

Appropriations to and from General Fund Earmarked Reserves

Appropriations for 2020/21

Within the forecast outturn figure, there are several proposals for appropriations to and from earmarked reserves. The final value of these appropriations will be assessed at year-end and reported as part of the closedown reporting programme.

Appropriations to Reserves

1. £1,370,000 to the New Homes Bonus Reserve

The Council currently continues to receive New Homes Bonus Grant. Given the uncertainty over the level of this grant in the future, it is proposed that any monies are continued to be used to support one-off projects.

2. £285,000 to the MRP Equalisation Reserve

When the 2020/21 budget was approved the agreed appropriation of £918,000 from the MRP equalisation reserve was based on the 2019/20 capital expenditure that was forecast to be financed by borrowing. The actual 2019/20 capital expenditure financed by borrowing was lower than forecast so this amount can be transferred back to the MRP equalisation reserve to fund future increases in MRP without impacting base line services.

3. £2,000,000 to the Pensions Reserve

This appropriation provides some flexibility by beginning to rebuild the Pensions Reserve to ensure that the Council has sufficient provision to cope with future pension fund evaluations.

Total Appropriations to Reserves

£3,655,000

Appropriations to and from General Fund Earmarked Reserves

Appropriations from Reserves

- 1. £363,000 from the Capital Reserve**

This is to fund several approved capital projects in 2020/21.
- 2. £945,000 from the Interest Equalisation Reserve**

This is to smooth the impact in 2020/21 of the increases in the interest budgets because of the financing of the capital investment programme.
- 3. £918,000 from the MRP Equalisation Reserve**

This is to smooth the impact in 2020/21 of the increases in MRP that the Council needs to set aside because of the proposed capital investment programme.
- 4. £1,012,000 from the Business Transformation Reserve**

To fund one-off investments identified as part of the approved 2020/21 budget plus business cases agreed throughout the year.
- 5. £560,000 from the New Homes Bonus Reserve**

To fund several proposed one-off investments during 2021/22.
- 6. £250,000 from the Outcome Delivery Reserve**

This is to fund proposed interventions in 2020/21 which will provide better improved outcomes in line with our 2050 ambitions.
- 7. £4,350,000 from the Pensions Reserve**

This is to fund the prepayment of pension deficit contributions and thereby securing savings over the three-year actuarial review period.
- 8. £5,128,000 from the COVID-19 Grant Reserve**

In accordance with proper accounting practice, grants received in 2019/20, but not used, were carried forward into 2020/21 via the use of earmarked reserves. This appropriation represents the release of those funds to support the approved and eligible grant related expenditure.
- 9. £400,000 from the General Grants Reserve**

In accordance with proper accounting practice, grants received in 2019/20, but not used, were carried forward into 2020/21 via the use of earmarked reserves. This appropriation represents the release of some of those funds to support the approved and eligible grant related expenditure.

Appropriations to and from General Fund Earmarked Reserves

10. £35,000 from the Public Health Grant – DAAT Reserve

This is to fund proposed additional hours and capacity to enhance the current operating model at the local complex needs facility in 2020/21.

11. £271,000 from the Public Health Grant – Public Health Reserve

This is to fund proposed additional investment for the operation of a new complex needs facility. This investment will be drawn down once the purchase of a suitable property is secured to expand the service and provision in 2020/21.

12. £3,000,000 from the Children’s Social Care Reserve

In recognition of the continuing demand pressure in the Children’s Social Care Service, this will fund the creation of a specific contingency for 2020/21. It will only be used at the discretion of the Corporate Management Team.

13. £36,000 from the Elections Reserve

In line with the purpose that this reserve was set up, £36,000 will be released in 2020/21 in support of the costs of staging the Borough elections.

14. £200,000 from the Schools Improvement Reserve

To fund approved and planned investment into Schools Improvement

15. £350,000 from the Social Fund Reserve

To continue to fund the approved on-going work of the Essential Living Fund Team in 2020/21.

Total Appropriations from Reserves

£17,774,000

Appropriations to and from General Fund Earmarked Reserves

Appropriations for 2021/22

The proposed appropriations to and from earmarked reserves included within the 2021/22 budget are:

Appropriations to Reserves

1. £285,000 to the Interest Equalisation Reserve

This appropriation provides some flexibility to fund future decreases in investment income due to the worsening national economic situation caused by the pandemic, without impacting base line services.

2. £1,340,000 to the New Homes Bonus Reserve

The Council currently continues to receive New Homes Bonus Grant. Given the uncertainty over the level of this grant in the future, it is proposed that any monies are continued to be used to support one-off projects.

3. £2,000,000 to the Pensions Reserve

This appropriation provides some flexibility by beginning to rebuild the Pensions Reserve to ensure that the Council has sufficient provision to cope with future pension fund evaluations.

Total Appropriations to Reserves

£3,625,000

Appropriations to and from General Fund Earmarked Reserves

Appropriations from Reserves

1. £3,909,000 from the Capital Reserve

£1,409,000 to fund several capital projects proposed as part of the 2021/22 budget package plus £2,500,000 to support the overall budget. This £2,500,000 will be repaid into the reserve over the following three years at a rate of £625,000 per annum.

2. £1,276,000 from the Business Transformation Reserve

To continue to fund several one-off investments agreed in 2021/22.

3. £280,000 from the New Homes Bonus Reserve

To fund several proposed one-off investments during 2021/22.

4. £250,000 from the Outcome Delivery Reserve

This is to fund proposed interventions in 2021/22 which will provide better improved outcomes in line with our 2050 ambitions.

5. £150,000 from the Public Health Grant – Public Health Reserve

This is to fund proposed continued additional investment into public health activities in 2021/22

6. £36,000 from the Elections Reserve

In line with the purpose that this reserve was set up, £36,000 will be released in 2021/22 in support of the costs of staging the Borough elections in May 2021.

7. £200,000 from the Schools Improvement Reserve

To fund proposed investment into Schools Improvement for 2021/22.

8. £117,000 from the Social Fund Reserve

The last of this reserve is being used to partially fund the proposed on-going work of the Essential Living Fund Team in 2021/22. From 2022/23 the work will be fully funded through the Council's base budget.

Total Appropriations from Reserves

£6,218,000