

Earmarked reserves forecast year end Position - December 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	(2,156,596)	1,724,876	3,881,472	(1,693,015)	2,188,457	0	463,581	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. In addition to this the financing for the Car Park Improvements capital project is lower for this year than budgeted due to timings, also increasing the forecast year end balance.
COVID-19 reserve	481,895	642,435	1,124,330	481,895	(481,895)	0	0	(1,124,330)	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 includes 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	(340,812)	727,163	0	85,331	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	(1,122,708)	1,935,089	3,057,797	(1,122,613)	1,935,184	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	(1,157,867)	3,667,664	4,825,531	(742,543)	4,082,988	0	415,324	Forecast year end balance higher than budgeted due to: Forecast annual reduction in Employers Pensions contributions to Suffolk County Council £565,000 contributed to the reserve. Additional contributions from this reserve in respect of corporate cost of change (£158,000).
Business Rates Retention equalisation reserve.	25,964,799	(17,664,824)	8,299,975	25,964,799	(10,352,739)	15,612,060	(7,384,835)	(72,750)	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. Lower year end balance resulting from current forecasted increase in Suffolk pooling benefit, offset with increase 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	1,461,083	3,852,875	0	1,461,083	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	0	865,473	0	0	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 currently forecasted to be in line with budget as a result of increased investment income being utilised to offset the overall forecast deficit for the year.
Self insured reserve.	407,776	0	407,776	407,776	(10,688)	397,088	0	(10,688)	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	(208,020)	263,768	0	(20,000)	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	(11,303)	207,776	0	(11,303)	This reserve includes an additional £100,000 contribution in respect of the 2021/22 Cyber Resilience Grant. Utilisation of this grant included in the year end forecast.
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	(1,952,650)	372,732	2,325,382	(1,844,872)	480,510	0	107,778	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	987,529	2,935,523	1,947,994	941,706	2,889,700	0	(45,823)	Lower closing balance forecast than budgeted mainly as a result of a forecast increased spend on repair and maintenance.

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Industrial unit service charge reserve.	89,805	0	89,805	89,805	14,000	103,805	0	14,000	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	541,552	863,075	0	(78,423)	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, plus contributions to finance Provincial House Capital works.
Building repairs reserve - leisure.	319,447	114,023	433,470	319,447	257,422	576,869	0	143,399	This reserve is utilised in order to fund the Leisure Capital programme. Currently forecasted to be under budget as at the year end. See also appendix G.
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	364,532	1,176,279	811,747	714,390	1,526,137	0	349,858	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.									
Commutated maintenance reserve.	1,453,536	(82,930)	1,370,606	1,453,536	(99,161)	1,354,375	0	(16,231)	Monies received from developers in order to maintain additional play areas and public open space adopted.
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	(7,439)	62,692	0	405	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	3,294	583,158	0	1,134	Monies received from the Gershom Parkington Trust in order to maintain and develop the council's horological collection.
Reserves totals:	54,201,494	(22,377,250)	31,824,244	54,201,494	(13,334,675)	40,866,819	(7,384,835)	1,657,740	