

Earmarked reserves year end Position - March 2021

Appendix H



Reserve description	2020 to 2021 Opening balance £	2020 to 2021 Net budgeted movement to or (from) reserve £	2020 to 2021 Budgeted closing balance £	2020 to 2021 Net movement to or (from) reserve £	2020 to 2021 COVID-19 related adjustment in 2020 to 2021 £	2020 to 2021 Closing reserve balance after COVID-19 adjustment £	2020 to 2021 Year end variance (over) / under utilised £	Variance notes (variances in brackets denote greater reserve usage than budgeted)
Strategic reserves.								
Strategic Priorities and Medium Term Financial Strategy (MTFS) reserve.	7,617,340	(1,973,482)	5,643,858	(3,735,867)	0	3,881,473	(1,762,385)	Increase in reserve utilisation is primarily due to the £1.2 million reduced New Homes Bonus contribution to this reserve in part mitigation of the outturn budget position. In addition to this there were some increased contributions in respect of the Brandon Leisure Centre and GP Surgery capital projects as a result of timings. This balance includes £144,000 contributions to the reserve in respect of service expenditure carried forward to 2021 to 2022 which had been delayed due to the effects of COVID-19.
COVID-19 Reserve	0	0	0	539,986	0	539,986	539,986	This reserve has been set up in order to hold monies related to the COVID-19 pandemic. It includes contributions in respect of government grants and utilisation to mitigate the adverse effects on the council's budgets. The closing balance includes monies carried forward in respect of Council Tax Hardship funding, Self-Isolation grant monies held over for the new financial year, plus a small contingency for additional support in 2021 to 2022.

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Investing in our Growth Agenda reserve.	1,449,438	(582,594)	866,844	(381,462)	0	1,067,976	201,132	This reserve was set up in order to support the delivery of the council's growth agenda. 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)	2,861,060	(71,052)	0	3,057,796	196,736	Higher balance than budgeted due to under utilisation on the following: £213,000 Lifelink project as a result of recruitment timings; £48,000 Planning Policy capacity resourcing funding due to vacancy. Offset with transfers to the Strategic Priorities and MTFS Reserve in respect of feasibility and Economic Development funding in previous years.

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Financial planning reserves.								
Invest to save reserve.	4,047,476	(354,064)	3,693,412	778,055	0	4,825,531	1,132,119	Year end balance higher than budgeted due to: Annual reduction in Employers Pensions contributions to Suffolk County Council £592,000 contributed to the reserve. Reduced capital programme contributions in respect of Public Sector Decarbonisation £346,000 and Car Parking Improvements £287,000 as a result of project timing differences.
Business Rates Retention equalisation reserve.	7,100,063	2,228,433	9,328,496	18,645,714	(16,417,281)	9,328,496	0	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. The £16.4 million adjustment includes: £15.1 million relating to Section 31 grant income to cover COVID-19 reliefs £0.5 million relating to 75 per cent tax income compensation grant £0.8 million additional year end balance resulting from increase in share of Suffolk pool income and reduction in levy payable, see also appendix F.

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Housing Benefits equalisation reserve.	293,481	0	293,481	0	0	293,481	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 Department of Works and Pensions (DWP).
Capital project financing reserve.	1,341,222	(146,020)	1,195,202	1,035,018	0	2,376,240	1,181,038	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. The additional 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	698,076	162,325	0	860,401	162,325	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	410,967	(3,191)	0	407,776	(3,191)	Monies set aside to provide funds in order to finance any high insurance excesses that may arise.
Election reserve.	58,610	59,145	117,755	108,461	0	167,071	49,316	Monies set aside each year in order to fund the local elections when required. The additional year end balance includes additional monies set aside pending the 2021/22 Elections.

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Planning reserve.	461,390	(213,020)	248,370	10,398	0	471,788	223,418	Monies set aside in order to fund the Local Plan and other planning-related expenditure.
Service delivery reserves.						0		
Computer and telephone equipment reserve.	292,404	15,000	307,404	(73,325)	0	219,079	(88,325)	Utilisation on this reserve in 2020 to 2021 in order to fund computer hardware purchases.
Office equipment reserve.	389,974	28,800	418,774	(118,768)	0	271,206	(147,568)	Monies set aside to purchase significant replacement items of office equipment.
Anglia Revenues Partnership reserve.	965,367	10,635	976,002	10,635	0	976,002	0	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)	313,984	295,160	0	2,325,382	2,011,398	This reserve is utilised to fund the council's vehicle replacement programme. Full year utilisation lower than budgeted as a result of timings of vehicle purchases. Requested to carry forward unspent funding into 2021 to 2022. See appendix G Capital Programme.
Waste management reserve.	285,119	(30,500)	254,619	9,249	0	294,368	39,749	This reserve includes monies set aside for purchases related to the Waste and Street Scene service, including wheeled bins and associated equipment. The higher closing balance is as a result of some monies carried forward for essential equipment purchases and driver training delayed due to COVID-19.

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Building repairs reserve - property.	1,997,067	(1,142,080)	854,987	(63,853)	0	1,933,214	1,078,227	Higher closing balance than budgeted mainly as a result of underspends on capital projects.
Industrial unit service charge reserve.	88,201	0	88,201	1,604	0	89,805	1,604	This reserve holds monies received in respect of service charges which are intended to be utilised on specific items of spend on industrial units.
Car Park Development Reserve	0	0	0	321,523	0	321,523	321,523	This reserve holds monies set aside from parking income which are intended to be utilised on car park improvements and developments .
Industrial rent reserve.	535,000	(110,000)	425,000	(110,000)	0	425,000	0	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)	1	132,236	0	319,447	319,446	This reserve is utilised in order to fund the Leisure Capital programme. Under utilised at the year end as a result of capital programme timings. See also Appendix G, Capital Programme.
Abbey Gardens donation reserve.	38,766	0	38,766	0	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	0	0	20,809	0	Monies held for the maintenance and repair of the Newmarket Stallion statue.
Housing Options reserve.	607,056	271,789	878,845	169,748	0	776,804	(102,041)	This reserve holds the funding received from the Flexible Homelessness Support Grant and is utilised to fund the Housing Options team and associated expenditure.

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Section 106 reserves.								
Commuted maintenance reserve.	841,906	(103,510)	738,396	611,629	0	1,453,535	715,139	Monies received from developers in order to maintain additional play areas and public open space adopted. Year end balance higher than budgeted as a result of a large commuted sum received in the year. This balance will be utilised over the coming years on maintenance.
Public Service Village reserve.	79,699	0	79,699	0	0	79,699	0	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	80,919	1,811	0	70,130	(10,789)	This reserve is utilised in order to fund the Section 106 Monitoring Officer post.
Section 106 revenue reserve.	129,746	(624)	129,122	(49,459)	0	80,287	(48,835)	Monies held in respect of revenue Section 106 contributions received.
Other reserves.								
Gershom Parkington reserve.	576,967	2,660	579,627	2,897	0	579,864	237	Monies received from the Gershom Parkington Trust in order to maintain and develop the council's horological collection.
Reserves totals:	35,740,744	(4,198,068)	31,542,676	18,229,472	(16,417,281)	37,552,935	6,010,259	