

Introduction

1. This report provides information on the estimated level of reserves, balances and provisions currently held and explains how some of these will be applied over the next four years to help support the revenue budget and capital programme.

NATIONAL GUIDANCE

2. In July 2014, CIPFA issued updated guidance on the establishment and maintenance of local authority reserves and balances, setting out the key factors that should be taken in account locally in making an assessment of the appropriate level of reserves and balances to be held.
3. This report complies with the Ministerial requirement regarding the usage and publication of police reserves.

GENERAL REVENUE BALANCES

Background

4. In order to assess the adequacy of unallocated general reserves (otherwise known as general balances) when setting the budget the PCC, on the advice of the two chief finance officers, should take account of the strategic, operational and financial risks facing the authority. This assessment of risk should include external risks, such as flooding, as well as internal risks, for example the ability to deliver planned efficiency savings.
5. Table 1 examines how Thames Valley Police (TVP) currently complies with the 7 key CIPFA principles to assess the adequacy of reserves.

Table 1: Compliance with the 7 key principles

Budget assumptions	Current situation in Thames Valley
The treatment of inflation and interest rates	<p>TVP makes full and appropriate provision for pay and price rises. We have provided for future pay awards at 2% per annum and general inflation is linked to CPI.</p> <p>An informed assessment is made of interest rate movements.</p> <p>All individual expenditure and income heads in the revenue budget are prepared and published at estimated outturn prices.</p>
Estimates of the level and timing of capital receipts	TVP makes a prudent assumption of future capital receipts. Attached at Appendix 3 is a schedule of planned receipts over the next 4 financial years
The treatment of demand led pressures	<p>The Force is required to operate and manage within its annual budget allocation.</p> <p>The Chief Constable retains 2 central reserves to help finance large scale or corporate operations or issues. These are the 'Major Operations Reserve' and the 'Tasking Fund Reserve'. In addition the CCMT also holds a small reserve to deal with day to day changes in demand and pressure.</p>

	<p>The Force has been able to accommodate the additional costs arising from the various major incidents over the last 10 years or so without asking the PCC for additional reserve funding.</p> <p>The Force has already identified £15.1m of cash savings which will be removed from the budget over the next four years (2019/20 to 2022/23). This is over and above the £100m of cash savings that have been removed from the base budget in the last eight years (i.e. 2011/12 to 2018/19). This cumulative level of budget reduction (at least £116m) will inevitably mean that operational budgets will come under even greater pressure and/or risk of overspending in future years.</p> <p>Some government grants (e.g. DSP) are announced annually in advance and are cash limited. Any new policing pressures arising during the year will have to be funded from TVP's own resources.</p> <p>TVP has created a number of earmarked revenue reserves to help finance specific, ad-hoc, expenditure commitments. Appropriations are made to and from these reserves on an annual basis, as required.</p> <p>Finally, general balances are used as a last resort to manage and fund demand-led spending pressures.</p>
<p>The treatment of planned efficiency savings/productivity gains</p>	<p>The Force has consistently achieved its annual efficiency target.</p> <p>All savings are delivered through the Efficiency Plan process and are fully risks are assessed in terms of deliverability.</p> <p>As explained above, over £101m of cash savings has already been taken out of the base budget with a further £15.1m required over the next four years.</p>
<p>The financial risks inherent in any significant new funding partnerships, collaboration, major outsourcing arrangements or major capital developments</p>	<p>The financial consequences of partnership collaboration working, outsourcing arrangements or capital investment are reported to the PCC as part of the medium term planning process. Where relevant, any additional costs are incorporated in the annual revenue budget and/or capital programme.</p> <p>As explained in the separate report on the Medium Term Capital Plan (MTCP) the latest assessment of potential requirements for the Optimism Bias (OB) Reserve is currently £3.64m higher than the amount currently held. We are not planning on transferring additional monies into the OB reserve so will monitor the situation very closely over the next 4 years. All future capital bids (i.e. over and above those included in the current MTCP will include an</p>

	<p>appropriate element for OB) so we will not need to hold a separate earmarked reserve beyond 2022/23</p> <p>There is clearly a risk that local authority partners will continue to withdraw funding as their own budgets are squeezed, or that the continued financial viability of private sector commercial partners will be exposed to risk in the face of an economic recession.</p>
<p>The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions</p>	<p>TVP has created a number of earmarked revenue reserves and provisions to meet specific expenditure items. These are referred to in more detail below.</p> <p>TVP maintains an insurance provision; the adequacy of which is determined annually by a firm of qualified insurance actuaries.</p> <p>The access criteria for special grants state that PCCs may be required to fund up to 1% of their net budget requirement themselves before Government considers grant aid. This applies on an annual basis. During the last couple of years TVP has successfully applied for, and received grant monies for Operation Hornet and policing of the Royal Weddings and the visit of the President of the USA</p>
<p>The general financial climate to which the authority is subject.</p>	<p>In December 2018 the Home secretary announced the provisional police grant settlement for 2019/20. Grant funding has been provided to cover the increased cost of police officer pensions. In addition, PCCs are being encouraged to increase their council tax precept by up to £24 a year for a band D property) subject to meeting national targets on efficiency and productivity.</p> <p>General inflation in the UK is higher than in recent years. CPI is currently 2.3% (November 2018). RPI is slightly higher at 3.2%.</p> <p>Base rate is currently 0.75%. The Governor of the Bank of England has indicated that any future increases will be minimal and gradual.</p> <p>The 4 year medium term financial plan reflects our local 'best estimate' of future inflation rates and increases in government grants and contributions.</p>

6. General balances are required to cover financial risks and uncertainties such:

- unforeseen emergencies, such as a terrorist incident or major investigation;
- changes in the demand for policing;
- managing the timing of making savings;
- costs of national programmes;
- funding the first 1% of costs for major events (e.g. Royal Weddings) in-line with Home Office grant rules; and
- uneven cashflows

7. Home Office special grant rules require us to fund the first 1% of net revenue expenditure for each incident before we can submit a claim for financial assistance. As such, in an organisation the size of Thames Valley, with a net budget of around £424m, the current policy is to maintain general balances around a guideline level of 3% of annual net revenue expenditure budget, with an absolute minimum level of 2.5%. This is felt to be an appropriate percentage and cash sum.
8. The current and forecast level of general balances is set out in Table 2 below.

Table 2: Predicted level of general balances

	£m	% of 2019/20 Draft Budget
Balance as at 31 March 2018	18.650	4.40%
Fewer bank holidays	0.215	
Adjustment for late notification of council tax changes	0.147	
Forecast net revenue overspend 2018/19	- 0.083	
Forecast balance as at 31 March 2019	18.929	4.47%
Forecast balance as at 31 March 2020	18.929	4.47%
Fund additional bank holidays	- 0.217	
Forecast balance as at 31 March 2021	18.712	4.41%
Fund additional bank holidays	- 0.651	
Forecast balance as at 31 March 2022	18.061	4.26%
Forecast balance as at 31 March 2023	18.061	4.26%

Commentary of the Table

9. The current forecast level of general balances at 31 March 2019 is £18.929m which equates to 4.47% of the draft net revenue budget requirement in 2019/20.
10. At this stage, the overall level of general balances is scheduled to remain above the agreed 3% in coming years which is a healthy position to be given the planned reduction in earmarked reserves, the unknown funding position in 2020/21 and later years and the very difficult operational environment that the force continues to operate in.

Risk and Sensitivity Analysis

11. Attached at Appendix 1 is the Risk and Sensitivity Assessment for General Balances for 2019/20. This provides the PCC with more accurate, timely and risk based information on the type of issues that may have significant potential implications for the level of general reserves held, both now and in the near future.
12. The Appendix has been produced in accordance with the Force Risk Model and scores the likelihood of each risk occurring, and the impact that it would have on the level of general balances currently held, on a scale of 1-5 (with 5 being 'high risk' / 'high impact', respectively). The two scores are then multiplied to provide an aggregate risk score. The risks in the Appendix are ranked in order, with high risk, high impact issues being shown at the top of the list.

13. The two biggest risks are (1) that the additional costs of one-off operational incidents or in-year emergencies cannot be contained within budget or be fully grant funded by Government and (2) that the Force fails to contain expenditure within agreed annual budget limits, including unfunded national pay increases.

EARMARKED REVENUE RESERVES

14. The predicted position at 31 March 2019 for each earmarked revenue reserve - which has a specific purpose and particular timescale for its expenditure - is shown in Table 3 below.
15. The predicted annual movement in each reserve over the next 5 years (including 2018/19) is shown in Appendix 2. This shows that by the end of 2022/23 the overall level of earmarked reserves will be just £2.7m, including £1.0m in the Conditional Funding Reserve and the SEROCU which are not available to help with general operational policing.

Table 3: Earmarked reserves

Reserve	Balance at 1 April 2018 £m	Predicted Movement in year £m	Forecast Balance 31.3.19 £m	Purpose of Reserve
Risk management reserve	0.395	- 0.395	0	To help 'pump prime' future risk management or carbon reduction initiatives.
Transport reserve	0.295	- 0.106	0.189	TVP share of the Chiltern Transport Consortium (CTC) reserves
Improvement and Performance reserve	20.081	- 14.421	5.670	Used to help fund one-off initiatives such as capital investment and property maintenance
Optimism Bias	0.000	9.129	9.129	To fund any cost over-runs on the capital programme
Insurance	0.159	- 0.159	0	Funds held in case insurance provision proves inadequate to meet known liabilities
Community safety	0.592	0.333	0.925	To fund the PCC's community safety initiatives
Sub-total	21.532	- 5.619	15.913	
SEROCU	1.582	- 1.000	0.582	Provision held on behalf of the hosted regional organised crime unit to support infrastructure investment and risk management against in year grant cuts.
Conditional Funding reserve	2.910	- 0.500	2.410	The Force is actively engaged in a number of projects which are funded by government grants, contributions from partner bodies and other agencies. Income received can only be spent on the specified purpose.
Total	26.024	- 7.119	18.905	

Commentary on Table 3 and Appendix 2

16. The **Risk Management Reserve** is being used to fund one-off expenditure items in the capital programme in 2018/19. It will then be fully utilised and the reserve will be closed.
17. The **Chiltern Transport Consortium Board** has agreed to limit its reserves to 3% of the devolved recharge for each force.
18. The **Improvement & Performance (I&P) Reserve** is being used to fund essential one-off expenditure items which will improve performance or deliver efficiency savings. £12.001m was transferred to the new Optimisation Bias reserve in April. The remaining balance will be largely utilised over the next four years to fund one-off expenditure items in the revenue budget and capital programme as shown in Table 4 below.

Table 4 – Proposed drawdown from the I&P Reserve

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Opening balance	20.091	5.670	4.965	2.808	1.650
Transfer to the Optimisation Bias reserve	-12.001				
Transfer due to higher taxbase and surplus		0.365			
MK – ventilation plant work		- 0.050	- 0.150		
Banbury Custody suite ventilation				- 0.155	
Maidenhead – roof to main building				- 0.150	
Langford Locks - air conditioning			- 0.260		
Kingfisher Court – electricals		- 0.225			
Maidenhead –custody ventilation				- 0.250	
Newbury – custody ventilation					- 0.175
Maidenhead – lighting, power & switchgear		- 0.100			- 0.315
Newbury heating					- 0.155
Meadow House air conditioning		- 0.440			
High Wycombe – custody ventilation		- 0.205			
High Wycombe – roofs & windows			- 0.250		
Aylesbury – roofs & windows (main block)			- 0.250		
Aylesbury – roofs & windows (welfare block)			- 0.175		
Banbury – main roof			- 0.250		
Lodden Valley – custody air con				- 0.450	
Slough – roof				- 0.150	
UCI public enquiries	- 0.197				
ICT rationalisation	- 0.536				
Capital programme	- 1.687	- 0.050	- 0.825		
Annual drawdown to fund one-off items	-14.421	- 0.705	- 2.160	- 1.155	- 0.645
Closing balance	5.670	4.965	2.805	1.650	1.005

19. HM Treasury guidance on capital projects recognises that there is the potential for project costs to exceed the initial assessment. This is called **Optimism Bias** and relates to any project type, although it can be particularly impactful when relating to the development of new technology. As stated in the Medium Term Capital Plan the latest assessment of capital requirements indicates that we should hold £12.769m in a contingency reserve, but this is £3.64m higher than the current cash value. We do not propose to transfer in additional monies at this stage but will monitor capital expenditure very closely over the next 4 years and will inform the PCC immediately should there be a risk that the OB reserve will run out of funds before the current 4 year MTCP is fully implemented. All new capital schemes (i.e. those not already included in the current MTCP) will include an appropriate element for OB and funding will be sought accordingly. As such, the current OB reserve is only required until March 2023. For planning purposes at this stage, it is assumed that the OB reserve will be utilised in the final year of the scheme to which it is associated; the analysis of which is shown in the separate report on the MTCP.
20. The small residual balance of £0.159m in the **Insurance Reserve** is likely to be required in 2018/19 to help fund the increase in the actuarially assessment insurance liability as at 31st March 2019 - see paragraphs 24 to 25 below.
21. The **Community Safety Reserve** will enable the PCC to invest in one-off community safety initiatives.
22. The **SEROCU Reserve** is held on behalf of the regional organised crime unit and is for future development and investment in regional infrastructure in support of the unit, as well as being held to also support potential in year shortfalls in central grant allocations.

23. The **Conditional Funding Reserve** holds monies that can only be spent on specific purposes; it is not available to general operational policing.

Compliance with Home Office guidance on police reserves

24. On 31st March 2018 the Minister for Policing and the Fire Service published new guidance on the information that each PCC must publish in terms of police reserves. One of the key requirements is that the information on each reserve should make clear how much of the funding falls into each of the following three categories:
- Funding for planned expenditure on projects and programmes over the period of the current medium term financial plan
 - Funding for specific projects and programmes beyond the current planning period
 - As a general contingency to meet other expenditure needs held in accordance with sound principles of good financial management
25. This information is provided in Appendix 3.

PROVISIONS

26. The CIPFA Statement of Recommended Practice is prescriptive about when provisions are required (and when they are not permitted). Basically, a provision must be established for any material liabilities of uncertain timings or amount, to be settled by the transfer of economic benefits. In accordance with this statutory guidance the Thames Valley Police has established the following provision.

Insurance

27. A revenue provision exists for meeting ongoing claims under a self-insurance scheme. The insurance provision has recently been assessed by our actuary, Marsh. Their provisional assessment of total liabilities as at 31st March 2019 is £8.34m which is £0.26m higher than the existing provision as at 1st April 2018.
28. As part of the closedown process for 2018/19 officers will monitor and compare the actual fund size with the assessed liability. For planning purposes at this stage it has been assumed that the full residual balance in the insurance reserve (£0.159m) will be required.

CAPITAL BALANCES

29. In addition to the earmarked revenue reserves and insurance provision referred to above, we also maintain three capital reserves. These are used to help finance the 4 year capital programme.

Capital grants unapplied

30. Each year we receive an allocation of capital grant from the Home Office to help finance our capital investment plans. Unlike some other grants, which can only be used for a specific purpose or have to be spent within a particular timeframe, this grant is very flexible in that it can be applied to fund our general capital programme and can be carried forward, without penalty, until it is required to finance capital expenditure.
31. The fund balance as at 1st April 2018 was £10.247m, but this will be largely utilised in coming years to help finance the capital programme.

32. Future capital investment beyond 2022/23 will largely be dependent on revenue contributions, capital receipts and borrowing for new building projects.

Other capital grants

33. The PCC also maintains three further capital reserves, however because these grants have conditions attached to them they are shown in the Balance Sheet as long term liabilities rather than usable reserves. These are:

- Capital grants received in advance
- Section 106 monies
- 3rd party capital contributions

34. The value of these grants is shown in Appendix 2

Capital receipts

35. There are three main sources of capital receipt in Thames Valley.

- Sale of police houses
- Sale of operational police properties to deliver the Asset Management Plan
- Income from the sale of police vehicles is used to fund their replacements

36. The latest schedule of planned disposals and their estimated value is attached as Appendix 4.

37. To avoid having to pay 51% of all interest earned on the investment of capital receipts to the Government - as part of the loan charges grant calculation - capital receipts are normally applied to finance the capital programme as soon as they are received.

CONCLUSIONS

38. Current policy is to maintain revenue general balances close to an operational guideline level of 3.0% of the net annual revenue budget, with an absolute minimum level of 2.5%. The latest estimate of general balances at 31st March 2019 is £18.9m which equates to 4.5% of the net revenue budget in 2019/20 and, based on current planning assumptions, the level of general balances should stay above the 3% guideline level through to 2022/23. This is an acceptable and appropriate position to be in as we continue the prolonged period of fiscal tightening and do not know, at this stage, the exact level of government grant support that we will receive in future years (i.e. beyond 2019/20).

39. Appendix 1 shows that there are a number of risks that may impact on the level of general balances currently held. The two risks with the highest score of 8 are that:

- the additional costs of one-off operational incidents or in-year emergencies cannot be contained within budget or be fully grant funded by Government
- the Force is unable to deliver, in full, the £4.8m of planned cash savings to be removed from the base budget during 2019/20

40. We have created a number of earmarked revenue reserves and an insurance provision to help fund specific initiatives or meet areas of future spending. In the main these are being applied over the next 4 years to finance one-off revenue and capital investment initiatives. Based on current planning assumptions, earmarked reserves will reduce from £26.0m on 31st March 2018 to just £2.7m at 31 March 2023, including £1.0m in the Conditional Funding Reserve and the SEROCU which are not

available to fund general police expenditure. The application of these reserves will clearly be reviewed on an annual basis in light of current budgetary pressures and demands.

41. Based on current planning assumptions the 'Capital Grants Unapplied' reserve will be largely utilised by the end of the current financial year.

Background Papers

CIPFA LAAP Bulletin 99 – July 2014 “Local authority reserves and balances”

Risk and Sensitivity Assessment for General Balances in 2019/20

	RISK DESCRIPTION	RISK ASSESSMENT			SENSITIVITY
		Likelihood	Impact	Total	
1	The additional costs of one-off operational incidents or in-year emergencies cannot be contained within budget or be fully grant funded by Government	2	4	8	<p>Home Office access criteria for special grants imply that the PCC will have to fund up to 1% of his net revenue budget (i.e. circa £4.4m) of these one-off costs from his own resources on an annual basis.</p> <p>The Force maintains a number of operational reserves which amount to £1.9m. The two largest are::</p> <ul style="list-style-type: none"> ➤ Events £0.41m ➤ Tasking & Coordinating £0.44m
2	The Force fails to contain expenditure within agreed annual budget limits, including unfunded national pay increases	2	4	8	Continued monitoring and scrutiny arrangements and medium term financial planning.
3	The Force is unable to deliver, in full, the £4.8m of planned cash savings to be removed from the base budget during 2019/20	2	3	6	The residual risk is that we won't deliver the full £4.8m e.g. a couple of £m shortfall or slippage
4	The one-off cost of delivering ongoing savings, e.g. redundancy costs, termination of contracts, etc. cannot be contained within existing budgetary provisions	2	2	4	The PCC maintains the Improvement & Performance Reserve which can be used to help fund one-off costs such as redundancies, property and ICT adaptations. However, to date these costs have been contained within the annual revenue budget.

Risk Impact' Scoring Table

APPENDIX 1A'

Factor	Score	Political	Economic	Social	Technology	Environmental	Legal	Other Organisational
Guidance on criteria		Ability to respond to HMIC / Audit Commission/ Police Authority & Home Office performance requirements, including Partnership Objectives and potential damage to reputation if not met	Level of funding and Resources	Human Rights – diversity and the damage to reputation if requirements not met / adhered to.	Examples are: all communications equipment, IT infrastructure, hardware & software. Plus any forensic capability that uses technology	Breach of legislation & / or damage to environment through contamination or pollution with potential for legal action against TVP	Health & Safety legislation and regulations. Plus personal safety and all other relevant legislation.	Ref protective marking guide 2007 relating to Public Order; safety; law enforcement & infrastructure etc
Very Low	1	Failure to meet individual operational target	Up to £100.000	Minor contravention of internal policies.	Minor ICT project delay	Insignificant impact on the environment – no breach of legislation	Local incident – local review no legal or regulatory breaches	Protect Data Loss / compromise /misuse resulting in ltd impact on personal human rights or operational activity
Low	2	Failure to meet a series of operational targets – adverse publicity	Between £100.000 and £500.000	Increasing numbers in minor contravention of internal procedures.	Short term loss of non critical ICT	Minor impact on the environment with no lasting effects – no breach of legislation	Minor incident – review protocols No adverse publicity	Restricted Data loss/compromise/ misuse resulting in limited impact to personal human rights or operational activity
Medium	3	Failure to meet a critical target – impact on an individual performance indicator - adverse internal audit report prompting timed improvement / action plan.	Between £500.00 and £1 million	Medium impact incident. Appears in local media	Longer term loss of non critical ICT	Minor impact on the environment with some short term effects – potential breach of legislation	HSE involved in significant incident. Civil litigation receiving adverse publicity and financial cost to the Force.	Confidential Data loss /compromise/misuse causing embarrassment & loss of trust in the force & an adverse impact on personal rights or operational activity
High	4	Failure to meet a series of critical targets – impact on a number of performance indicators – adverse external audit report prompting immediate action. Highlighted in the local media.	Between £1 million and £10 million	High impact incident. Appears in national media once	Prevention of access to intelligence placing prosecutions at risk including front line officers/staff.	Serious impact on environment with immediate and medium to long term effects – breach of legislation / local media attention	Temporary HSE intervention due to major incident. Force is prosecuted and fines. Intervention by Police Authority	Secret Data loss/compromise/ misuse resulting in serious reputational damage to the force & a severe impact to personal human rights (threat to life) or operational activity
Very High	5	Failure to meet a majority of local and national performance indicators – possibility of intervention / special measures. Picked up in the national media	Greater than £10 million	High impact incident(s) or high no of officers / staff taken to court under Human Rights / Diversity legislation. Appears in national media consistently	Damage to critical systems including loss of 999 service	Significant long-term impact on environment – breach of legislation leading to prosecution & reputation damage	Potential Corporate manslaughter charge. HSE close with adverse report Home office intervention. Taken to court by European Commission.	Top Secret Data loss/compromise /misuse resulting in sustained reputational damage to the force, impact upon national security & a serious breach of personal human rights (widespread threat to life) or operational activity

'Likelihood' Scoring Table

Risk Likelihood	Score	Probability or Likelihood of Occurrence within the next 12 months
Highly Unlikely	1	Virtually impossible to occur (0 to 5% chance of occurrence)
Unlikely	2	Very unlikely to occur (6 to 20% chance of occurrence)
Possible	3	More likely not to occur (21 to 50% chance of occurrence)
Likely	4	More likely to occur than not (51% to 80% chance of occurrence)
Highly Likely	5	Assume almost certain to occur (81% to 100% chance of occurrence)

Appendix 2

Summary of revenue and capital balances

	Balance 31.3.18 £m	Forecast Balance 31.3.19 £m	Forecast Balance 31.3.20 £m	Forecast Balance 31.3.21 £m	Forecast Balance 31.3.22 £m	Forecast Balance 31.3.23 £m
GENERAL REVENUE BALANCES	18.650	18.929	18.929	18.712	18.061	18.061
% of draft 2018/19 Net Revenue Budget	4.40%	4.47%	4.47%	4.41%	4.26%	4.26%
EARMARKED REVENUE RESERVES						
Risk management reserve	0.395					
Transport reserve	0.189	0.189	0.189	0.189	0.189	0.189
Improvement and performance reserve	20.091	5.670	4.965	2.805	1.650	1.005
Insurance fund	0.159					
Community safety	0.592	0.925	0.775	0.625	0.475	0.325
Optimism Bias	0.000	9.129	7.334	2.226		
Sub-total	21.532	15.913	13.263	5.845	2.314	1.678
SEROCU	1.582	0.582	0.582	0.582	0.582	0.582
Conditional Funding reserve	2.910	2.410	1.910	1.410	0.910	0.410
Total Earmarked Revenue reserves	26.024	18.905	15.755	7.837	3.806	2.670
TOTAL REVENUE RESERVES	44.674	37.834	34.684	26.549	21.867	20.731
CAPITAL RESERVES						
Capital receipts	8.757					
Capital grants	10.247	5.914	- 2.980	- 2.531	- 2.544	3.305
Capital grants received in advance	0.900	0.900	0.900	0.900	0.900	0.900
3rd party capital contributions	0.048	0.048	0.048	0.048	0.048	0.048
Section 106 monies	0.581	0.581	0.581	0.581	0.581	0.581
Total Capital Reserves	20.533	7.443	- 2.351	- 1.002	- 1.015	4.834
Insurance provision	8.078	8.340	8.340	8.340	8.340	8.340
TOTAL CASH RESERVES	73.285	53.617	40.673	33.887	29.192	33.905

Appendix 3

Analysis of Earmarked Revenue Reserves for Home Office

	31.3.18 Actual £m	31.3.19 Estimate £m	31.3.20 Estimate £m	31.3.21 Estimate £m	31.3.22 Estimate £m	31.3.23 Estimate £m
Planned expenditure on projects & programmes over next 4 years						
• Risk Management initiatives	0.395					
• Community Safety	0.450	0.450	0.450	0.300	0.125	
• Optimism Bias	12.001	9.129	7.334	2.226		
• Improvement & performance reserve	7.450	5.030	3.960	1.800	0.645	
• Conditional funding	2.500	2.000	1.500	1.000	0.500	
	22.796	16.609	13.244	5.326	1.295	
Funding for specific projects & programmes beyond 2022/23						
• Improvement & performance reserve	0.640	0.640	1.005	1.005	1.005	1.005
• Conditional funding	0.410	0.410	0.410	0.410	0.410	0.410
• Community safety	0.142	0.475	0.325	0.325	0.325	0.325
	1.192	1.525	1.740	1.740	1.740	1.740
As a general contingency or resource to meet other expenditure needs						
• Transport consortium	0.295	0.189	0.189	0.189	0.189	0.189
• Insurance	0.159					
• SEROCU	1.582	0.582	0.582	0.582	0.582	0.582
	2.036	0.771	0.771	0.771	0.771	0.771
Total Earmarked Reserves	26.024	18.905	15.755	7.837	3.806	2.670

Forecast Capital Receipts

	Asset Management Plan £m	Housing £m	Equity loan repayments £m	Vehicles £m	Total £m
2019/20	3.655	2.700	0.300	0.450	7.105
2020/21	1.900	0.480	0.300	0.450	3.130
2021/22	0.625	0	0.300	0.450	1.375
2022/23	0	0.510	0.300	0.450	1.260
Total	6.180	3.690	1.200	1.800	12.870