

Earmarked reserves forecast year end Position - June 2021

Appendix H



| Reserve description | 2021 to 2022 Opening balance £ | 2021 to 2022 Net budgeted movement to or (from) reserve £ | 2021 to 2022 Budgeted closing balance £ | 2021 to 2022 Current reserve balance £ | 2021 to 2022 Net forecast movement to or (from) reserve £ | 2021 to 2022 Forecast closing reserve balance £ | COVID-19 related adjustment in 2020 to 2021 £ | 2021 to 2022 Forecast 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. | 3,881,472 | (2,242,499) | 1,638,973 | 3,881,472 | (1,936,571) | 1,944,901 | 0 | 305,928 | This reserve is primarily comprised of monies received in respect of the New Homes Bonus grant, set aside to support the delivery of the council's priorities and medium term financial strategy. We are currently forecasting a higher year end balance than budgeted as a result of funding for the Lifelink project which has been contributed to this reserve, and will be utilised over the next few years. |
| COVID-19 reserve | 481,895 | 736,681 | 1,218,576 | 481,895 | (134,862) | 347,033 | 0 | (871,543) | This reserve was 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 additional forecast utilisation for the year comprises the 2021 to 2022 Local Authority Support grant which is proposed to offset the forecast effects of COVID-19 as referenced in appendix F. |
| Investing in our Growth Agenda reserve. | 1,067,975 | (426,143) | 641,832 | 1,067,975 | (392,234) | 675,741 | 0 | 33,909 | 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. |

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| Business Rates Retention Pilot: place-based reserve. | 3,057,797 | (562,708) | 2,495,089 | 3,057,797 | (562,613) | 2,495,184 | 0 | 95 | This reserve was set up to hold the benefit from the Suffolk 100 per cent business rate retention pilot in 2018 to 2019. To be utilised against projects as agreed by the district and county leaders in West Suffolk. This reserve is fully committed across the medium term financial strategy. Currently forecasted to be in line with the budgeted year end position. |
| Financial planning reserves. | | | | | | | | | |
| Invest to save reserve. | 4,825,531 | (1,187,048) | 3,638,483 | 4,825,531 | (683,270) | 4,142,261 | 0 | 503,778 | Forecast year end balance higher than budgeted due to: Forecast annual reduction in Employers Pensions contributions to Suffolk County Council £584,000 contributed to the reserve. Contributions from this reserve in respect of Property Services support (£57,000), corporate cost of change (£11,000) and Licensing Data Cleansing (£13,000). |
| Business Rates Retention equalisation reserve. | 26,001,971 | (17,664,824) | 8,337,147 | 26,001,971 | (8,945,294) | 17,056,677 | (8,874,496) | (154,966) | 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 Section 31 grants and reduction in Suffolk Pool levy payable, see also appendix F. |

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| Housing Benefits equalisation reserve. | 293,481 | 14,382 | 307,863 | 293,481 | 14,382 | 307,863 | 0 | 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. | 2,391,792 | 0 | 2,391,792 | 2,391,792 | 1,521,742 | 3,913,534 | 0 | 1,521,742 | 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 and interest rates. The additional forecast balance at the year end is due to higher contributions relating to savings in interest payable budgets whilst the council's treasury management approach utilises internal funds. |
| Interest equalisation reserve. | 865,473 | 0 | 865,473 | 865,473 | 15,000 | 880,473 | 0 | 15,000 | This reserve was set up in order to mitigate against possible adverse fluctuations in the interest rates received from the council's investments. Year end balance higher than budgeted as a result of slightly improved income assumptions due to larger amounts of investments being held. |
| Self insured reserve. | 407,776 | 0 | 407,776 | 407,776 | 3,334 | 411,110 | 0 | 3,334 | Monies set aside to provide funds in order to finance any high insurance excesses that may arise. |
| Election reserve. | 167,071 | 56,460 | 223,531 | 167,071 | 56,460 | 223,531 | 0 | 0 | Monies set aside each year in order to fund the local elections when required. The forecast includes additional monies set aside pending the 2021/22 Elections. |
| Planning reserve. | 471,788 | (188,020) | 283,768 | 471,788 | (188,020) | 283,768 | 0 | 0 | Monies set aside in order to fund the Local Plan and other planning-related expenditure. |

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| Service delivery reserves. | | | | | | | | | |
| Computer and telephone equipment reserve. | 219,079 | 0 | 219,079 | 219,079 | 100,000 | 319,079 | 0 | 100,000 | This reserve includes an additional £100,000 contribution in respect of the 2021/22 Cyber Resilience Grant. Utilisation of this grant will be reflected in future forecasts. |
| Office equipment reserve. | 271,205 | 54,800 | 326,005 | 271,205 | 54,800 | 326,005 | 0 | 0 | Monies set aside to purchase significant replacement items of office equipment. Currently forecast to be in line with budget. |
| Anglia Revenues Partnership reserve. | 976,002 | (289,365) | 686,637 | 976,002 | (294,065) | 681,937 | 0 | (4,700) | 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. | 2,325,382 | (1,889,338) | 436,044 | 2,325,382 | (1,863,938) | 461,444 | 0 | 25,400 | This reserve is utilised to fund the council's vehicle replacement programme. Spend is currently expected to be in line with the budget at present. See also appendix G Capital Programme. The additional year end balance relates to proceeds from vehicle sales that have been contributed to this reserve. |
| Waste management reserve. | 294,368 | (74,599) | 219,769 | 294,368 | (74,599) | 219,769 | 0 | 0 | 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. | 1,947,994 | 1,276,128 | 3,224,122 | 1,947,994 | 1,272,502 | 3,220,496 | 0 | (3,626) | Lower closing balance forecast than budgeted mainly as a result of a small forecast underspend on repair and maintenance. |

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| Industrial unit service charge reserve. | 89,805 | 0 | 89,805 | 89,805 | 407 | 90,212 | 0 | 407 | 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 | 321,523 | 619,975 | 941,498 | 321,523 | 535,711 | 857,234 | 0 | (84,264) | This reserve holds monies set aside from parking income which are intended to be utilised on car park improvements and developments. The forecast year end balance is lower than budgeted as it includes additional utilisation during the year on works at Grosvenor Yard Car Park, Newmarket, funded from monies received in the previous financial year. |
| Industrial rent reserve. | 425,000 | (110,000) | 315,000 | 425,000 | (110,000) | 315,000 | 0 | 0 | Monies set aside to meet lost lease income on the former Co-op building at Jubilee Walk, Haverhill. |
| Building repairs reserve - leisure. | 319,447 | 13,604 | 333,051 | 319,447 | 61,046 | 380,493 | 0 | 47,442 | This reserve is utilised in order to fund the Leisure Capital programme. Currently forecasted to be under budget as at the year end. |
| Abbey Gardens donation reserve. | 38,766 | 0 | 38,766 | 38,766 | 0 | 38,766 | 0 | 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 | 0 | Monies held for the maintenance and repair of the Newmarket Stallion statue. |
| Housing Options reserve. | 811,747 | 226,939 | 1,038,686 | 811,747 | 235,321 | 1,047,068 | 0 | 8,382 | 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. | 1,453,536 | (82,930) | 1,370,606 | 1,453,536 | (82,930) | 1,370,606 | 0 | 0 | Monies received from developers in order to maintain additional play areas and public open space adopted. |

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| Public Service Village reserve. | 79,699 | 0 | 79,699 | 79,699 | 0 | 79,699 | 0 | 0 | Section 106 monies to be utilised to fund the council's Green Travel scheme and associated initiatives. |
| Section 106 monitoring officer reserve. | 70,131 | (7,844) | 62,287 | 70,131 | (7,844) | 62,287 | 0 | 0 | This reserve is utilised in order to fund the Section 106 Monitoring Officer post. |
| Section 106 revenue reserve. | 80,287 | 0 | 80,287 | 80,287 | 0 | 80,287 | 0 | 0 | Monies held in respect of revenue Section 106 contributions received. At present no movement is currently forecasted for the year. |
| Other reserves. | | | | | | | | | |
| Gershom Parkington reserve. | 579,864 | 2,160 | 582,024 | 579,864 | 2,897 | 582,761 | 0 | 737 | Monies received from the Gershom Parkington Trust in order to maintain and develop the council's horological collection. |
| Reserves totals: | 54,238,666 | (21,724,189) | 32,514,477 | 54,238,666 | (11,402,638) | 42,836,028 | (8,874,496) | 1,447,055 | |