

March 2020 - Earmarked Reserves Year End Outturn Position

Appendix H



| Reserve Description   | 2019/20<br>Opening<br>Balance<br>£ | 2019/20<br>Net<br>Budgeted<br>Movement<br>to / (from)<br>Reserves<br>£ | 2019/20<br>Budgeted<br>Closing<br>Balance<br>£ | 2019/20<br>Net<br>Movement<br>to / (from)<br>Reserves<br>£ | 2019/20<br>Closing<br>Reserve<br>Balance<br>£ | 2019/20<br>Year End<br>Variance<br>(Over) /<br>under<br>Utilised<br>£ | Variance Notes (variances in brackets denote<br>greater reserve usage than budgeted)   |
|---|------------------------------------|--|--|--|---|---|--|
| <b>STRATEGIC RESERVES</b>   |                                    |  |  |  |   |   |  |
| Strategic Priorities & Medium Term<br>Financial Strategy (MTFS) Reserve | 10,650,068                         | (3,878,791)  | <b>6,771,277</b>                               | (2,724,221)  | <b>7,925,847</b>                              | <b>1,154,570</b>  | £1.1m less utilised than budgeted in 2019/20, mainly as a result of:<br><br>Capital Programme, lower spend than budgeted on:<br>£267k Community Energy Plan;<br>£157k 21-24 James Carter Road;<br>£49k Brandon Leisure Centre; and<br>£300k Unallocated Capital Programme, financing not utilised.<br><br>£190k lower feasibility funding required, partly due to timings, but also in respect of previous project feasibility now capitalised.<br><br>Additional £153k Lifelink Funding, £45k portfolio holder budget, £10k Learning and Development underspend and £63k S106 Destination Management Organisation (DMO) monies received transferred to this reserve for future utilisation. |
| Investing in our Growth Agenda<br>Reserve                               | 1,739,370                          | (457,696)  | <b>1,281,674</b>                               | (289,933)  | <b>1,449,437</b>                              | <b>167,763</b>  | This reserve was set up in order to support the delivery of the council's growth agenda.<br><br>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:<br>Place-Based Reserve                  | 2,588,514                          | 345,776  | <b>2,934,290</b>                               | 540,334  | <b>3,128,848</b>                              | <b>194,558</b>  | Higher forecast balance than budgeted due to under utilisation on the following:<br><br>£121k Lifelink Project as a result of recruitment timings;<br>£47k Planning Policy capacity resourcing funding due to vacancy;<br>£27k Economic Development & Growth re: NEET Project timings.   |

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| <b><u>FINANCIAL PLANNING RESERVES</u></b>     |                                    |  |  |  |   |   |   |
| Invest to Save Reserve                        | 3,499,464                          | 46,525   | <b>3,545,989</b>                               | 548,011  | <b>4,047,475</b>                              | <b>501,486</b>  | Includes an additional £490k transfer in respect of the SCC pension fund deficit credit expected due to West Suffolk (West Suffolk had paid more into the scheme than was required for 2019/20), £76k transfer into this reserve in respect of Abbeycroft Management Fees for future utilisation, offset by utilisation on cost of change.  |
| Risk & Recession Reserve                      | 557,072                            | (557,072)  | <b>0</b>                                       | (557,072)  | <b>0</b>                                      | <b>0</b>  | Balance on this reserve transferred to the Invest to Save Reserve as approved in the 2019/20 Budget Setting process.  |
| Business Rates Retention Equalisation Reserve | 6,502,047                          | 9,251  | <b>6,511,298</b>                               | 317,779  | <b>6,819,826</b>                              | <b>308,528</b>  | 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.<br><br>Additional year end balance resulting from current increase in Business Rates Pool Income, see also Appendix F.  |
| Housing Benefits Equalisation Reserve         | 525,870                            | 0  | <b>525,870</b>                                 | (232,389)  | <b>293,481</b>                                | <b>(232,389)</b>  | 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  | <b>902,571</b>                                 | 648,935  | <b>1,341,222</b>                              | <b>438,651</b>  | 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.<br><br>This reserve has been built up over the past few years through savings and reduced interest from not borrowing externally. The increased balance reflects the reduced forecasts on borrowing costs for 2019/20 as a result of project timings. |

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|---------------------------------|------------------------------------|--|--|--|---|---|---|
| Interest Equalisation Reserve   | 900,582                            | 0  | <b>900,582</b>                                 | (202,506)  | <b>698,076</b>                                | <b>(202,506)</b>  | This reserve was set up in order to mitigate against possible adverse fluctuations in the interest rates received from the Council's investments. Utilisation in 2019/20 is in respect of Shares being revalued downwards. This is subject to market conditions and as such could fluctuate from year to year. Any future positive revaluations will be utilised to replenish this reserve. |
| Self Insured Reserve            | 442,808                            | 0  | <b>442,808</b>                                 | (31,842)   | <b>410,966</b>                                | <b>(31,842)</b>   | Monies set aside to provide funds in order to finance any high insurance excesses that may arise.   |
| Election Reserve                | 212,424                            | (140,000)  | <b>72,424</b>                                  | (153,814)  | <b>58,610</b>                                 | <b>(13,814)</b>   | 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)   | <b>294,635</b>                                 | 144,146  | <b>453,484</b>                                | <b>158,849</b>  | Monies set aside in order to fund the Local Plan and other planning-related expenditure. Under-utilised in 2019/20 as a result of timings of spend. Includes £30k Licensing Staffing costs carried forward to 2020/21.  |
| Planning Delivery Grant Reserve | 62,797                             | (62,797)   | <b>0</b>                                       | (62,797)   | <b>0</b>                                      | <b>0</b>  | Balance on this reserve transferred to the Planning Reserve as approved in the 2019/20 Budget Setting process.  |

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| <b><u>SERVICE DELIVERY RESERVES</u></b> |                                    |  |  |  |   |   |   |
| Computer & Telephone Equipment Reserve  | 342,020                            | 0  | <b>342,020</b>                                 | (49,616)   | <b>292,404</b>                                | <b>(49,616)</b>   | Utilisation forecast on this reserve in 2019/20 in order to fund ICT hardware purchases.  |
| Office Equipment Reserve                | 377,689                            | 28,800   | <b>406,489</b>                                 | 12,285   | <b>389,974</b>                                | <b>(16,515)</b>   | Monies set aside to purchase significant replacement items of office equipment.   |
| Professional Fees Reserve               | 428,812                            | (428,812)  | <b>0</b>                                       | (428,812)  | <b>0</b>                                      | <b>0</b>  | 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)   | <b>907,166</b>                                 | 35,201   | <b>965,367</b>                                | <b>58,201</b>   | 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)   | <b>1,684,066</b>                               | 294,838  | <b>2,030,222</b>                              | <b>346,156</b>  | This reserve is utilised to fund the Council's Vehicle Replacement programme. Under-utilised as a result of timings of vehicle spend.                           |
| Waste Management Reserve                | 456,619                            | (30,500)   | <b>426,119</b>                                 | (171,500)  | <b>285,119</b>                                | <b>(141,000)</b>  | 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                          | (118,983)  | <b>2,026,938</b>                               | (169,273)  | <b>1,976,648</b>                              | <b>(50,290)</b>   | Lower closing balance forecast than budgeted as a result of overspend on general repairs & maintenance in 2019/20 - see also the Income & Expenditure appendix. |
| Leased Flats Management Reserve         | 33,957                             | (33,957)   | <b>0</b>                                       | (33,957)   | <b>0</b>                                      | <b>0</b>  | 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  | <b>87,610</b>                                  | 591  | <b>88,201</b>                                 | <b>591</b>  | 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)  | <b>535,000</b>                                 | (110,000)  | <b>535,000</b>                                | <b>0</b>  | Monies set aside to meet lost lease income on the former Co-op building at Jubilee Walk, Haverhill.   |
| Building Repairs Reserve - Leisure      | 606,556                            | (433,845)  | <b>172,711</b>                                 | (419,549)  | <b>187,007</b>                                | <b>14,296</b>   | This reserve is utilised in order to fund the Leisure Capital programme.  |
| Abbey Gardens Donation Reserve          | 38,766                             | 0  | <b>38,766</b>                                  | 0  | <b>38,766</b>                                 | <b>0</b>  | Monies held for the improvement of the Abbey Gardens, Bury St Edmunds.  |

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| Newmarket Stallion Statue Reserve    | 20,809                             | 0  | <b>20,809</b>                                  | 0  | <b>20,809</b>                                 | <b>0</b>  | Monies held for the maintenance and repair of the Newmarket Stallion Statue.  |
| Communities against Drugs Reserve    | 30,000                             | (30,000)   | <b>0</b>                                       | (30,000)   | <b>0</b>                                      | <b>0</b>  | 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  | <b>710,845</b>                                 | 42,301   | <b>641,999</b>                                | <b>(68,846)</b>   | This reserve holds the funding received from the Flexible Homelessness Support Grant and is utilised to fund the Housing Options Team and associated expenditure. |
| <b>SECTION 106 RESERVES</b>          |                                    |  |  |  |   |   |   |
| Commuted Maintenance Reserve         | 919,531                            | (103,510)  | <b>816,021</b>                                 | (77,624)   | <b>841,907</b>                                | <b>25,886</b>   | Monies received from Developers in order to maintain additional play areas and public open space adopted.   |
| Public Service Village Reserve       | 108,937                            | 0  | <b>108,937</b>                                 | (29,238)   | <b>79,699</b>                                 | <b>(29,238)</b>   | S106 monies to be utilised to fund Green Travel Scheme and associated initiatives.  |
| S106 Monitoring Officer Reserve      | 75,514                             | 600  | <b>76,114</b>                                  | 3,398  | <b>78,912</b>                                 | <b>2,798</b>  | This reserve is utilised in order to fund the S106 Monitoring Officer post.   |
| S106 Revenue Reserve                 | 145,880                            | 0  | <b>145,880</b>                                 | (13,059)   | <b>132,821</b>                                | <b>(13,059)</b>   | Monies held in respect of Revenue S106 contributions received.  |
| <b>OTHER RESERVES</b>                |                                    |  |  |  |   |   |   |
| Gershon Parkington Reserve           | 566,666                            | 3,160  | <b>569,826</b>                                 | 10,301   | <b>576,967</b>                                | <b>7,141</b>  | Monies received from the Gershon Parkington Trust in order to maintain and develop the Council's Horological Collection.  |
| Economic Development Reserve (LABGI) | 5,280                              | (5,000)  | <b>280</b>                                     | (5,280)  | <b>0</b>                                      | <b>(280)</b>  | Monies remaining from the "Local Authority Business Growth Incentive" (LABGI) grant, utilised towards Economic Development Spend.                                 |
| <b>RESERVES TOTALS:</b>              | <b>38,983,456</b>                  | <b>(5,724,441)</b>   | <b>33,259,015</b>                              | <b>(3,194,362)</b>   | <b>35,789,094</b>                             | <b>2,530,079</b>  |   |