

## Earmarked reserves forecast year end Position - December 2020

Appendix H



| Reserve description   | 2020 to 2021<br>Opening<br>balance<br>£ | 2020 to 2021<br>budgeted<br>movement<br>to or<br>(from)<br>reserve<br>£ | 2020 to 2021<br>Budgeted<br>closing<br>balance<br>£ | 2020 to 2021<br>Current<br>reserve<br>balance<br>£ | 2020 to 2021<br>forecast<br>movement<br>to or<br>(from)<br>reserve<br>£ | 2020 to 2021<br>Forecast<br>closing<br>reserve<br>balance<br>£ | COVID-19<br>related<br>adjustment<br>in 2020<br>to 2021<br>£ | 2020 to 2021<br>Forecast<br>variance<br>(over) /<br>under<br>utilised<br>£ | Variance notes (variances in brackets<br>denote greater reserve usage than<br>budgeted)   |
|---|---|---|---|--|---|--|--|--|---|
| <b>Strategic reserves.</b>  |   |   |   |  |   |  |  |  |   |
| Strategic Priorities and Medium Term Financial Strategy (MTFS) reserve. | 7,617,340                               | (1,973,482)   | <b>5,643,858</b>                                    | 7,617,340  | (4,566,397)   | <b>3,050,943</b>   | 0  | <b>(2,592,915)</b>   | Increase in forecast reserve utilisation is primarily due to additional £1.6 million usage of the £2.1 million COVID-19 grant which was transferred to this reserve, plus £1.2 million reduced New Homes Bonus contribution to this reserve in part mitigation of the forecast budget position. |
| Investing in our Growth Agenda reserve.                                 | 1,449,438                               | (582,594)   | <b>866,844</b>                                      | 1,449,438  | (456,755)   | <b>992,683</b>   | 0  | <b>125,839</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: place-based reserve.                    | 3,128,848                               | (267,788)   | <b>2,861,060</b>                                    | 3,128,848  | (199,905)   | <b>2,928,943</b>   | 0  | <b>67,883</b>  | Higher forecast balance than budgeted due to under utilisation on the following:<br><br>£20,000 Lifelink project as a result of recruitment timings;<br>£48,000 Planning Policy capacity resourcing funding due to vacancy.   |
| <b>Financial planning reserves.</b>                                     |   |   |   |  |   |  |  |  |   |
| Invest to save reserve.   | 4,047,476                               | (354,064)   | <b>3,693,412</b>                                    | 4,047,476  | 445,131   | <b>4,492,607</b>   | 0  | <b>799,195</b>   | Forecast year end balance higher than budgeted due to:<br><br>Budgeted contribution to reserve not currently forecast as a result of overall forecast position.<br>Forecast annual reduction in Employers Pensions contributions to Suffolk County Council contributed to the reserve.          |

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|--|---|---|---|--|---|--|--|--|---|
| Business Rates Retention equalisation reserve. | 7,100,063                               | 2,228,433   | <b>9,328,496</b>                                    | 7,100,063  | 18,179,511  | <b>25,279,574</b>  | (15,000,000)   | <b>951,078</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 forecasted increase in share of Suffolk pool income and reduction in levy payable, see also appendix F. |
| Housing Benefits equalisation reserve.         | 293,481                                 | 0   | <b>293,481</b>                                      | 293,481  | 0   | <b>293,481</b>   | 0  | <b>0</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 Department of Works and Pensions (DWP).  |
| Capital project financing reserve.             | 1,341,222                               | (146,020)   | <b>1,195,202</b>                                    | 1,341,222  | 1,055,414   | <b>2,396,636</b>   | 0  | <b>1,201,434</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>The additional forecast balance at the year end is due to lower utilisation of this reserve, and higher contributions relating to the cost of borrowing resulting from project timings.  |
| Interest equalisation reserve.                 | 698,076                                 | 0   | <b>698,076</b>                                      | 698,076  | (31,000)  | <b>667,076</b>   | 0  | <b>(31,000)</b>  | 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.                          | 410,967                                 | 0   | <b>410,967</b>                                      | 410,967  | 0   | <b>410,967</b>   | 0  | <b>0</b>   | Monies set aside to provide funds in order to finance any high insurance excesses that may arise.   |

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|---|---|---|---|--|---|--|--|--|---|
| Election reserve.                         | 58,610                                  | 59,145  | <b>117,755</b>                                      | 58,610   | 63,124  | <b>121,734</b>   | 0  | <b>3,979</b>   | Monies set aside each year in order to fund the local elections when required.  |
| Planning reserve.                         | 461,390                                 | (213,020)   | <b>248,370</b>                                      | 461,390  | (172,300)   | <b>289,090</b>   | 0  | <b>40,720</b>  | Monies set aside in order to fund the Local Plan and other planning-related expenditure.  |
| <b>Service delivery reserves.</b>         |   |   |   |  |   |  |  |  |   |
| Computer and telephone equipment reserve. | 292,404                                 | 15,000  | <b>307,404</b>                                      | 292,404  | (19,912)  | <b>272,492</b>   | 0  | <b>(34,912)</b>  | Utilisation forecast on this reserve in 2020 to 2021 in order to fund computer hardware purchases.  |
| Office equipment reserve.                 | 389,974                                 | 28,800  | <b>418,774</b>                                      | 389,974  | 28,800  | <b>418,774</b>   | 0  | <b>0</b>   | Monies set aside to purchase significant replacement items of office equipment. Currently forecast to be in line with budget.   |
| Anglia Revenues Partnership reserve.      | 965,367                                 | 10,635  | <b>976,002</b>                                      | 965,367  | 10,635  | <b>976,002</b>   | 0  | <b>0</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 and equipment reserve.     | 2,030,222                               | (1,716,238)   | <b>313,984</b>                                      | 2,030,222  | (851,032)   | <b>1,179,190</b>   | 0  | <b>865,206</b>   | This reserve is utilised to fund the council's vehicle replacement programme. Utilisation currently expected to be lower than budgeted. See appendix G Capital Programme. |
| Waste management reserve.                 | 285,119                                 | (30,500)  | <b>254,619</b>                                      | 285,119  | (30,500)  | <b>254,619</b>   | 0  | <b>0</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.      | 1,997,067                               | (1,142,080)   | <b>854,987</b>                                      | 1,997,067  | (1,089,079)   | <b>907,988</b>   | 0  | <b>53,001</b>  | Higher closing balance forecast than budgeted mainly as a result of a small forecast underspend on capital projects.  |

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|---|---|---|---|--|---|--|--|--|---|
| Industrial unit service charge reserve. | 88,201                                  | 0   | <b>88,201</b>                                       | 88,201   | 988   | <b>89,189</b>  | 0  | <b>988</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.                | 535,000                                 | (110,000)   | <b>425,000</b>                                      | 535,000  | (110,000)   | <b>425,000</b>   | 0  | <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.     | 187,211                                 | (187,210)   | <b>1</b>  | 187,211  | (147,190)   | <b>40,021</b>  | 0  | <b>40,020</b>  | This reserve is utilised in order to fund the Leisure Capital programme. Currently forecasted to be on budget as at the year end.   |
| Abbey Gardens donation reserve.         | 38,766                                  | 0   | <b>38,766</b>                                       | 38,766   | 0   | <b>38,766</b>  | 0  | <b>0</b>   | Monies held for the improvement of the Abbey Gardens, Bury St Edmunds.  |
| Newmarket Stallion statue reserve.      | 20,809                                  | 0   | <b>20,809</b>                                       | 20,809   | 0   | <b>20,809</b>  | 0  | <b>0</b>   | Monies held for the maintenance and repair of the Newmarket Stallion statue.  |
| Housing Options reserve.                | 607,056                                 | 271,789   | <b>878,845</b>                                      | 607,056  | 204,899   | <b>811,955</b>   | 0  | <b>(66,890)</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.           | 841,906                                 | (103,510)   | <b>738,396</b>                                      | 841,906  | (46,873)  | <b>795,033</b>   | 0  | <b>56,637</b>  | Monies received from developers in order to maintain additional play areas and public open space adopted. Higher year end balance forecast than budgeted as a result of additional monies received in-year. |
| Public Service Village reserve.         | 79,699                                  | 0   | <b>79,699</b>                                       | 79,699   | 0   | <b>79,699</b>  | 0  | <b>0</b>   | Section 106 monies to be utilised to fund the council's Green Travel scheme and associated initiatives.   |
| Section 106 monitoring officer reserve. | 68,319                                  | 12,600  | <b>80,919</b>                                       | 68,319   | (7,227)   | <b>61,092</b>  | 0  | <b>(19,827)</b>  | This reserve is utilised in order to fund the Section 106 Monitoring Officer post.  |

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|---------------------------------|--------------------------------------|---|---|--|---|--|--|--|--|
| Section 106 revenue<br>reserve. | 129,746                              | (624)   | <b>129,122</b>                                      | 129,746  | 0   | <b>129,746</b>   | 0  | <b>624</b>   | Monies held in respect of revenue Section 106 contributions received. At present no movement is currently forecasted for the year. |
| <b>Other reserves.</b>          |                                      |   |   |  |   |  |  |  |  |
| Gershom Parkington<br>reserve.  | 576,967                              | 2,660   | <b>579,627</b>                                      | 576,967  | 803   | <b>577,770</b>   | 0  | <b>(1,857)</b>   | Monies received from the Gershom Parkington Trust in order to maintain and develop the council's horological collection.           |
| <b>Reserves totals:</b>         | <b>35,740,744</b>                    | <b>(4,198,068)</b>  | <b>31,542,676</b>                                   | <b>35,740,744</b>                                  | <b>12,261,135</b>   | <b>48,001,879</b>  | <b>(15,000,000)</b>  | <b>1,459,203</b>   |  |