

Earmarked reserves year end outturn position - December 2023

Appendix D



Reserve description	2023 to 2024 Opening balance £	2023 to 2024 Net budgeted movement to or (from) reserve £	2023 to 2024 Budgeted closing balance £	2023 to 2024 Net movement to or (from) reserve £	2023 to 2024 Forecast closing reserve balance £	2023 to 2024 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.	5,316,430	(2,726,751)	2,589,679	(2,726,751)	2,589,679	0	<p>This reserve is primarily comprised of monies received in respect of the New Homes Bonus grant (and associated element of the Funding Guarantee funding) , set aside as agreed to support the delivery of the council's priorities and medium term financial strategy. The grant(s) for 2023 to 2024 totalling £1,756,000 has been contributed to this reserve in full.</p> <p>The year end balance is forecast to be on budget, and includes the following contributions from the reserve: (£1,000,000) Decarbonisation Initiatives Fund (Capital) (£548,000) Community Chest and Locality Budget funding (£2,400,000) Western Way Development, costs associated with project review (£125,000) Funding for project feasibility (£300,000) Funding for integrated health and leisure pathways, monies from external partner having been contributed to this reserve (£109,000) Lifelink Project funding, monies from external bodies and the Business Rates Pilot having been previously contributed to this reserve</p>

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Appendix D



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Investing in our Growth Agenda reserve.	691,304	(123,850)	567,454	(166,403)	524,901	(42,553)	<p>This reserve was set up in order to support the delivery of the council's growth agenda, current utilisation is primarily for staffing cost.</p> <p>The year end balance is lower than budgeted as a result of funding flat sale legal costs for 17/18 Cornhill, former Post Office development.</p>
Business Rates Retention Pilot: place-based reserve.	1,633,053	(90,512)	1,542,541	(90,512)	1,542,541	0	<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>Utilisation of this reserve during the year is forecast to be on budget, and is in respect of: (£91,000) Lifelink project, representing the remaining funds from the original (£500,000) allocated to this project from Pilot monies</p>

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Financial planning reserves.							
Invest to save reserve.	4,619,262	367,074	4,986,336	380,804	5,000,066	13,730	The year end balance is lower than budgeted due to: (£55,000) funding for transformational review staffing costs (£50,000) funding for cost of change £100,000 additional contribution to this reserve in respect of Hydrotreated Vegetable Oil (HVO) fuel implementation timings, for future utilisation
Business Rates Retention equalisation reserve.	7,714,967	(300,504)	7,414,463	(300,504)	7,414,463	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 and appeal costs. The year end balance is forecast to be on budget.
Housing Benefits equalisation reserve.	581,921	0	581,921	(184,525)	397,396	(184,525)	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).

Earmarked reserves year end outturn position - December 2023

Appendix D



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Capital project financing reserve.	6,548,067	0	6,548,067	2,961,686	9,509,753	2,961,686	<p>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. Fund will be utilised in the medium to longer term towards the increased cost of borrowing.</p> <p>The increased balance at the year end is due to higher contributions relating to savings in interest payable budgets in year whilst the council's treasury management approach utilises internal funds, offset slightly by contributions to cover the risks associated with some key strategic projects such as the timing of rental income from the former post office development in Bury St Edmunds.</p>
Self insured reserve.	363,175	0	363,175	13,427	376,602	13,427	Monies set aside to provide funds in order to finance any high insurance excesses that may arise.
Election reserve.	306,506	(140,000)	166,506	(62,528)	243,978	77,472	Monies set aside each year in order to fund the local elections when required. Additional monies received in-year for New Burdens Funding.
Planning reserve.	306,413	23,627	330,040	(99,804)	206,609	(123,431)	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.	89,354	0	89,354	0	89,354	0	Monies set aside for major ICT hardware refreshes and software purchases and upgrades.
Office equipment reserve.	321,373	(51,316)	270,057	(51,316)	270,057	0	Monies set aside to purchase significant replacement items of office equipment.
Anglia Revenues Partnership reserve.	748,813	4,616	753,429	(22,729)	726,084	(27,345)	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. Year end balance is forecasted to be lower than budgeted as a result of funding the forecast ARP deficit for 2023 to 2024.
Vehicle, plant and equipment reserve.	1,195,210	1,001,878	2,197,088	1,030,228	2,225,438	28,350	This reserve is utilised to fund the council's vehicle replacement programme. Year end balance forecast higher than budget due to additional transfer from the Trade Waste Service, relating to an external contribution for skip replacement.
Waste management reserve.	172,242	(34,850)	137,392	(35,514)	136,728	(664)	This reserve includes monies set aside for purchases related to the Waste and Street Scene service, including wheeled bins and associated equipment. The year end forecast is currently in line with the budget.

Earmarked reserves year end outturn position - December 2023

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Building repairs reserve property.	5,163,006	(1,557,333)	3,605,673	(530,866)	4,632,140	1,026,467	Higher closing balance than budgeted, mainly as a result of timings of capital spend (see also Appendix C).
Industrial unit service charge reserve.	113,977	0	113,977	6,500	120,477	6,500	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	943,083	(742,130)	200,953	(179,516)	763,567	562,614	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 timings on Off-Street parking initiatives (see also appendix C).
Industrial rent reserve.	591,724	(253,407)	338,317	(323,575)	268,149	(70,168)	Monies set aside to meet lost lease income on the former Co-op building at Jubilee Walk, Haverhill, plus Provincial House, Haverhill works. The current year end position is forecast to be lower than budgeted as a result of funding Provincial House holding costs.
Building repairs reserve leisure.	260,761	(187,627)	73,134	(135,389)	125,372	52,238	This reserve is utilised in order to fund the Leisure Capital programme. Higher year end balance than budgeted due to project timings (see also appendix C).

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Abbey Gardens donation reserve.	38,766	0	38,766	(9,750)	29,016	(9,750)	Monies held for the improvement of the Abbey Gardens, Bury St Edmunds. Monies utilised in the year towards special events at the Abbey Gardens.
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.	2,145,071	(485,976)	1,659,095	(243,331)	1,901,740	242,645	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 balance higher than budgeted due to lower utilisation within the service than anticipated due to staff vacancies and lower spend than anticipated.
Section 106 reserves.							
Commutated maintenance reserve.	1,360,138	(82,930)	1,277,208	(63,746)	1,296,392	19,184	Monies received from developers in order to maintain additional play areas and public open space adopted.
Public Service Village reserve.	79,699	(32,960)	46,739	(37,253)	42,446	(4,293)	Section 106 monies to be utilised to fund the council's Green Travel scheme and associated initiatives. Utilisation during the year relates to provision of Electric Vehicle (EV) Chargers.
Section 106 monitoring officer reserve.	6,543	(8,084)	(1,541)	(6,543)	0	1,541	This reserve is utilised in order to fund the Section 106 Monitoring Officer post.

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Section 106 revenue reserve.	80,287	0	80,287	0	80,287	0	Monies held in respect of revenue Section 106 contributions received. No movement in the year.
Other reserves.							
Gershom Parkington reserve.	585,892	2,258	588,150	3,042	588,934	784	Monies received from the Gershom Parkington Trust in order to maintain and develop the council's horological collection.
Reserves totals:	41,997,846	(5,418,777)	36,579,069	(874,868)	41,122,978	4,543,909	