

**Reserves held - 2021/22**

Reserve	Purpose	Risks	Mitigation
MTFS Reserve	Provides a contingency fund to support payments for the investments should there be an in year income shortfall	Income received from investments do not meet the amount of the annual loan repayment	Each investment has a business case which is verified by external consultants and approved by the Investment Board, Cabinet and Council as part of the decision making process.  Officers undertake continuous evaluation of actual performance of the investment against the forecast position.
Transformation Reserve	To enable the council to change the way it operates in order to meet the financial challenges ahead	1. Uttlesford Moving Forward Programme of change – it is essential the council adopts new ways of working, to include automation of processes with improved functionality where possible. Failure to adopt new ways of working will seriously affect the future functioning of the council.  2. As the council transforms it is possible that a number of services will need to change in the way they are delivered or cease to be provided. This may lead to statutory redundancy payments	This is to support and enable changes to service delivery, efficiency programmes and improvements to enhance customer interactions with the council
EU Exit Reserve	To manage any risks relating to EU Exit	Possible issues particularly with regard to the import of foodstuff through the border control point at Stansted Airport	To provide funds to support any extra work/staffing required for supporting the outcomes of EU Exit. The Council receives new burdens funding for potential costs. If these funds are not required they will be released back into the General Fund
Income Protection Reserve	Provides a contingency fund to bridge any gaps in income from	Void periods are extended	The council's portfolio comprises investments with tenancies on long leases without short term break clauses. Tenants are in business sectors resilient to current economic conditions and are subject to rigorous financial assessment. Where relevant, parent company

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	commercial rents in the event, for example, of void periods between tenancies		guarantees will be secured.
Emergency Response	To support any resource requirement to enable an effective local response to an emergency situation	The emergency exceeds the scale or duration anticipated and funds are inadequate	Any large scale emergency would involve other Cat 1 agencies and Essex County Council  In case of larger emergencies it is likely that Central Government will reimburse the council for costs over set thresholds
Depot – new site	It is proposed to provide the necessary accommodation and utilities in the south of the district.  The reserve was increased in 2017/18 to enable a single depot site to be established and a further increase was approved in 2020/21	1. Premises have been identified and purchased but development is subject to Planning Permission for change of use  2. The reserve is insufficient to meet the total costs of the project	If planning permission is not obtained for the current proposals, an alternative scheme or a new site would need to be identified  The land vacated would have existing use value and could be sold to provide additional funding for the new Depot.
Development Control S106 monitoring income	To support resourcing the costs of rigorously monitoring S106 agreements	Resources needed to carry out the function to the optimum standard may exceed the amount of funds received	Review frequency of monitoring Prioritise monitoring activity
Sustainable Communities	To support the master planning of strategic new communities/ neighbourhoods	MHCLG funding and current allocated revenue budgets will not be sufficient to meet the total costs.  Bidding for grant funding is competitive	Quality bids submitted for additional external grant funding

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	designed on Garden Community principles	and funding available is oversubscribed  As non-ring fenced grant, MHCLG funding is diverted to other pressing priorities	
Economic Development	To assist with the promotion of economic development of the district  Support for Businesses in the district and initiatives to rebuild the local economy in the recovery period of the Covid-19 Coronavirus Pandemic	The reserve is inadequate to fund the projects identified in the strategy  External partner organisations seek Increased contributions for activity over a wider geography  Funds are inadequate to support all the businesses and initiatives identified/requested  Funds are not spend as no businesses or local initiatives are identified as requiring support	Specific projects identified in the strategy and ongoing monitoring of each one against funds available  Re-prioritisation of action plan required  Active participation in external partnerships  Officers will work closely with economic development partner organisations, local businesses, business networks/forums and the BID team to provide support during recovery  An economic recovery plan identifies agreed priorities
Elections	The reserve is to offset the impact of the cost of elections, not to fully cover it. The amount is felt to be sufficient	The costs of elections exceed the reserve amount  Additional unanticipated costs are incurred on neighbourhood plan referenda or by elections	Each year £25,000 is allocated to the reserve to fund future election costs. The reserve is drawn down in UDC election years
Health and Wellbeing	To support the resourcing of Health and Wellbeing strategy actions.	Annual budgeted allocations of funding for the Health and Wellbeing agenda are linked to specific projects but other opportunities may materialise	This is monitored and the Health and Wellbeing agenda/strategy is kept under review

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Homelessness	To assist with the fluctuating demand for homelessness support.	New legislation has increased the requirement on Local Authorities to provide housing options to homeless people	Extra funding has been received from Central Government and the Homelessness Strategy has been updated to account for the new requirements
Housing Strategy	Enable the establishment of local community led housing groups to support delivery of affordable housing units	These funds are a government grant and if the Council is unable to identify suitable schemes the funds may have to be repaid	The use of the funds has a broad scope and can be used for collaboration, skills and supply chains at a local level to promote the sustainability of community led housing as an approach to housebuilding.
New Homes Bonus (Ward Members)	An annual allocation of £2k is provided to each ward member, any unspent monies are c/fwd. into future years subject to meeting the criteria approved at 17 March 2016 Cabinet and set out in the next column	That monies held are not spent within the timescales and the criteria as listed below: <ol style="list-style-type: none"> <li>1. It has to be spent in the Member's Ward</li> <li>2. Any unspent allocation can be carried forward to the following year, providing the amount is less than 50% of the allocation for that year. If it exceeds 50% of the in-year allocation only 50% shall be carried forward</li> <li>3. It has to be for the good of the community</li> <li>4. It must not commit the Council to expenditure in future years</li> <li>5. The Member should be mindful of the financial status of the recipients</li> </ol>	Members are provided with an annual report of remaining funds.

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		<p>6. The Member should have no personal interest in the organisation receiving the award</p> <p>7. In election year the money only becomes available from 1 June (i.e. to the newly elected Member)</p>	
Planning	<p>For three primary purposes</p> <p>The costs of evaluating the impacts of Stansted Airport development proposals.</p> <p>Planning Appeals</p> <p>Local Plan</p>	<p>The reserve is insufficient to meet the total costs because a majority of the reserve has been allocated to the Local Plan.</p> <p>There are limited funds remaining to support the increase in planning appeals or to support actions relating to Stansted Airport</p>	<p>The Strategic Initiative Fund has been earmarked to support the ongoing work of the Local Plan and any further costs relating to the defence of the council's refusal to grant planning permission for development of Stansted Airport to handle 43 mppa</p>
Neighbourhood Planning	<p>This is to support the costs of preparing Neighbourhood plans</p>	<p>The number of plans required to be produced will exceed the amount of funding available</p>	<p>The Planning Policy team monitor the expected requirement to allow for an annual review of the level of funds required</p>
Private Finance Initiative	<p>This reserve has been set up as part of the 2015/16 external audit process</p>	<p>The external audit indicated that there would be a possible shortfall in repayments in future years</p>	<p>All extra income received from the PFI income share is allocated to the reserve. Further analysis of the PFI model shows that the current reserve will cover any shortfalls</p>
Strategic Initiatives Fund (SIF)	<p>For 2021/22 the reserve has been earmarked to support the Local Plan and any</p>	<p>The funding is insufficient to meet the potential costs</p>	<p>This is combined with the available funds in the planning reserve</p>

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	ongoing costs relating to the refused planning application at Stansted Airport		
Waste Management	This is a high profile service and by the nature of the work suffers from budget variances. To enable the Council to smooth fluctuations in areas such as cost of disposal and agency staffing.	Disposal costs increase due to a change in the market for recyclables	The budget is based on current cost with any increase in disposal costs being met from this reserve
Working Balance	Maintained to protect the Council's budget from unexpected risks	Calculation as set out in point 19, full details are included in Appendix A – Section 25 Report	MTFS and Transformation reserves are available to support the Council in absorbing any significant reductions in funding and/or income
Capital Slippage	Financing budget from reserves and revenue contributions c/fwd. in line with associated projects in the capital programme slipping to future financial years	Any unspent funds will be released back to either the original reserve or the revenue budget	Financing is aligned with associated projects within the capital programme and monitored on a regular basis
Access Fund	This reserve was set up to pump prime the provision of cycle paths in the district. The intention is that the initial £200,000	No suitable S106 monies are available to continue the cycle path rollout	This is an Essex County Council responsibility which this Council contributes to by way of S106 monies. If no such money is available the Council will need to decide whether or not to invest more money from other reserves into this scheme

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	would be replenished by appropriate S106 monies as they become available		This reserve has a zero balance so is not included in the main reserves table.
Pension Reserve	This reserve is used to support the Pension Fund Deficit and where possible support a triannual payment	That the cost of the 3 year payment is higher than expected or there is insufficient revenue funds available to take up the option of a triannual payment	This reserve currently has a zero balance as there are insufficient funds to allocate to the reserve in the life of this MTFS
Business Rates Retention	To manage any Collection Fund deficit and/or shortfall in income.	Fund is insufficient to meet demand	Due to the accounting treatment of Business Rates income, where any surplus or deficit is accounted for in the year after it is incurred, a reserve is maintained to ensure that years where there is a deficit can be addressed without impacting on the revenue account
Licensing	A ring-fenced reserve that can only be spent on the taxi licensing service	The new fee schedule of licence renewal on either a 3 or 5 year basis, means that income and resource fluctuates annually	Any excess income is held in the reserve to support service provision in the intermediate years
DWP	To support any financial implications of a negative Benefits Audit and repayment of subsidy to DWP	DWP seek to recover more money than in the reserve	There is a zero balance in the reserve as this is the third year that we have had no repayment required due to a positive audit opinion
Climate Change Reserve	Funding of the Climate Change Action Plan to respond to the declaration of a Climate Change and Biodiversity Emergency in 2019	The planned projects are not achieved due to external factors  The number/ scope of the planned projects exceed the potential of the allocated funding.	A working group meets regularly and the 2021/22 budget includes additional resources to manage and implement the action plan. The working group will be provided with regular reports/updates on the progress of the action plan. Any unspent funds will be c/fwd. into the next year  3 year allocation of funds – £1,000,000 2021/22 - £380,000 2022/23 - £300,000 2023/24 - £320,000

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Major Sports facilities Reserve	Specific funds set aside to enable the delivery of major sports facilities in each principal area of the district	These are fixed allocations and are a contribution to a specific sports schemes'	3 year allocation of funds – £450,000 2020/21 - £150,000 2021/22 - £150,000 2022/23 - £150,000
Emergency Reserve	Contingency funds to cover any significant shortfalls in cash flow due to the pandemic restrictions	During the first lockdown cash flow from loss of income collection had a significant impact on Treasury activities, increasing the risk of not being able to cover commitments, e.g. Housing Benefit payments	The reserve will provide emergency payments whilst alternative cash is being sourced.  This is an emergency fund and will only be drawn in the case of a further complete national lockdown.