

General Fund reserves forecast to 2022/23

	Current balance at 31/3/2019	Proposed balance at 1/04/2019 after realignment	Commitments	Contributions to 2023/24	Remaining balance	Commentary
Earmarked reserves	£000s	£000s	£000s	£000s	£000s	
Corporate						
Facilities Management	2,365	2,500			2,500	Indicative figures identify a potential £9m backlog of works to Council buildings. Up to 40% (£3.6m) of these are potential revenue costs. These are not budgeted be met from the existing facilities management budget (£4.3m per annum). Risk: The ability to tackle the backlog will be constrained by the reduction in the reserve. £2.5m is proposed to ensure essential provision for Health & Safety works.
Civic Campus	1,846	17,610	-34,610	17,000	0	The £17m contribution is based on a £11.1m profit share from the Joint Venture and section 106 and CIL contributions from the development of £5.9m. The total approved budget at January Council was £36.7m of which £2.1m was spent in 2018/19. The estimated commitment does not take account of the reserves action plan. This would reduce the required General Fund contribution by £6m over 5 years. An updated position will be presented as part of the closure of the 2019/20 Accounts. Opportunities: The figures assume lease costs based on a 5-year relocation. If the break clause was exercised at the earliest opportunity and in line with programme timetables, which are currently on track, the call on reserves would reduce by £7.7m. Review will also be undertaken of further potential capitalisation of fit out costs (where capital receipts are available) and programme costs and HRA contributions to the decant accommodation costs once decant plans have been finalised.
Capital Reserve	1,688	0			0	Risk: Any future capital funding shortfalls will need to be financed by borrowing or use of capital receipts.
Demand & Pressures*	2,801	5,598	-1,253	7,460	11,805	Review of Cabinet agreed commitments include: £0.17 Waste Management review £0.1m Heathrow legal challenge £0.09m for Linford Christie Consultation (February Cabinet 2019) £0.58m contributions to developing a world class SEN service - £0.29m pa to 2020/21 (Council February 2018) £0.083m health service optimisation (Cabinet October 2017) £0.121m Mosaic IT costs (Cabinet February 2017). The contribution is reimbursement of sums temporarily drawn down in 2018/19 due to timing differences regarding on the collection fund regarding business rates. This reserve will also be increased in accordance with the implementation of the Reserves Action Plan
Invest to Save	2,730	0	-171	4,786	4,615	The commitments are £119,000 for Children's Services and £52,000 for commercial initiatives. The contributions are made up of annual revenue contributions of £0.75m and use of capital receipts brought forward of £1.036m (flexible use of capital receipts).

						The commitment is the budgeted drawdown in 2019/20 to smooth the increase in the pension past service deficit as per the last triennial pensions revaluation
Pensions / London Pension Fund Authority	1,242	372	-372		0	
Managed Services	4,061	1,094	-1,094		0	The commitment is the unspent balance of the originally approved sum of £7.9m - further costs are required in 2019/20 for the project stabilisation arrangements, required post on-boarding developments and legacy systems costs.
People Reserve	3,696	0			0	Corporately there is an annual revenue budget of £0.5m to fund redundancy costs. Any excess expenditure will no longer be fundable from the reserve. Average spend for the last 7 years is £0.627m per annum. There will be no funding for other one-off HR initiatives outside the annual revenue budget.
Technology and IT	7,665	394	-2,894	6,500	4,000	The contributions are annual contributions of £0.8m per annum plus the balance of £2.5m of carried forward capital receipts.
Financial Resilience	3,391	0			0	Risk: No capacity to absorb unforeseen funding/legislation changes.
Property Reserve	3,660	44	-44		0	This reserve has previously been used to fund ad-hoc property costs, such as abortive disposal costs, and fund dilapidations. Risk: No future resilience if reduced to nil.
Unallocated Contingency	1,108	563	-563		0	Commitment relates to carry forward of SEN Reform Grant funding £178,000. Brexit funding of £205,000, various other CMDS £180,000.
Departmental						
Pressures & Demands (ASC)	1,878	0			0	Will remove departmental capacity to address demand and other pressures. Has previously been used to achieve a year end balanced budget.
Schools Regeneration Fund (CHS)	525	525	-506		19	Commitment is for schools renewal programme agreed by Cabinet in March 2019.
Earls Court (ENV)	32	0			0	Established to cover loss of licensing income following Earls Court closure.
Avonmore Community Centre (ENV)	33	0			0	The reserve was set aside as a contribution to third sector running costs for the library. Limited spend to date.
Community Safety Reserve (ENV)	298	70	-70		0	£70,000 use approved (Cab June 2018). Various other Community Safety initiatives could be supported from the balance if it were available
MTFS Delivery Risk (ENV)	845	0			0	The reserve could be used to meet service budget pressures in 2019/20 if it were available.
Parks (ENV)	38	0			0	Current reserve set aside to fund reactive works such as storm damage and tree works. Alternative funding may need to be sought.
Property Disposals (ECO)	21	0			0	
Savings Proposals (ENV)	50	0			0	
Libraries	4	0			0	
Temporary Accommodation (ECO)	2,610	900	-900		0	Cabinet October 2018 approved £900,000 to support private sector accommodation initiatives. £450,000 budgeted to be drawn down in 2019/20. The reserve has also previously supported other payments of £600,000. This is now a budget pressure.
Growth & Pressures (ECO)	134	0			0	
High Speed 2 (ECO)	58	58	-58		0	Assumed this will be required.
Third Sector Investment (COR)	428	0			0	This reserve was built up by carrying forward underspends on the annual third sector investment fund. Current forecast for £100,000 overspend this year
Contribution to Local Election (COR)	92	92	-392	300	0	Annual contribution to the reserve of £75,000 . Will be drawn down to fund 2022 local election.
H & F Direct (ENV)	222				0	
Pressures & Demands (F&G)	75	0			0	

Controlled Parking Fund (ENV)	1,224	0			0	Represents an accumulated balance of prior year parking surpluses. Its use is restricted by the Traffic Management Act (2004). It can only be applied to projects that fall within specific statutory purposes set out in the Act (mostly related to administration of the parking service, road and environmental improvements; road maintenance and passenger transport).
DSG Deficit Reserve	0	15,000			15,000	The proposed balance funds the existing deficit of £13.6m (shown as a negative reserve in the statement of accounts) and provides a potential extra £15m cover for the next 4 years. The forecast 2019/20 deficit is £4.6m.
Total Earmarked Reserves	44,820	44,820	-42,927	36,046	37,939	
Restricted Reserves						
Supporting People Programme Grant (ASC)	909	909	-909		0	Budgeted to be spent by 2021/22.
Troubled Families Grant (CHS)	937	937	-937		0	Budgeted to be fully spent by the end of 2020/21.
Partners in Practice Grant (CHS)	1,127	1,127	-1,127		0	Budgeted to be fully spent by the end of 2020/21.
Controlling Migration Fund Grant (ECO)	80	80			80	
Housing	270	270	-270		0	Relate to Council Housing and need to transfer to the HRA.
Sullivan Service Charges (ECO)	26	26			26	Must be used on the Sullivan estate business units.
Barclays Sports Grant (ENV)	29	29			29	Grant funds available to fund various projects that increase participation in sport across the borough.
LAA Waste Grant (ENV)	127	127	-127		0	Mostly a restricted external grant for recycling reward and incentive scheme.
Public Health Funded Projects (ENV)	35	35			35	Carry forward of unspent Public Health grant (Healthier Homes Project + Healthy Workplace Charter). Projects cannot progress if funding is not available.
Fulham Palace (ENV)	453	453			453	Contractual commitment (possible available to use if not drawn down by 2021/22).
Linford Christie Fund (ENV)	7	7			7	Restricted bequest, to fund grants to young athletes as requested and agreed (ad hoc).
Local Lead Flood Authority Grant (ENV)	324	324			324	This is a government grant to implement flood prevention schemes. Several projects listed against this scheme, including £100,000 match funding for £350,000 Thames Water contribution for White City Project. Without this funding the scheme would have to be abandoned and the external funding forfeited. Also forms a key part of the Council's mitigation strategy for climate change.
Section 106 Contributions	2,216	2,216			2,216	
Community Infrastructure Levy	4,320	4,320	-4,320		0	The new Civic Campus requires £33.7m towards the Town Hall refurbishment and fit out.
Bishops Park (ENV)	317	317			317	
Insurance Fund	6,312	6,312			6,312	
Restricted Reserves	17,489	17,489	-7,690	0	9,799	
General Balance	19,004	19,004	0	0	19,004	
All Balances and Reserves Total	81,313	81,313	-50,617	36,046	66,742	