

REVIEW OF RESERVES 2015/16

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LEAD OFFICER: Angela George – Interim Finance Manager (S151 Officer)
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WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS

The report is part of the suite of budget reports to enable Copeland Borough Council to set a balanced budget for 2015/16 taking account of available Reserve funds. This report details the Section 151 officer's review of Reserves currently held by the Council.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

This is a policy recommendation to full Council. A final report will be prepared for consideration by the Executive on 12th February following the statutory budget consultation period of four weeks with businesses, and then will be referred to full Council for approval as part of the Budget on 26th February 2015.

Executive are asked to recommend to Council:

- (i) Retaining the General Fund Risk Based Reserve at £2m (paragraph 2.7)
- (ii) The release of £5.178m from the unallocated general fund to allow the creation of a Business Rate Safety Net earmarked reserve (paragraph 3.2)
- (iii) Note the proposed use of general unallocated reserves in 2015/16 (paragraph 3.4) to fund the budget deficit in 2015/6 pending the identification of further savings. The final amount required will be determined during the budget process.
- (iv) Approve the movement on earmarked reserves set out in paragraph 4.8
- (v) Approve the use of earmarked reserves totalling £184k (£176k Revenue; £8k Capital) as set out in paragraph 4.9.

1. INTRODUCTION

- 1.1 Revenue reserves play a key role in the management of the Council's budget. They are used as a contingency against risk, to fund new policy initiatives and to support the Council's revenue and capital budgets when needed.
- 1.2 This report deals with the review of Reserves which is carried out annually. The Section 151 officer is responsible for advising on the adequacy of reserve levels. In assessing this adequacy, account is taken of professional guidance, together with the strategic, operational and financial risks facing the authority. Account is also taken of the key financial assumptions underpinning the budget and financial strategy within the

context of the authority's broader financial management arrangements. It should be noted that there is no specified percentage or limit set by the Government or any other body on the appropriate level of reserves to be held. It is for each authority to set guidelines for its own limits as advised by the Section151 officer.

- 1.3 Recommendations on changes to the level of earmarked reserves held or changes to the annual utilisation of those reserves must be submitted to the Executive for approval. The approval for the use of the General Fund or changes to amounts to be taken from the General Fund must be approved by Council.
- 1.4 General Fund Reserves is an accumulation of surpluses / deficits on overall revenue spending. The level of reserves held is linked to a risk assessment of the financial position of the authority. Reserves may not be overcommitted. If potential calls on a reserve exceed its available balance then this must be addressed through the budget monitoring process.

2 THE GENERAL FUND RISK-BASED RESERVE

- 2.1 The use of a risk-based approach determines the appropriate level of reserves in relation to risks and specific circumstances facing the Council. Therefore, the risk led element of the General Fund balance provides cover for material risks and uncertainties that arise that cannot be covered by the approved budget or existing reserves, and for emergencies. It does not provide funds for additional investment, rather it is there to ensure the approved budget can be delivered if specific material risks materialise.
- 2.2 The s151 officer recommends a level for the risk-based element of the General Fund as part of the budget setting process each year. Budgets will be produced on the basis that the General Fund balance will be maintained at least at the recommended level throughout the period covered by the Medium-term Financial Strategy and can be sustained at this level in the longer-term.
- 2.3 If the balance on the General Fund is projected to fall below the recommended risk-based level, then priority will be placed on restoring the balance in subsequent budget and out-turn recommendations. Temporary dips below the target may be acceptable provided that there is a robust plan to restore reserve balances to the target level.
- 2.4 Risk Management is a strategic tool and is an essential part of effective and efficient management and planning. Risk can be classified as either strategic risks that impact on the medium to long term objectives of the Council or operational risks that are associated with the day – to day activities of the Council. The Council has a duty to have in place arrangements for managing risks. Risk Management covers the whole spectrum of risks and not just those associated with finance, health & safety, business continuity and insurance. It also includes risks associated with service provision, effectiveness and continuity, reputation, compliance with legislation and environment.
- 2.5 Risk Management strengthens the ability of the Council to achieve its corporate objectives and priorities and enhance the value of services provided. It provides a strategic tool in planning and decision making. The council recognizes the increasing

importance of managing risk given the changing external environment and the Risk Management Strategy and Strategic Risk Register is updated regularly and considered by the Audit and Governance Committee on a quarterly basis.

2.6 The main high level risks set out in the strategic risk register are:

- Securing Financial Viability,
- Lack of capacity, resources and capability to deliver the change programme
- Inability to make necessary decisions in a timely way
- Meeting statutory responsibilities during a time of budgetary change
- NNDR & the Growth Strategy
- Maintaining robustness and integrity of business systems

The assessment of risk is dependent on the Council's appetite to risk and the preference that it has for dealing with the individual risk. The 4 T's of risk management that the council uses are Treat; Tolerate; Terminate or Transfer.

2.7 With increasing uncertainty on our funding and resource levels the identification and management of our strategic risks is vital for the council. The General Fund Risk Based Balance was set at £2m as part of the budget setting process in February 2014, and was based on a number of risks that the Council at that time were either experiencing or anticipating. Given the continuing changing environment the s151 officer has reviewed and reassessed the level that the general fund risk based reserve level and determined the level is to be maintained at £2m given the increasing uncertainty over future funding levels.

2.8 An assessment of the financial implications of the Risk Based Reserves is set out in **Appendix 1**

2.9 The movement on the General Fund Risk Based Reserve is set out in **Appendix 2**

3 THE GENERAL FUND UNALLOCATED BALANCE

3.1 General Fund Reserves is an accumulation of surpluses / deficits on overall revenue spending. The unallocated balance is the amount that is left unallocated once the Risk Based element of £2m (see para 2) is set aside and the Earmarked Reserves (see para 4) have been set aside.

3.2 The authority received a general fund grant for Business Rates under the new localised system introduced in 2014/15. This is an amount to bring the authority back up to its baseline line assessment, which due to timing issues will not be required in year but in the future to match against loss of Business rate income. This is not the Council's funds but is paid over to the Government and so is not available to meet any of the Council's spending needs. It is therefore proposed that this funding of £5,178,072 be transferred to a specific earmarked reserve from the unallocated General Fund (also see paragraph 4.8 (v)).

- 3.3 An earmarked reserve (see paragraph 4.8 (ii)) details the Compensation payments for community assets (right to bid) reserve, totalling £20k that can be released back to unallocated General Fund as it is longer required.
- 3.4 It is proposed to allocate a sum of £100,000 from the unallocated general reserve as a contingency reserve for potential costs relating to the new mayor. The exact amount required will not be known until the election has taken place, the new governance arrangements have been set up and the Independent Remuneration Panel have met. Further consideration will need to be given to any costs that are on-going.
- 3.5 The impact of the above is that the General Fund unallocated balance would be forecast at £1.637m as at 31/3/15 assuming the proposals in this report are agreed. This is the Reserve that will be utilised to fund any budget shortfall during 20015/16 whilst permanent savings are being identified. A maximum of £960k was earmarked for this purpose however is not anticipated to be required at this level. The exact figure will be determined once the savings for 2015/16 have been agreed as part of the budget process.

4. EARMARKED RESERVES

- 4.1 Earmarked reserves are established to meet specific needs that have been identified.
- 4.2 New reserves or changes to the use of existing reserves must be approved by the Executive either through the budget monitoring or budget setting process. Forecast calls on earmarked reserves will be adjusted against the appropriate budgets controlled by the named budget holder provided that they fall within approved parameters.
- 4.3 Reserves may not be over-committed. If potential calls on an earmarked reserve exceed its available balance, then this must be addressed through the budget monitoring process.
- 4.4 The adequacy and appropriateness of each earmarked reserve is reviewed twice yearly; once within the budget setting and review of MTFS (this report) and once reported as part of the year-end processes, which will be used to inform decisions on carry forwards. Once the purpose of an earmarked reserve has been fulfilled, or the balance is higher than is needed, the remaining balance will be returned in the first instance to the unallocated portion of the General Reserve.
- 4.5 Information on the purpose, use and balance, in 2014/15, on individual earmarked reserves held by the Council is provided at **Appendix 3** to this report.
- 4.6 Table 1 set out below shows the reserves that were released into the current year (2014/15) budget:

Table 1 – Earmarked Reserves Released into 2014/15 Budget

| Reserve | 2014/15 Release to Revenue Budget £ |
|--------------------------------------|--|
| Carry forwards: | |
| Transformation Fund | 65,036 |
| Tangier Street | 1,368 |
| Copeland Apprenticeship (WNF) | 7,988 |
| Beacon (refurbishment) | 43,014 |
| In year: | |
| Transformation Fund | 225,000 |
| Asset Management Enabling | 5,500 |
| PFI | 7,000 |
| Housing Strategy | 10,000 |
| Local Development Framework | 10,000 |
| Cremation sinking fund | 10,000 |
| Proceeds for TMaC | 25,000 |
| Recycling | 10,000 |
| Bin Replacement | 35,000 |
| Catherine Street Car Park | 7,000 |
| Knotweed | 7,000 |
| Planning For Nuclear | 64,243 |
| Copeland Seaside Coastal Park | 50,000 |
| Enabling Growth Strategy | 25,000 |
| New requests this report: | |
| Crematorium Donations (Para 4.8 (i)) | 1,200 |
| Total | 609,349 |

4.8 The adequacy and level of all of the earmarked reserves has been reviewed and members are now being asked to approve the following for recommendation to Council:

(i) To the current year 2014/15 budget

Members are asked to approve the release of £1,200, in the current year, from the Crematorium Donations EMR to fund for the provision of a shelter next to the chapel entrance to protect visitors from the weather.

(ii) To the general fund unallocated reserve

Compensation payments for community assets (right to bid)

This reserve was created to meet the Authority's potential need to compensate private landowners for delayed disposal of their assets under the Localism Act (maximum call in any 1 year is £20k). Since this reserve was established 2 years ago there have been 3 applications to register community interest in assets, 1 being rejected and two being registered. As there is currently no plans for either of properties registered to be sold there is no call on this reserve and it is recommended it is released into the general fund and the risk of potential call on the general fund in the future is noted.

(iii) To the Land Management EMR

The earmarked reserve established for Howbank is now no longer required as this project is complete, however rather than releasing the £20k balance back into the general fund reserve, Members are asked to agree to transfer this balance to Land Management EMR as its anticipated that the majority of this reserve may be utilised end of this/next financial year on land to the rear of the United Utilities building, but as the timing is uncertain no release is currently being sought.

(iv) Bin Replacement

The authority currently holds a 'Bin Replacement' EMR with an estimated year-end balance of circa £60k. Whilst the Council has made a decision to charge for replacement bins in the next financial year, it is suggested that this reserve be retained until the outcome of the policy is evidenced, with a decision on whether to release some or all of this reserve back to the General Fund, being taken at the next reserve review for the purposes of setting the 2016/17 revenue budget.

(v) Request for new earmarked reserves

Following the extensive work done on review of the in- year budget and base budget requirement going forward, a number of EMR's are now requested. The holding of these EMR negates the need for a base budget each and every year, as the reserve will be accessed as and when needed, but these reserves may require top up when fully used. The new EMR's will be funded from base budget in 2014/15, receipt of external funding (localism grant), or transferred from the unallocated reserve, and therefore do not represent a new call on the General Fund. The requests for new Earmarked Reserves in 2014/15 are detailed in Table 2:

Table 2 – Creation of New Earmarked Reserves

| Earmarked Reserve | 2014/15 Release to Earmarked Reserve £ | Notes |
|------------------------------------|---|--------------|
| Localism Grant | 29,503 | 1 |
| Environmental Health Legal | TBC | 2 |
| Home Group Insurance | 19,585 | 3 |
| Housing Services | 20,000 | 4 |
| NNDR Safety Net payments | 5,178,072 | 5 |
| Cost associated with the new Mayor | 100,000 | 6 |
| Total | 5,347,160 | |

Notes:

- 1 This is monies received in the form of a grant to deal with issues relating to the implementation of the Localism Act. There are no current plans to spend this in year so it is requested that an Earmarked Reserve is created to keep this specific funding until it is required.

- 2 The value of this reserve will be the unspent budget as at 31 March 2015. The need to incur legal and professional costs with Environmental Health is demand led and cannot be predicted year to year, rather than continue to provide a base budget each year any unspent budget at 31 March 2015 will be placed in a reserve to be accessed as and when needed in the future. The value to be placed in the reserve will not be known until outturn. The benefit of this approach is that it avoids fluctuations in the base budget as the reserve will only be accessed as required.
- 3 This is a repayment of insurance in relation to the occupancy of the Copeland Centre. This authority received the monies and will release to the Home Group as required. This money is not needed in the revenue budget and will be placed in an EMR and released when required.
- 4 Housing Services, this is similar to the Environmental reserve at point 2 above, in that the services doesn't necessarily require an on-going revenue budget each year for certain activities but needs access to funds on an as and when basis.
- 5 The authority received a general fund grant for NNDR to bring the authority back up to baseline line assessment, which due to timing issues will not be required in year but in the future to match against loss of income. Until this funding is required it is being transferred to an earmarked reserve.
- 6 There will be costs associated with the new mayoral system at Copeland Borough Council that are not yet able to be quantified. It is requested that in the interim, an earmarked reserve be established that can be accessed if required.

4.9 The current base budget build contains funding from a number of Earmarked Reserves, some of which have already been approved for use and some that have not. Members are asked to recommend to Council the use of £184k from earmarked Reserves in support of 2015/16 revenue budget as summarised in the table below. More detail is given in Appendix C.

Table 3 – Proposed use of earmarked Reserves in 2015/16 Budget

| Reserve | 2015/16 £ Release to Revenue Budget |
|--|--|
| Planning for Nuclear | 64,000 |
| Elections (fund local elections) | 67,000 |
| Crem Sinking Fund (upgrade sound system) | 6,000 |
| PFI | 7,000 |
| Knotweed (continue programme of treatment) | 7,000 |
| Catherine Street Car Park (contribution to capital programme)** | 8,000 |
| Welfare Support | 20,000 |
| Members induction (training new members) | 5,000 |
| Total | 184,000 |

****** As this is a contribution to the capital programme the amount of EMRs included in the 2015/16 revenue budget is £176k (184k less 8k)

4.10 Transformation Fund

Whilst no request is currently being made for release into 2015/16 budget from this EMR, dependent upon progress it is envisaged that this reserve will be spent in the next two financial years. Members will be updated on progress and requests for release will be made as and when appropriate.

4.11 Corporate IT Reserve

Again whilst no request is currently being made for release into 2015/16 budget from this EMR, the IT strategy is currently being developed and this will inform spend, so again requests for release will be made as and when appropriate.

5 SUMMARY OF GENERAL FUND RESERVE BALANCES

5.1 Taking into account all the movements as detailed above the proposed position on the Councils Reserves with opening balances as at 1/4/14 and forecast balances at 31/3/15 as follows in Table 4;

Table 4 – Summary of movements in General Fund Reserves 2014/15

| | 1/4/14 £000 | Movements 2014/15 £000 | 31/3/15 £000 | Para |
|------------------------------------|----------------|------------------------------|-----------------|-------------|
| General Fund Risk-based | 2,000 | | 2,000 | 2 |
| General Fund Unallocated balance | 7,108 | -5,471 | 1,637* | 3 |
| Earmarked Reserves – General | 5,692 | -61 | 5,631 | 4 |
| Sub Total – Council Funds | 14,800 | -5,532 | 9,268 | |
| Earmarked Reserve – Business Rates | 0 | 5,178 | 5,178 | 3.2/ 4.8(v) |
| Total | 14,800 | -354 | 14,446 | |

** This balance will be reduced further during 2015/16 by an amount to support the 2015/16 revenue budget pending the identification of further savings as set out in paragraph 3.4.*

6 RESOURCE REQUIREMENTS

6.1 The report details the financial requirement to utilise the council's general fund reserves to support the current budget and policy framework and that of 2015/16.

7 STATUTORY OFFICER COMMENTS

7.1 The Monitoring Officer's comments are: No further comments

7.2 The Section 151 Officer's comments are: Included in the report

7.3 EIA Comments: None

7.4 Policy Framework: Within the policy framework

7.5 Other consultee comments: None

8 HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

8.1 Through the monthly budget monitoring process in which management and finance staff work together to ensure financial reports are accurate and timely to assist the decision making process of the Council as a whole. Exceptions are reported monthly through Corporate Leadership Team and to Executive on a quarterly basis. It is also good financial practice to report the year-end position on revenue reserves as a consequence of the outturn.

9 WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

9.1 The requirement to use reserves for the year and the level of general and earmarked reserves the Council will have available to support its revenue budget in future years.

List of Appendices

Appendix 1 - General Fund Risk Base Assessment

Appendix 2 – General Fund Risk and Unallocated Reserve

Appendix 3 – Earmarked Reserves

List of Background Documents

Quarter 1 & 2 Revenue financial monitoring reports

Appendix 1 - RISK ASSESSMENT OF LEVEL OF RESERVES - 2015/16
APPENDIX 1
RISK SCORES AND WEIGHTINGS

| Potential Risk | Risk Score | Weighting | Financial Exposure (£000) | Balance Required (£000) | Comment (Basis of Financial Exposure) |
|--|------------|-----------|---------------------------|-------------------------|---|
| Base Budget Contingency for inflation or other unanticipated rise. | 4 | 50% | 100 | 50 | Assumed at 1% of Net Revenue Budget |
| Underachievement of Charges Income targets and spending exceeds budgets | 4 | 50% | 232 | 116 | Estimate of 10% Charges Income forecasts for 2014/15 |
| Underachievement of Investment Income | 4 | 75% | 202 | 152 | 1% of exposure of average balance of £25m |
| Civil Emergencies | 6 | 75% | 167 | 125 | Bellwin scheme cuts in at 0.2% of Net Budget and provides for up to 85% of eligible costs (assume £1m cost - not covered by insurance) |
| Insurance Excesses | 2 | 75% | 34 | 26 | Based on 10% of insurance premia payments |
| Fall in Rental Income from Property | 6 | 75% | 79 | 59 | 10% of Rental Income (assumed at £0.8m for 2014/15) |
| partnership support to discretionary services not met | 2 | 25% | 725 | 181 | level of support in grants material and subject to agreements |
| accommodation strategy and ICT technology changes | 4 | 50% | 250 | 125 | significant moves and risks ref PFI and new acomodation for staff and ability to address the needs of |
| business rate - safety net | 6 | 100% | 165 | 165 | annual funding if fall into safety net - plus cashflow costs |
| underachievement of council tax revenues | 4 | 50% | 360 | 180 | Assumed at 1% of Net Revenue Budget |
| future pension changes and pensions deficit | 6 | 75% | 526 | 395 | Assumed payback over 19 years and new CARE mitigates some increases - 7% average deficit if pension returns and repayment plan not sufficient |
| Emergency Contingency | 6 | 100% | 500 | 500 | Emergency contingency fund - allocate £0.5m for any unforeseen emergencies eg cliffs/ shafts |
| TOTALS | | | 3,340 | 2,073 | |
| Maximum Risk Based Reserve Balances | | | | | 3,340 |
| Minimum Risk Based Reserve Balances | | | | | 1,670 |
| Recommended Level of General Risk Based Reserves (Projected as at 31/03/13) (General Fund) | | | | 2,000 | |
| | | | | | |
| | | | | | |

| IMPACT | LIKELIHOOD | | | | | | |
|--------|------------|-----|-----|-------------|-----|------|------|
| | | Low | | Significant | | High | |
| | High | 3 | 50% | 6 | 75% | 9 | 100% |
| | Medium | 2 | 25% | 4 | 50% | 6 | 75% |
| | Low | 1 | 25% | 2 | 25% | 3 | 50% |

NOTES

| | | | | |
|--|------------------------------------|--|------------|---------|
| <u>Projected Net Revenue Budget for 2015/16 as per Revenue Report 08/01/15</u> | | | 10,000 | |
| <u>Calculation of Bellwin</u> | Potential Cost of emergency | | 1,000 | |
| | 0.2% of Net Revenue Expenditure | | 20 | a |
| | Applicable for Bellwin | | 980 | b |
| | Up to 85% Eligible to be reclaimed | | 833 | c |
| | Potential cost to Council | | 167 | (a+b-c) |

RESERVES - GENERAL FUND

Appendix 2

| | 2013/14 | 2014/15 | | | 2015/16 | | | 2016/17 | | |
|--|-------------------------|-------------------|------------------|-------------------------|-------------------|------------------|-------------------------|-------------------|------------------|-------------------------|
| | Balance Carried forward | Additions in Year | Released in Year | Balance Carried forward | Additions in Year | Released in Year | Balance Carried forward | Additions in Year | Released in Year | Balance Carried forward |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| <u>General Fund Risk Based</u> | -2,180,000 | | | -2,000,000 | | | -2,000,000 | | | -2,000,000 |
| Use Pension deficit | 180,000 | | | | | | | | | |
| <u>General Fund Unallocated</u> | -2,350,230 | -20,000 | 313,000 | -1,637,230 | 0 | | -1,637,230 | 0 | | -1,637,230 |
| Use Pension deficit | 420,000 | | | | | | | | | |
| NNDR Safety Net Receivable | -5,178,072 | | 5,178,072 | 0 | | | | | | |
| Total General Fund | -9,108,302 | -20,000 | 5,491,072 | -3,637,230 | 0 | 0 | -3,637,230 | 0 | 0 | -3,637,230 |

| Cost Centre | Description | Purpose | Approval | 2013/14 | 2014/15 | | | | 2015/16 | | | | 2016/17 | | |
|-------------|---|--|--|-----------------------------|-----------------------|---------------------|-------------------------|-----------------------------|-----------------------|---------------------|-----------------------------|-----------------------|---------------------|-----------------------------|--|
| | | | | Balance as at 31 March 2014 | Contributions in year | Planned utilisation | Release to General Fund | Balance as at 31 March 2015 | Contributions in year | Planned utilisation | Balance as at 31 March 2016 | Contributions in year | Planned utilisation | Balance as at 31 March 2016 | |
| 80305 | CHIEF EXECUTIVE Transformation Fund (formerly Choosing to Change) | Reserve created from £100,000 transferred from balances 2009/10, £455,000 2010/11 service reviews and the transfer of unused earmarked reserve balances totalling £1.083m in December 2010. Funds the Council's Choosing to Change programme of service reviews. | Executive 22/12/10 | -672,595 | | 225,000 | | -447,595 | | | -447,595 | | | -447,595 | |
| 80024 | Mayors Charity Bequest | To be used for specific purposes approved by the Mayor. Balances relate to former mayors charities and do not relate to the current mayors charity account | Transfers carried out in 2007/08 & 2008/09 | -12,967 | | | | -12,967 | | | -12,967 | | | -12,967 | |
| 80230 | Members Induction | Set aside from 2007-08 outturn as a contribution to a round of member personal development plans facilitated by NWE0, scheduled for June 2008 | Exec 12/08/08 | -5,000 | | | | -5,000 | | 5,000 | 0 | | | 0 | |
| | New Mayor | | | | -100,000 | | | -100,000 | | | | | | | |
| 80178 | Elections Fund | £10k is set aside each year to smoooth the costs of district council elections. | Exec 30/07/07 | -36,240 | -20,000 | | | -56,240 | -20,000 | 67,000 | -9,240 | -20,000 | | -29,240 | |
| | TOTAL | | | -726,802 | -120,000 | 225,000 | 0 | -621,802 | -20,000 | 72,000 | -469,802 | -20,000 | 0 | -489,802 | |
| | | | | | | | | | | | | | | | |
| | RESOURCES & STRATEGIC COMMISSIONING | | | | | | | | | | | | | | |
| 80298 | Budget Carry Forwards | Carry forwards approved by the Executive as part of the 2012/13 and 2013/14 out-turn. | Exec 31/5/11 | -572,233 | | | | -572,233 | | | -572,233 | | | -572,233 | |
| 80148 | Revenues & Benefits Shared Service | To provide funds to address any performance issues and implementation on the Revenues and Benefits Shared Service, which are subject to ongoing negotiations with the Shared Service. | Exec 30/05/07 | -65,392 | | | | -65,392 | | | -65,392 | | | -65,392 | |
| 80326 | Corporate IT Reserve | New Reserve for Corporate IT needs/Business continuity (from 80077 & 80230 above) | | -210,402 | | | | -210,402 | | | -210,402 | | | -210,402 | |
| 80196 | Asset Management Enabling Fund | To fund costs of property disposal e.g marketing, ground surveys These are classed as revenue and so cannot be funded from capital receipts. When set up this was to be maintained at £75k, to be topped up from deminimis receipts (less than £10k) which are classified as revenue. | Set up prior to 31 March 2006 | -39,177 | | 5,500 | | -33,677 | | | -33,677 | | 3,500 | -30,177 | |
| 80332 | Land Management - 50k | To provide funds for Land Management issues on a contingency basis for the Council's liabilities on its own land where subsidence occurs. This was previously held in the capital programme; however the types of expenditure are for fencing, monitoring of movement and barrier shrub planting and are not eligible for capital financing and there is currently no provision in the Revenue budget. Asking for a transfer from Howbank Reserve as the majority of this reserve will be used 14/15 15/16 UU. | | -50,000 | -20,000 | | | -70,000 | | | -70,000 | | | -70,000 | |
| 80208 | PFI Non Conformance Incidents | To meet costs of minor works and contract changes for the Copeland Centre. This for changes outside the scope of the PFI contract and so additional to the budget for the unitary payment. This reserve is built up from performance deductions against the unitary payment made to London & Regional. | Additional £39.4k agreed Exec 29/06/10 | -17,586 | | | | -17,586 | | | -17,586 | | | -17,586 | |
| 80320 | NCL Contract | To provide funds for repairs and maintenance 2012/13 | Exec 20/12/11 | -117,514 | | 0 | | -117,514 | | 0 | -117,514 | | 0 | -117,514 | |
| 80137 | Environmental Insurance Reserve | Balance on the Environmental Insurance Reserve from GF risk-based reserve | Exec. 20/12/11 | -90,000 | | | | -90,000 | | | -90,000 | | | -90,000 | |
| 80205 | Coastal Management | Created from the merger of 3 x GF risk based reserves - Sea Walls, North Shore, Environmental Warranty and part of the Environmental Insurance Reserve. Change Board 27/11/13 agreed to give up Sea Walls Reserve with future funded to come from Coastal Mgt if required | Exec. 20/12/11 | -190,649 | | | | -190,649 | | | -190,649 | | | -190,649 | |
| 80207 | PFI Reserve (former Sinking Fund) | Built up from annual contributions from the revenue budget to smooth payments for the PFI scheme over 25 years. Annual contribution from the revenue budget which should be increased by inflation each year. | Reclassified following RPWG 12/04/12 | -1,767,368 | -156,392 | 7,000 | | -1,916,760 | -156,392 | 7,000 | -2,066,152 | -7,000 | 7,000 | -2,066,152 | |
| 80204 | Pheonix Court (former Sinking Fund) | Set up to smooth maintenance costs for this enterprise centre. Contributions formerly £3,000 p.a but no made since 2005/06 | Reclassified following RPWG 12/04/12 | -12,609 | | | | -12,609 | | | -12,609 | | | -12,609 | |
| 80189 | Sea Walls (former Sinking Fund) | Started in 2009/10 to build up a fund to pay for works to sea defences. Annual budget contribution £9,270. | Reclassified following RPWG 12/04/12 | 0 | | | | 0 | | | 0 | | | 0 | |
| 80324 | Howbank | Created to meet potential costs of rehousing people at howbank following colaspe of shaft Nov 2012. Seeking approval on 8/1/15 to transfer balance of reserve to Land Management Reserve | Exec 18 Dec 2012 (unalloacted and risk based reserves) | -20,000 | | 20,000 | | 0 | | | 0 | | | 0 | |
| 80327 | MMI | Created to met Authority's potential liability from winding up of previous insurer, triggered Nov 2012 | Exec 18 Dec 2012 (unalloacted and risk based reserves) | -372,405 | | | | -372,405 | | | -372,405 | | | -372,405 | |
| 80322 | Universal Credit Implications - Revs and Bens | Created to meet the Authority's liability regarding employees redunandancy as staff cannot be TUPEd under the changes regarding the introduction of Universal Credit. | Exec 18 Dec 2012 (unalloacted and risk based reserves) | -150,000 | | | | -150,000 | | | -150,000 | | | -150,000 | |
| 80329 | Welfare Support | | Exec 28 May 2013 | -30,000 | -10,604 | | | -40,604 | | 20,000 | -20,604 | | | -20,604 | |
| 80346 | Home Group Insurance Repay | | Ask for at Exec 8/1/15 | 0 | -19,585 | | | -19,585 | | | -19,585 | | | -19,585 | |
| 80362 | NNDR Safety Net | Created at end of 13/14 being General Fund Grant received to bring NNDR receipt to base line. | | 0 | -5,178,072 | | | -5,178,072 | | | -5,178,072 | | | -5,178,072 | |
| | TOTAL | | | -3,705,335 | -5,384,653 | 32,500 | 0 | -9,057,488 | -156,392 | 27,000 | -9,186,880 | -7,000 | 10,500 | -9,183,380 | |
| | | | | | | | | | | | | | | | |

| Cost Centre | Description | Purpose | Approval | 2013/14 | 2014/15 | | | | 2015/16 | | | 2016/17 | | |
|-------------|--|---|--------------------------------------|-----------------------------|-----------------------|---------------------|-------------------------|-----------------------------|-----------------------|---------------------|-----------------------------|-----------------------|---------------------|-----------------------------|
| | | | | Balance as at 31 March 2014 | Contributions in year | Planned utilisation | Release to General Fund | Balance as at 31 March 2015 | Contributions in year | Planned utilisation | Balance as at 31 March 2016 | Contributions in year | Planned utilisation | Balance as at 31 March 2016 |
| | CUSTOMER & COMMUNITY SERVICES | | | | | | | | | | | | | |
| 80319 | Housing Strategy | To fund the 5-yearly Housing Stock Condition Survey | Exec 20/12/11 | -20,000 | -10,000 | 10,000 | | -20,000 | -10,000 | | -30,000 | -10,000 | | -40,000 |
| 80308 | Homelessness Repossession Fund | For activity to reduce repossessions and homelessness | Exec 29/06/10 | -22,589 | | | | -22,589 | | | -22,589 | | | -22,589 |
| 80349 | Housing Service | Created from underspend in B&B accommodation in 14/15. This reserve to be held for use of housing service for use on relevant issues i.e. increased demand in B&B, legal and professional fees encountered by the service etc | Ask for at Exec 8/1/15 | 0 | -20,000 | | | -20,000 | | | -20,000 | | | -20,000 |
| 80197 | Working Neighbourhoods | | Exec 12/08/08 and 22/09/09 | 0 | | | | 0 | | | 0 | | | 0 |
| 80177 | Beacon Museum Exhibits | To use (often as match funding) to purchase items for the Beacon museum collection | Precedes 2005/06 | -11,014 | | | | -11,014 | | | -11,014 | | | -11,014 |
| 80341 | Beacon Collection Conservation (CBC) | | | -6,699 | | | | -6,699 | | | -6,699 | | | -6,699 |
| 80283 | Beacon (former Sinking Fund) | Set up as part of the agreements with funding partners to ensure that the Beacon is continually upgraded. The fund has been built up from annual revenue budget surpluses generated at the Beacon | Reclassified following RPWG 12/04/12 | -87,781 | | | | -87,781 | | | -87,781 | | | -87,781 |
| | TOTAL | | | -148,083 | -30,000 | 10,000 | 0 | -168,083 | -10,000 | 0 | -178,083 | -10,000 | 0 | -188,083 |

| Cost Centre | Description | Purpose | Approval | 2013/14 | 2014/15 | | | | 2015/16 | | | 2016/17 | | |
|-------------|---|--|---|-----------------------------|-----------------------|---------------------|-------------------------|-----------------------------|-----------------------|---------------------|-----------------------------|-----------------------|---------------------|-----------------------------|
| | | | | Balance as at 31 March 2014 | Contributions in year | Planned utilisation | Release to General Fund | Balance as at 31 March 2015 | Contributions in year | Planned utilisation | Balance as at 31 March 2016 | Contributions in year | Planned utilisation | Balance as at 31 March 2016 |
| | | | | | | | | | | | | | | |
| | COPELAND SERVICES | | | | | | | | | | | | | |
| 80046 | Crematorium Donations | Donations from the public via a collection box at the Crematorium made specifically for the purpose of maintaining the crematorium and are ringfenced for that purpose. | No approval | -4,731 | | 1,200 | | -3,531 | | | -3,531 | | | -3,531 |
| 80302 | Proceeds from Tmac Levy (formally CAMEO tax) | Balance of proceeds from CAMEO tax to be used to fund replacement cremators & mercury abatement. | Exec 29/06/10 | -126,682 | -50,000 | 25,000 | | -151,682 | -25,000 | | -176,682 | -25,000 | 0 | -201,682 |
| 80206 | Recycling | Balance from the Recycling Sinking Fund transferred to earmarked reserves. Used for equipment purchase | Exec 20/12/11 | -36,784 | | 10,000 | | -26,784 | | | -26,784 | | | -26,784 |
| 80198 | Bin Replacement Reserve (former Sinking Fund) | Set up in 2003 to fund the provision/replacement of wheelie bins. Funded from ad-hoc underspends within the revenue budget. Last revenue contribution £44,000 2007/08. | 2003/04 | -96,262 | | 35,000 | | -61,262 | | | -61,262 | | | -61,262 |
| 80193 | Catherine Street Car Park | Set up as part of an agreement with Cumbria CC who released the land for the Sports Centre car park. Contributions are made from the revenue budget annually (£5,150) to fund maintenance works at the car park. | Reclassified following RPWG 12/04/12 | -81,577 | -5,150 | 7,000 | | -79,727 | -5,150 | 8,000 | -76,877 | | | -76,877 |
| 80342 | Copeland Car Parks | To fund maintenance works for CBC car parks | Exec 21/2/13 | -20,000 | -20,000 | | | -40,000 | -20,000 | | -60,000 | | | -60,000 |
| 80203 | Crematorium Sinking Fund | Set up to fund improvements to the car park at the Crematorium. Contributions are made annually to the fund equivalent to £10 per cremation | Reclassified following RPWG 12/04/12 | -39,790 | -9,500 | 10,000 | | -39,290 | -9,500 | 6,000 | -42,790 | -9,500 | | -52,290 |
| 80343 | Knot Weed | Proposed this report for the treatment over 3-4 year period of knotweed on Counci land (from gf unallocated) | Exec 13/02/2014 | -20,000 | | 7,000 | | -13,000 | | 7,000 | -6,000 | | 6,000 | 0 |
| 80348 | Environmental Health - Legal & Prof | To fund Legal and Professional costs relating to Environmental Protection and Food Hygiene cases which may arise, instead of base budget funded as difficult to predict cost in any one year | | | ? | | | 0 | | | 0 | | | 0 |
| | TOTAL | | | -425,826 | -84,650 | 95,200 | 0 | -415,276 | -59,650 | 21,000 | -453,926 | -34,500 | 6,000 | -482,426 |
| | | | | | | | | | | | | | | |
| | ECONOMIC GROWTH | | | | | | | | | | | | | |
| 80127 | Local Development Framework | To fund Local Delivery Framework. Revenue Budget report to Exec 17/02/09 App G. Further £20k carry forward from 09/10 to support LDF, planning enforcement and conservation planning advice. £120k over 3 years to fund contract with NECT. | Council 24/02/09 Exec 24/01/10 Exec 29/06/10 | -125,039 | | 10,000 | | -115,039 | | | -115,039 | | | -115,039 |
| 80314 | Planning Policy- Habitat Evaluation | To meet duties to assess impact of developments on natural habitats. This is from un-ringfenced Habitat Directives grant | Exec 29/06/10 | -33,670 | | | | -33,670 | | | -33,670 | | | -33,670 |
| 80180 | Dangerous Structures | Transferred from GF risk based reserve | Exec 20/12/11 | -17,403 | | | | -17,403 | | | -17,403 | | | -17,403 |
| 80274 | Development Control - Application Support | To support costs of major planning applications, as required. | Exec 27/05/08 & 12/08/08 | -20,758 | | | | -20,758 | | | -20,758 | | | -20,758 |
| 80294 | Building Control - Charges Regulations 2010 | This is the balance from £110k carried forward from 2007-08 from salaries underspend, for service improvements. | Exec 27/05/08 & 12/08/08 | -15,086 | | | | -15,086 | | | -15,086 | | | -15,086 |
| 80273 | Development Control - Enforcement | Provides funding for 2 years up to 2011-12 for an enforcement officer. | Exec 27/05/08 & 12/08/08 | -11,373 | | 0 | | -11,373 | | | -11,373 | | | -11,373 |
| 80171 | Planning for Nuclear | Assist in the future funding of Nuclear activities | Executive 16/2/10 (6,262), Council 1/12/11 (19,361), Executive May 2013 | -210,245 | | 64,243 | | -146,002 | | 64,000 | -82,002 | | | -82,002 |
| 80328 | Weddicar Planning | Created to defend planning decision made re windfarm in 2012 | Exec 18 Dec 2012 (unallocated and risk based reserves) | 0 | | | | 0 | | | 0 | | | 0 |
| 80325 | Compensation payments for community asset transfers | Created to meet Authority's potential need to compensate private landowners for delayed disposal of their assets under the Localism Act (needs to be retained at £20k - maximum call in any 1 year). Seeking release to General Fund on 8/1/15 only 2 applications registered in 2 years with no current plans for sale. | Exec 18 Dec 2012 (unalloacted and risk based reserves) | -20,000 | | | 20,000 | 0 | | | 0 | | | 0 |
| 80296 | Dilapidated Buildings | From 2008-09 outturn, to address derelict and dilapidated buildings. This will provide 'seed' funding to recover costs of work in default. | Exec 30/06/09 | -37,800 | | | | -37,800 | | | -37,800 | | | -37,800 |
| 80315 | Copeland Seaside Coastal Park | For coastal regeneration programme as outlined in Copeland Regeneration report to Exec on 29/06/10. | Exec 29/06/10 | -120,927 | | 50,000 | | -70,927 | | | -70,927 | | | -70,927 |
| 80339 | Enabling Growth Strategy | | | -74,000 | | 25,000 | | -49,000 | | | -49,000 | | | -49,000 |
| 80347 | Localism Grants | | Ask for at Exec 8/1/15 | | -29,503 | | | -29,503 | | | -29,503 | | | -29,503 |
| | TOTAL | | | -686,301 | -29,503 | 149,243 | 20,000 | -546,561 | 0 | 64,000 | -482,561 | 0 | 0 | -482,561 |
| | | | | | | | | | | | | | | |
| | GRAND TOTAL | | | -5,692,347 | -5,648,806 | 511,943 | 20,000 | -10,809,210 | -246,042 | 184,000 | -10,771,252 | -71,500 | 16,500 | -10,826,252 |