

Earmarked reserves forecast year end Position - September 2022

Appendix D



| Reserve description | 2022 to 2023 Opening balance £ | 2022 to 2023 Net budgeted movement to or (from) reserve £ | 2022 to 2023 Budgeted closing balance £ | 2022 to 2023 Net forecast movement to or (from) reserve £ | 2022 to 2023 Forecast closing reserve balance £ | 2022 to 2023 Year end 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. | 3,279,952 | 670,338 | 3,950,290 | 696,808 | 3,976,760 | 26,470 | <p>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.</p> <p>The year end balance is higher than budgeted as a result of: - £34,000 reduced utilisation for Economic Development grant payments, slightly offset with £8,000 West Stow Country Park Car Park Resurfacing funded from monies set aside in previous years.</p> |
| COVID-19 reserve | 306,721 | (300,000) | 6,721 | (306,721) | 0 | (6,721) | <p>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.</p> |

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| Investing in our Growth Agenda reserve. | 794,432 | (106,648) | 687,784 | (97,581) | 696,851 | 9,067 | <p>This reserve was set up in order to support the delivery of the council's growth agenda.</p> <p>The higher year end balance is as a result of staff vacancies which are budgeted to be funded from this reserve.</p> |
| Business Rates Retention Pilot: place-based reserve. | 2,146,604 | (640,627) | 1,505,977 | (1,370,188) | 776,416 | (729,561) | <p>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 largely committed across the medium term financial strategy.</p> <p>The forecast year end balance is lower than budgeted due to some additional feasibility spend on the Western Way Development (£739,000). Work is still progressing on this project and will be reported to the December council meeting. The current working assumption is that this reserve will be utilised to cover any cost exposure to date where capitalisation of this project is not possible. This additional spend is partly offset by £9,000 lower utilisation for the Lifelink project due to staff vacancies.</p> |

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| Financial planning reserves. | | | | | | | |
| Invest to save reserve. | 4,402,327 | (289,746) | 4,112,581 | 406,602 | 4,808,929 | 696,348 | The year end balance is higher than budgeted due to: Annual reduction in Employers Pensions contributions to Suffolk County Council £612,000 contributed to the reserve. £134,000 Lower reserve utilisation against the Public Sector Decarbonisation capital project which is now forecast to underspend (see also appendix C), slightly offset with: £49,000 net higher utilisation of budgeted funding across various services due to structure changes and vacancies. |
| Business Rates Retention equalisation reserve. | 15,832,530 | (6,926,543) | 8,905,987 | (6,795,130) | 9,037,400 | 131,413 | 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 year end balance is due to a higher contribution to this reserve than budgeted. This is as a result of £761,000 increase in S31 grants, £370,000 increased share of the pooling benefit, offset to an extent by a £998,000 increased levy payable to the Suffolk Pool. |

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| Housing Benefits equalisation reserve. | 558,141 | (282,892) | 275,249 | (237,849) | 320,292 | 45,043 | 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. | 4,902,184 | 0 | 4,902,184 | 1,198,862 | 6,101,046 | 1,198,862 | 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 increased 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. |
| Self insured reserve. | 393,815 | 0 | 393,815 | (21,396) | 372,419 | (21,396) | Monies set aside to provide funds in order to finance any high insurance excesses that may arise. |
| Election reserve. | 215,856 | 59,418 | 275,274 | 59,418 | 275,274 | 0 | Monies set aside each year in order to fund the local elections when required. |
| Planning reserve. | 351,330 | (36,020) | 315,310 | (67,970) | 283,360 | (31,950) | Monies set aside in order to fund the Local Plan and other planning-related expenditure. Additional utilisation in year in order to fund ecological and arboricultural services. |

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| Service delivery reserves. | | | | | | | |
| Computer and telephone equipment reserve. | 175,479 | (26,202) | 149,277 | (11,277) | 164,202 | 14,925 | Monies set aside for major ICT hardware refreshes and software purchases and upgrades. |
| Office equipment reserve. | 311,867 | 35,326 | 347,193 | 6,464 | 318,331 | (28,862) | Monies set aside to purchase significant replacement items of office equipment. |
| Anglia Revenues Partnership reserve. | 742,121 | 5,935 | 748,056 | 11,337 | 753,458 | 5,402 | 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. | 1,450,991 | (1,078,069) | 372,922 | (286,110) | 1,164,881 | 791,959 | This reserve is utilised to fund the council's vehicle replacement programme. Currently forecasted to higher than budgeted, due to timing differences in the acquisition of vehicles (see also appendix C). |
| Waste management reserve. | 243,429 | (45,385) | 198,044 | (46,285) | 197,144 | (900) | This reserve includes monies set aside for purchases related to the Waste and Street Scene service, including wheeled bins and associated equipment. |

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| Building repairs reserve - property. | 3,514,289 | 452,003 | 3,966,292 | 1,038,527 | 4,552,816 | 586,524 | Higher closing balance than budgeted, mainly as a result of reduced forecast capital spend from project timings (see also Appendix C). |
| Industrial unit service charge reserve. | 107,897 | 0 | 107,897 | 6,000 | 113,897 | 6,000 | This reserve holds monies received in respect of service charges which are intended to be utilised on specific industrial estate works. |
| Car Park development reserve | 1,021,481 | (244,096) | 777,385 | 104,555 | 1,126,036 | 348,651 | This reserve holds monies set aside from parking income which are intended to be utilised on car park improvements and developments. The year end balance is higher than budgeted due to lower forecast spend on the capital programme (see also appendix C). |
| Industrial rent reserve. | 1,030,000 | (590,000) | 440,000 | (706,939) | 323,061 | (116,939) | Monies set aside to meet lost lease income on the former Co-op building at Jubilee Walk, Haverhill, plus Provincial House, Haverhill works. Lower year end balance than budgeted due to increased utilisation for Provincial House holding costs while the property undergoes improvement works. |

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| Building repairs reserve - leisure. | 396,364 | (259,362) | 137,002 | (182,825) | 213,539 | 76,537 | This reserve is utilised in order to fund the Leisure Capital programme. Currently expecting a higher year end balance than budgeted due to forecasted project timings as further outlined in appendix C. |
| Abbey Gardens donation reserve. | 38,766 | 0 | 38,766 | 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 | 20,809 | 0 | Monies held for the maintenance and repair of the Newmarket Stallion statue. |
| Housing Options reserve. | 1,553,331 | 197,537 | 1,750,868 | 468,793 | 2,022,124 | 271,256 | This reserve holds the funding received from the Flexible Homelessness Support Grant and is utilised to fund the Housing Options team and associated expenditure. Year end forecast balance higher than budgeted due to some additional grant contributions, plus lower utilisation within the service than anticipated due to vacancies and reduced spend. |
| Section 106 reserves. | | | | | | | |
| Commuted maintenance reserve. | 1,351,608 | (82,930) | 1,268,678 | (24,371) | 1,327,237 | 58,559 | 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 | 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. | 40,437 | (7,844) | 32,593 | (7,844) | 32,593 | 0 | This reserve is utilised in order to fund the Section 106 Monitoring Officer post. |
| Section 106 revenue reserve. | 80,287 | 0 | 80,287 | 0 | 80,287 | 0 | Monies held in respect of revenue Section 106 contributions received. |
| Other reserves. | | | | | | | |
| Gershom Parkington reserve. | 586,346 | 1,660 | 588,006 | 1,660 | 588,006 | 0 | Monies received from the Gershom Parkington Trust in order to maintain and develop the council's horological collection. |
| Reserves totals: | 45,929,093 | (9,494,147) | 36,434,946 | (6,163,460) | 39,765,633 | 3,330,687 | |