered in respect of all changes proposed as part of the budget process, including this decision. It is not for the Borough Council to specify what the grants are spent on and for that reason it is not possible to be specific about any impacts, it will be the responsibility of the Parishes themselves to consider equality and diversity requirements when spending or allocating the funds. As such there is no Equality Impact Assessment associated with this report or link included.

Proposed Grants for 2017/18

Parish	LCTS Grant 16/17 £	17% Reduction £	Revenue Grant £	Total Grant 17/18 £
Abberton & Langenhoe	579	(98)	500	981
Aldham	661	(112)	500	1,049
Birch	1,005	(171)	500	1,334
Boxted	1,253	(213)	500	1,540
Chappel	915	(156)	500	1,259
Copford	1,087	(185)	500	1,402
Dedham	1,762	(300)	500	1,962
East Donyland	5,049	(858)	500	4,691
East Mersea	661	(112)	500	1,049
Eight Ash Green	1,844	(313)	500	2,031
Fingringhoe	579	(98)	500	981
Fordham	2,098	(357)	500	2,241
Great Horkesley	579	(98)	500	981
Great Tey	751	(128)	500	1,123
Langham	751	(128)	500	1,123
Layer Breton	0	0	0	0
Layer de la Haye	661	(112)	500	1,049
Layer Marney	0	0	0	0
Little Horkesley	242	(41)	500	701
Marks Tey	2,010	(342)	500	2,168
Messing cum Inworth	579	(98)	500	981
Mount Bures	242	(41)	500	701
Myland	4,121	(701)	500	3,920
Stanway	7,575	(1,288)	500	6,787
Tiptree	13,140	(2,234)	500	11,406
Wakes Colne	413	(70)	500	843
West Bergholt	2,265	(385)	500	2,380
West Mersea	14,233	(2,420)	500	12,313
Winstred Hundred	661	(112)	500	1,049
Wivenhoe	10,188	(1,732)	500	8,956
Wormingford	413	(70)	500	843
Total	76,317	(12,973)	14,500	77,844

Funding for voluntary welfare organisations 2017/18

Proposal

1. To freeze the revenue grant made to voluntary sector organisations

Reason for decision

Continued support for the voluntary sector is important to the Council and as such the grants will be maintained in 2017/18. However given the ongoing reductions in Government grant to the Council over the last few years an inflationary increase for revenue grants is not being made. All organisations supported in 2016/17 will continue to be supported to the same level in 2017/18.

The following groups will receive funding:

Organisation	Amount
Age UK	£11,000
Colchester Citizens Advice Bureau	£101,800
Colchester Community Voluntary Service	£45,000
Colchester and Tendring Women's Refuge (accommodation)	£7,750
Colchester and Tendring Women's Refuge (outreach)	£21,500
Emergency Night Shelter	£9,000
Grassroots	£1,350
Rural Community Council of Essex	£700
Shake Trust	£12,400
Total amount	£210,500

Service Level Agreements will be agreed for each grant that meets the CBC Strategic Plan so the Council is assured of the impact it has.

Equality, Diversity and Human Rights Implications

We have fully considered the equality and diversity impacts by undertaking Equality Impact Assessments (EQIAs) and conclude there are no adverse impacts that cannot be mitigated.

To view the EQIAs please use this link to the Council's website:

<http://www.colchester.gov.uk/CHttpHandler.ashx?id=19487&p=0>

Strategic Arts Grants 2017/2018

Colchester Borough Council awards annual grants to Firstsite, the Mercury Theatre and the Colchester Arts Centre.

This annual CBC funding combines with that awarded by Arts Council England and Essex County Council, as well as other public, private and commercial sources of income, to enable the organisations to contribute towards the Creative Colchester Strategy as well as the broader aims of the Council's Strategic Plan, and to run a wide range of targeted community and outreach activities. It also acts as an important stream of match funding to unlock additional external grants.

Performance is monitored against annual service level agreements and the organisations appear before the Scrutiny Panel on a regular basis. Cabinet nominates a Member to represent the Council on the Boards of all three organisations.

Between 2014/15 and 2015/16 the grant to Firstsite was reduced by a total of 15%; the grant to the Mercury Theatre by 10%; and the grant to the Arts Centre by 5%. These reductions were made in consultation with the organisations and in recognition of the pressures on the Council's budget during this period.

In 2016/17 the grants were frozen with no inflationary increase and for 2017/18 it is proposed to again retain the current level of grant funding to Colchester Arts Centre, The Mercury Theatre and Firstsite with no inflationary increase;

	16/17	17/18
Mercury Theatre	221,850	221,850
Firstsite	127,925	127,925
Colchester Arts Centre	63,650	63,650

Appendix E

Balances					
	Allocated	Risk allocations	Unallocated	Total	Note
	£'000	£'000	£'000	£'000	
Opening balance 1/4/16	(6,985)	(863)	(2,514)	(10,362)	per 15/16 accounts
<i>Budget Carry Forwards:-</i>					
Service Budget c/fs	1,475			1,475	
New Homes Bonus	1,008			1,008	
New allocations agreed Cabinet	128			128	Agreed by Cabinet – November 2015
Colchester & Ipswich Museum Service (CIMS)	188			188	Use of balances subject to decisions made by joint Committees.
North Essex Parking Partnership (NEPP)	179			179	
Council Tax Sharing agreement	271			271	Includes carry forward sum from previous years
Funding allocation for Borough Investment For All	143			143	Agreed by Cabinet in 15/16, some funding c/f
<i>Funding allocations held in balances</i>					
Allocations in previous years c/f	648			648	Allocations against specific projects. This is being reviewed as part of the final budget report with consideration being given to reducing / changing some of these allocations.
Redundancy costs	473			473	Includes pension strain costs. Cost more likely in later years.
Right to challenge - Gov't funding	46			46	
<i>Agreed use of balances in 16/17:-</i>					
Use of earmarked balances for welfare reform	76			76	Agreed by Cabinet November 15

Balances					
	Allocated	Risk allocations	Unallocated	Total	Note
	£'000	£'000	£'000	£'000	
Use of balances to support budget	386			386	“ “ “ “
Funding budget carry forwards	426			426	“ “ “ “
Funding previously held for Street Lights	185			185	
Garden communities	250			250	Agreed by Cabinet March 16
Building Control	101			101	Agreed by Cabinet in July 2016
					Agreed by Cabinet in July 2016, however, as project is now not going ahead this may not all be required.
Total use in 16/17	5,983	0	0	5,983	
<i>Use of balances in later years or risk allocations</i>					
Community Stadium - rent adjustment	500			500	Provision for one-off reduction in rent
NNDR / Welfare reform	152	172		324	Provision for impact arising from reforms.
Support for digital challenge in 17/18	150			150	Report to be submitted to Cabinet March 16
Planning appeals, legal, HR etc- risk allocation		411		411	Some costs possible in 15/16
Housing benefit - risk allocation		130		130	Agreed in 15/16 budget
Collection Fund - risk allocation		150		150	Agreed in 15/16 budget
	200			200	Agreed by Cabinet 12 October 2016. Some costs may be incurred in 16/17.
Think Global, Act Local					
Total later years allocations	1,002	863	0	1,865	
Uncommitted / unallocated Balance	0	0	(2,514)	(2,514)	
Recommended level			(1,900)	(1,900)	Proposed level
Surplus above recommended level	0	0	(614)	(614)	

Earmarked Reserves and Provisions

Reserve	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
Renewals and Repairs (incl Building Maintenance Programme): Maintained for the replacement of plant and equipment and the maintenance of premises.	1,791	500	(400)	1,891	1,891	-
Insurance: To cover the self-insurance of selected properties.	384	25	(10)	399	-	399
Capital Expenditure: Revenue provision to fund the capital programme. The reserve is fully committed to funding the current capital programme.	1,851	3,200	(700)	4,351	4,351	-
Asset Replacement Reserve: A reserve for the future replacement of vehicles and plant. The vehicle replacement policy has been reviewed. Revenue contributions to this reserve have now ceased and the funding is now sourced from the Council's Capital Programme.	104	-	-	104	-	104

Reserve	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
Gosbecks Reserve: Maintained to provide for the development of the Archaeological Park. The main source of funding was a 'dowry' agreed on the transfer of land.	225	2	(26)	201	201	-
Heritage Reserve: This represents balance held of museums donations and as such represents a small element of the Council's support to heritage schemes.	11	5	(2)	14	-	14
Hollies Bequest: Provision for the upkeep of open space.	2	-	(2)	-	-	-
Section 106 Monitoring: Required for future monitoring of Section 106 agreements. From 2015/16 it was set at £20k per year.	35	20	(20)	35	35	-
Revenue Grants Unapplied: Under new accounting rules any grant received where there are no clear conditions that the grant is repayable if not spent now have to be transferred to this reserve. For all these grants proposals for use of the money exist and the funds are held in the reserve until the money is spent.	2,217	-	(600)	1,617	1,617	-

Reserve	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
Parking Reserve: As part of the existing 'on street' parking arrangements there is requirement to keep any surplus funds separate from the General Fund. With the North Essex Parking Partnership (NEPP) there is also a requirement to hold separately funds provided to support TRO (Traffic Regulation Order) work and also initial funding provided by Essex County Council	694	-	-	694	694	-
Building Control: The Building (Local Authority Charges) Regulations came into force on 1 April 2010. The new charges allow Building Control to more accurately reflect the cost of chargeable services. In any year there is therefore the likelihood of a balance on this account that must be assessed as part of ongoing charges.	-	-	-	-	-	-
Heritage Mersea Mount: Funding received from English Heritage towards costs relating to Mersea Mount.	11	-	-	11	11	-

Reserve	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
Mercury Theatre: Provision for the building's long term structural upkeep. Accumulated funds have been used to support roof repairs to the Mercury Theatre.	46	25	(10)	61	61	-
Business Rates Reserve: Maintained to cover the risk of any residual issues resulting from the introduction of the Local Business rates Retention scheme.	3,290		(1,537)	1,753		1,753
Revolving Investment Fund Reserve: Maintained as a way to deliver income-producing development schemes and regeneration/economic growth projects. The three main sources of funding into the RIF are existing capital programme allocations, capital receipts and revenue funding. Revenue funding will be held in this reserve until it is required for future capital schemes or revenue expenditure as necessary.	1,026	250	(400)	876	876	-
Total General Fund	11,687	4,027	(3,707)	12,007	9,737	2,270

Reserve	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
HRA Retained Right To Buy (RTB) Receipts - Debt: Reserve following Government changes to the RTB scheme. From 2012/13 the Council can retain a proportion of RTB receipts to offset debt taken on by the HRA Self-Financing settlement. The reserve must be used for HRA purposes.	2,492	1,400	-	3,892	3,892	-
HRA Retained Right To Buy (RTB) Receipts - Replacement: Reserve following Government changes to the RTB scheme. From 2012/13 the Council can retain a proportion of RTB receipts to fund affordable housing development. Receipts held within the reserve must be used within 3 years for this purpose; otherwise they must be repaid to the Government.	1,750	2,250	(200)	3,800	3,800	-
Total HRA	4,242	3,650	(200)	7,692	7,692	-
Total	15,929	7,677	(3,907)	19,699	17,429	2,270

Provision	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
Insurance: This element of the fund is specifically set aside as a provision to meet the cost of identified claims including subsidence. It also includes a contingency for liable costs if a previous insurer, which has gone into administration, is unable to remain solvent.	438	60	-	498	498	-
NNDR Appeals: The Council has created a provision to meet the financial impact of successful appeals made against rateable values as defined by the Valuation Office as part of the Business Rates Retention scheme introduced from 1 April 2013.	2,989	862		3,851	3,851	-
Total	3,427	922	-	4,349	4,349	-

Provision	Amount at 31/03/16	Transfers - In	Transfers - Out	Estimate at 31/03/17	Allocated / Committed	Unallocated
	£'000	£'000	£'000	£'000	£'000	£'000
Insurance: This element of the fund is specifically set aside as a provision to meet the cost of identified claims including subsidence. It also includes a contingency for liable costs if a previous insurer, which has gone into administration, is unable to remain solvent.	438	60	-	498	498	-
NNDR Appeals: The Council has created a provision to meet the financial impact of successful appeals made against rateable values as defined by the Valuation Office as part of the Business Rates Retention scheme introduced from 1 April 2013.	2,989	862		3,851	3,851	-
Total	3,427	922	-	4,349	4,349	-