

December 2019 - Earmarked Reserves Forecast Year End Position

Appendix H



Reserve Description	2019/20 Opening Balance £	2019/20 Net Budgeted Movement to / (from) Reserves £	2019/20 Budgeted Closing Balance £	2019/20 Current Reserve Balance £	2019/20 Net Forecast Movement to / (from) Reserves £	2019/20 Forecast Closing Reserve Balance £	2019/20 Forecast Variance (Over) / under Utilised £	Variance Notes (variances in brackets denote greater reserve usage than budgeted)
STRATEGIC RESERVES								
Strategic Priorities & MTFS Reserve	10,650,068	(6,122,757)	4,527,311	10,969,638	(3,615,417)	7,034,651	2,507,340	Currently forecasted to utilise £2.5m less of this reserve in 2019/20, mainly as a result of: Leisure Capital Investment Fund - £2,312k lower forecast capital spend as a result of project timings; and Additional £153k Lifelink Funding and £63k S106 Destination Management Organisation (DMO) monies received transferred to this reserve for future utilisation.
Investing in our Growth Agenda Reserve	1,739,370	(454,946)	1,284,424	1,575,715	(277,928)	1,461,442	177,018	This reserve was set up in order to support the delivery of the council's growth agenda. Currently forecasting a higher year end balance as a result of staff vacancies which are budgeted to be funded from this reserve.
Business Rates Retention Pilot: Place-Based Reserve	2,588,514	(1,073,478)	1,515,036	2,628,848	40,334	2,628,848	1,113,812	Higher forecast balance than budgeted as £800k of this reserve is earmarked for the Leisure Capital Investment Fund, which is likely to be carried forward into 2020/21 due to project timings. The remainder is due to £120k more pilot monies received than budgeted, plus staffing vacancies eg. Lifelink Project and Planning Policy where funded staff are yet to be appointed.
FINANCIAL PLANNING RESERVES								
Invest to Save Reserve	3,499,464	46,525	3,545,989	3,974,829	529,626	4,029,090	483,101	Includes an additional £475k transfer in respect of the SCC pension fund deficit credit expected due to West Suffolk.
Risk & Recession Reserve	557,072	(557,072)	0	0	(557,072)	0	0	Balance on this reserve transferred to the Invest to Save Reserve as approved in the 2019/20 Budget Setting process.

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Business Rates Retention Equalisation Reserve	6,502,047	9,251	6,511,298	6,519,958	189,827	6,691,874	180,576	This reserve is intended to neutralise the impact of any fluctuations in growth or reductions in Business Rates Income under the Business Rates Retention Scheme, primarily relating to statutory timing differences. Additional year end balance resulting from current forecasted increase in Business Rates Pool Income, see also Appendix F.
Housing Benefits Equalisation Reserve	525,870	0	525,870	525,870	0	525,870	0	This reserve is utilised in order to smooth out the effect of variations between the amounts of Housing Benefits paid out and subsequently grant funded by DWP.
Capital Project Financing Reserve	692,287	210,284	902,571	692,287	552,601	1,244,888	342,317	This Reserve was set up in order to facilitate the Capital Financing requirements of the council, and to account for fluctuations and timing differences in the expected spend profile.
Interest Equalisation Reserve	900,582	0	900,582	900,582	0	900,582	0	This reserve was set up in order to mitigate against possible adverse fluctuations in the interest rates received from the Council's investments.
Self Insured Reserve	442,808	0	442,808	462,808	10,000	452,808	10,000	Monies set aside to provide funds in order to finance any high insurance excesses that may arise.
Election Reserve	212,424	(140,000)	72,424	72,424	(140,000)	72,424	0	Monies set aside each year in order to fund the local elections when required. No utilisation expected in 2019/20.
Planning Reserve	309,338	(14,703)	294,635	486,478	25,927	335,265	40,630	Monies set aside in order to fund the Local Plan and other planning-related expenditure. Expected to be under-utilised in 2019/20 as a result of timings of spend.
Planning Delivery Grant Reserve	62,797	(62,797)	0	0	(62,797)	0	0	Balance on this reserve transferred to the Planning Reserve as approved in the 2019/20 Budget Setting process.

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SERVICE DELIVERY RESERVES								
Computer & Telephone Equipment Reserve	342,020	0	342,020	307,920	(28,720)	313,300	(28,720)	Utilisation forecast on this reserve in 2019/20 in order to fund ICT hardware purchases.
Office Equipment Reserve	377,689	28,800	406,489	410,974	12,285	389,974	(16,515)	Monies set aside to purchase significant replacement items of office equipment.
Professional Fees Reserve	428,812	(428,812)	0	0	(428,812)	0	0	Balance on this reserve transferred to the Strategic Priorities & MTFs Reserve as approved in the 2019/20 Budget Setting process.
Anglia Revenues Partnership Reserve	930,166	(23,000)	907,166	930,166	0	930,166	23,000	Government Grant monies received by the Anglia Revenues Partnership (ARP) for specific purposes which are held in reserve due to timings of receipts and usage.
Vehicle, Plant & Equipment Reserve	1,735,384	(51,318)	1,684,066	2,681,484	(51,318)	1,684,066	0	This reserve is utilised to fund the Council's Vehicle Replacement programme. Currently expected to be in line with the budget for 2019/20.
Waste Management Reserve	456,619	(30,500)	426,119	519,569	(33,200)	423,419	(2,700)	This reserve includes monies set aside for purchases related to the Waste and Street Scene service, including Wheeled Bins and associated equipment.
Building Repairs Reserve - Property	2,145,921	(28,043)	2,117,878	2,635,816	(33,828)	2,112,093	(5,785)	Lower closing balance forecast than budgeted as a result of a forecast overspend on general repairs & maintenance in 2019/20 - see also the Income & Expenditure appendix.
Leased Flats Management Reserve	33,957	(33,957)	0	0	(33,957)	0	0	Balance on this reserve transferred to the Building Repairs Reserve - Property as approved in the 2019/20 Budget Setting process.
Industrial Unit Service Charge Reserve	87,610	0	87,610	87,939	266	87,876	266	This reserve holds monies received in respect of service charges which are intended to be utilised on specific items of spend on industrial units.
Industrial Rent Reserve	645,000	(110,000)	535,000	535,000	(110,000)	535,000	0	Monies set aside to meet lost lease income on the former Co-op building at Jubilee Walk, Haverhill.

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Building Repairs Reserve - Leisure	606,556	(439,549)	167,007	922,556	(463,380)	143,176	(23,831)	This reserve is utilised in order to fund the Leisure Capital programme. The year end variance is currently forecast to be overspent as a result of potential additional utilisation against existing projects.
Abbey Gardens Donation Reserve	38,766	0	38,766	38,766	0	38,766	0	Monies held for the improvement of the Abbey Gardens, Bury St Edmunds.
Newmarket Stallion Statue Reserve	20,809	0	20,809	20,809	0	20,809	0	Monies held for the maintenance and repair of the Newmarket Stallion Statue.
Communities against Drugs Reserve	30,000	(30,000)	0	0	(30,000)	0	0	Balance on this reserve transferred to the Strategic Priorities & MTFs Reserve as approved in the 2019/20 Budget Setting process.
Housing Options Reserve	599,698	111,147	710,845	1,165,783	83,857	683,555	(27,290)	This reserve holds the funding received from the Flexible Homelessness Support Grant and is utilised to fund the Housing Options Team and associated expenditure.
SECTION 106 RESERVES								
Commuted Maintenance Reserve	919,531	(103,510)	816,021	919,531	(103,510)	816,021	0	Monies received from Developers in order to maintain additional play areas and public open space adopted.
Public Service Village Reserve	108,937	0	108,937	108,937	0	108,937	0	S106 monies to be utilised to fund Green Travel Scheme and associated initiatives.
S106 Monitoring Officer Reserve	75,514	600	76,114	62,859	(22,950)	52,564	(23,550)	This reserve is utilised in order to fund the S106 Monitoring Officer post. At present we are forecasting £10k additional utilisation from the fund above the budget.
S106 Revenue Reserve	145,880	0	145,880	132,821	(1,954)	143,926	(1,954)	Monies held in respect of Revenue S106 contributions received. At present only a small movement is currently forecasted for 2019/20.

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OTHER RESERVES								
Gershom Parkington Reserve	566,666	3,160	569,826	575,244	6,771	573,437	3,611	Monies received from the Gershom Parkington Trust in order to maintain and develop the Council's Horological Collection.
Economic Development Reserve (LABGI)	5,280	(5,000)	280	5,280	0	5,280	5,000	Monies remaining from the "Local Authority Business Growth Incentive" (LABGI grant, utilised towards Economic Development Spend.
RESERVES TOTALS:	38,983,456	(9,299,675)	29,683,781	40,870,891	(4,543,349)	34,440,107	4,756,326	