

Cabinet



| Date & time | Place | Contact | Chief Executive |
|--------------------------------------|--|--|-----------------|
| Tuesday, 28 March 2017 at 2.00 pm | Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN | Vicky Hibbert or Andrew Baird Room 122, County Hall Tel 020 8541 9229 or 020 8541 7609 | David McNulty |

vicky.hibbert@surreycc.gov.uk or
andrew.baird@surreycc.gov.uk



We're on Twitter:
@SCCdemocracy

Cabinet Members: Mr David Hodge CBE, Mr Peter Martin, Mrs Helyn Clack, Mrs Clare Curran, Mr Mel Few, Mr John Furey, Mr Mike Goodman, Mrs Linda Kemeny, Ms Denise Le Gal and Mr Richard Walsh

Cabinet Associates: Mr Tony Samuels, Mr Tim Evans, Mrs Kay Hammond and Mrs Mary Lewis

If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please either call 020 8541 9122, write to Democratic Services, Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 9698, fax 020 8541 9009, or email vicky.hibbert@surreycc.gov.uk or andrew.baird@surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Vicky Hibbert or Anne Gowing on 020 8541 9229 or 020 8541 7609.

Note: *This meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed. The images and sound recording may be used for training purposes within the Council.*

Generally the public seating areas are not filmed. However by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

If you have any queries regarding this, please contact the representative of Legal and Democratic Services at the meeting

10 MEDIUM TERM FINANCIAL PLAN 2017 - 2022 AND SUSTAINABILITY REVIEW BOARD REPORT (Pages 1 - 2)

This is Appendix to Annex 1 of item 10 - Projected Earmarked Reserves and Balances.

QUESTIONS, PETITIONS AND PROCEDURAL MATTERS

The Cabinet will consider questions submitted by Members of the Council, members of the public who are electors of the Surrey County Council area and petitions containing 100 or more signatures relating to a matter within its terms of reference, in line with the procedures set out in Surrey County Council's Constitution.

Please note:

1. Members of the public can submit one written question to the meeting. Questions should relate to general policy and not to detail. Questions are asked and answered in public and so cannot relate to "confidential" or "exempt" matters (for example, personal or financial details of an individual – for further advice please contact the committee manager listed on the front page of this agenda).
2. The number of public questions which can be asked at a meeting may not exceed six. Questions which are received after the first six will be held over to the following meeting or dealt with in writing at the Chairman's discretion.
3. Questions will be taken in the order in which they are received.
4. Questions will be asked and answered without discussion. The Chairman or Cabinet Members may decline to answer a question, provide a written reply or nominate another Member to answer the question.
5. Following the initial reply, one supplementary question may be asked by the questioner. The Chairman or Cabinet Members may decline to answer a supplementary question.

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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Use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to the PA or Induction Loop systems, or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

Thank you for your co-operation

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Projected Earmarked Reserves and Balances

| | Opening Balance at 01-Apr-16 £m | Forecast balance 31-Mar-17 £m | Approved use to support 2017/18 budget £m | Forecast 01-Apr- 17 £m |
|--|---|--|--|---------------------------------|
| Revolving Infrastructure & Investment Fund | 11.1 | 11.1 | | 11.1 |
| Budget Equalisation Reserve | 6.9 | 15.2 | -8.5 | 6.7 |
| Eco Park Sinking Fund | 5.8 | 4.4 | | 4.4 |
| Insurance Reserve | 6.5 | 7.7 | | 7.7 |
| Investment Renewals Reserve | 8.8 | 2.1 | | 2.1 |
| General Capital Reserve | 5.2 | 5.2 | | 5.2 |
| Street lighting PFI Reserve | 5.1 | 4.4 | | 4.4 |
| Vehicle Replacement Reserve | 3.9 | 3.0 | | 3.0 |
| Economic Downturn Reserve | 9.2 | 9.2 | | 9.2 |
| Public Health Reserve | 2.7 | 0.0 | | 0.0 |
| Economic Prosperity Reserve | 2.5 | 2.5 | | 2.5 |
| Equipment Replacement Reserve | 2.1 | 2.0 | | 2.0 |
| Child Protection Reserve | 1.1 | 0.0 | | 0.0 |
| Business Rate Appeals Reserve | 1.3 | 1.3 | | 1.3 |
| Interest Rate Reserve | 1.0 | 1.0 | | 1.0 |
| Earmarked Reserves | 73.2 | 69.1 | -8.5 | 60.6 |
| General Fund Balance | 21.3 | 21.3 | 0.0 | 21.3 |

Purpose of earmarked reserves

Revolving Infrastructure & Investment Fund is to provide the revenue costs of funding infrastructure and investment initiatives that will deliver savings and enhance income in the longer term. Currently, the council transfers net income generated by the portfolio to the reserve.

Budget Equalisation Reserve supports future years' revenue budgets from unapplied income and budget carry forwards.

Eco Park Sinking Fund is to fund the future of the council's waste disposal strategy from surpluses in initial years.

Insurance Reserve holds the balance resulting from a temporary surplus or deficit on the council's self insurance fund and is assessed by an actuary for the possible liabilities the council may face. It specifically holds £3.5m to cover potential losses from the financial failure of Municipal Mutual Insurance (MMI) in 1992 and also possible claims against the council. The company had limited funds to meet its liabilities, consequently, future claims against policy years covered by MMI may not be fully paid, so would be funded from this reserve. The balance on this reserve represents the latest assessed possible liability

Projected Earmarked Reserves and Balances

Investment Renewals Reserve enables investments in service developments to make savings in the future. The reserve makes loans to services or invest to save projects, which may be repayable. The recovery of the loan is tailored to the requirements of each business case, which is subject to robust challenge before approval as part of the council's governance arrangements.

General Capital Reserve holds capital resources, other than capital receipts, available to fund future capital expenditure.

Street Light Private Finance Initiative (PFI) Reserve holds the balance of the street lighting PFI grant income over and above that used to finance the PFI to date. The balance will be used when future expenditure in year exceeds the grant income due in that same year.

Vehicle Replacement Reserve enables the future cost of vehicle replacement to be spread over the life of existing assets through annual revenue contributions.

Economic Downturn Reserve is to allay the risks of erosion in the council's tax base due to the impact of the localisation of council tax benefit and a down turn in the economy.

Child Protection Reserve provided funding for additional staffing costs as a result of the increased number of children subject to a child protection order. This reserve was to fund the costs until 2015/16, when the base budget was be increased to cover these costs. The final balance in this reserve was drawn-down during 2016/17.

Public Health Reserve holds any carry forward of unspent Public Health Grant from previous years, being used to fund activities in future years.

Economic Prosperity Reserve provides funding for projects that will increase economic development in the county.

Equipment Replacement Reserve enables services to set aside revenue budgets to meet future replacement costs of large items of equipment. Services make annual revenue contributions to the reserve and make withdrawals to fund purchases.

Business Rate Appeals Reserve mitigates against volatility in business rates income (driven by the volume and value of successful valuation appeals). The council bears 10% of any appeals losses (districts and boroughs 40% and central government 50%) and has set aside £1.25m against potential business rates valuation appeals.

Interest Rate Reserve enables the council to fund its capital programme from borrowing in the event of an expected change in interest rates or other borrowing conditions.