



CABINET

Tuesday, 05 July 2022

Subject	Draft Financial Outturn 2021/22 and Budget Monitoring Quarter 1 2022/23
Report by	Councillor Maurice Cook Cabinet Member with responsibility for Resources
Supporting Officer	Brian Mew Chief Finance Officer and Section 151 Officer mailto:Brian.Mew@eastsuffolk.gov.uk 01394 444571

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

This report provides Cabinet with an overview of the Council's unaudited financial performance for 2021/22 in respect of the General Fund, Reserves, Housing Revenue Account (HRA), the Capital Programme and the Collection Fund.

For 2021/22 the Council's General Fund realised a surplus year end position of £1.170m. This report seeks approval for the surplus to be transferred equally between the Short Life Asset Reserve and the Transformation Reserve (Financial Sustainability Theme). This report also seeks approval of the year end movements to and from the Council's other Earmarked Reserves as shown in **Appendix C**.

This report also provides Cabinet with an initial financial outlook for the year ahead as at Quarter 1 of 2022/23.

Options:

The year-end outturn surplus could be transferred to a different earmarked reserve. The most suitable alternative would be the In-Year Savings Reserves - its purpose is to provide funding to address future budget pressures. It was anticipated for this reserve to be used (£1.382m) to balance the General Fund budget for the year. However, given the surplus position this was not required, placing the Council in a stronger than expected financial position going into 2022/23. It is therefore considered an opportunity to set aside funds in Reserves for projects and initiatives to support the delivery of the Strategic Plan, in particular the transition of the Operations services to East Suffolk Services Ltd.

Recommendation/s:

1. That the Council's draft outturn position for 2021/22 together with reserves and balances as of 31 March 2022 be noted.
2. That the transfers to and from reserves shown in **Appendix C** of the report, including the transfer of the General Fund outturn surplus, to the Short Life Asset Reserve and the Transformation Reserve, £0.585m to each reserve, be approved.
3. That the budget carry forward requests above £0.030m set out in **paragraph 2.3** of the report be approved.
4. That the key financial considerations for 2022/23 as identified at Quarter 1 be noted.

Corporate Impact Assessment

Governance:

The process for approval and publication of the Statement of Accounts is set out in the Accounts and Audit Regulations 2015. Statutory amendments to the process for approval and publication of the Statement of Accounts for 2021/22 have been made in acknowledgement of the impact Covid-19 has had on Local Authorities. The date for signing and dating the draft 2021/22 Statement of Accounts is by 31 July 2022, for publication on 1 August 2022. Under normal circumstances this would have been by 31 May 2022, for publication on 1 June 2022. The deadline for the publication of the final audited accounts is 30 November 2022 (usually 31 July). On completion of the audit, the audited Accounts are reported to the Audit and Governance Committee for its consideration. The Council is currently on course for the draft Statement of Accounts to

be considered by the Audit and Governance Committee on 25 July 2022, and for the accounts to be published on 1 August 2022.

The outturn position will feed into the review and update of the Medium-Term Financial Strategy, the Capital Programme, and the Housing Revenue Account in the 2023/24 budget process. This will inform decisions for the 2023/24 budget which will be presented to Members for their approval and consideration during 2022/23.

As set out in the Council's Finance Procedure Rules, requests to carry forward an individual revenue budget at the end of the year of up to £0.030m, can be approved by the Chief Finance Officer. Requests over £0.030m require Cabinet approval.

The financial procedure rules require that the CFO to "prepare and submit quarterly financial reports to Cabinet.

ESC policies and strategies that directly apply to the proposal:

- East Suffolk Strategic Plan
- East Suffolk Medium Term Financial Strategy
- Capital Programme
- Housing Revenue Account
- East Suffolk Treasury Management Strategy and Treasury Management Policy
- Annual Governance Statement
- Finance Procedure Rules

Environmental:

There are no direct environmental implications identified.

Equalities and Diversity:

An Equality Impact Assessment is not required as the recommendations of this report do not require changes in policy and service delivery.

Financial:

The transfer of the outturn surplus to the proposed reserves will boost the Council's ability to deliver on longer term financial sustainability efforts and increase the resilience of our programme of small life asset replacement.

Human Resources:

There are no Human Resource implications identified.

ICT:

There are no ICT implications identified.

Legal:

There are no legal implications identified.

Risk:

There are no risks identified.

External Consultees:	None.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education, and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input checked="" type="checkbox"/>
How does this proposal support the priorities selected? An early appreciation of the budget pressures and opportunities for the current financial year will inform the Council's priorities and ensure that decisions throughout the year continue to reflect value for money and support financial sustainability.			

Background and Justification for Recommendation

1 Background facts	
1.1	Draft Outturn Position 2021/22 The Council's accounts for the year ended 31 March 2022 (2021/22 year) have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). In England and Wales, the local authority Code constitutes "proper accounting practice" under the terms of Section 21(2) of the Local Government Act 2003.
1.2	The Statement of Accounts for 2021/22 is subject to external audit review and therefore the outturn position for the Council as presented in this report is a draft position. The external auditors are due to commence their audit in December 2022. On completion of the audit, the audited Statement of Accounts will be recommended to the Audit and Governance Committee.
1.3	The Narrative Report which is a key accompanying document to the Council's Statement of Accounts provides an easy-to-follow communicating platform to engage with stakeholders. The Narrative Report assists the Council to demonstrate its achievements over the year and how well the authority is equipped to deal with the challenges and opportunities ahead. The Council's Narrative Report is published as an integral part of the Council's Statement of Accounts, a draft of which will be presented to the Audit and Governance Committee in July 2022.
1.4	The careful management of reserves is central to the Council's strategic financial planning process, to be able to manage expected and unforeseen events and circumstances and to ensure adequate balances are in place for East Suffolk Council.
1.5	2022/23 Quarter 1 Outlook The UK economy entered 2022 still affected by two major impacts of the path out of Covid – very high inflation, and a very tight labour market with strong pay growth. The bank of England is predicting further inflationary pressures for the immediate future. Inflation is expected remain at about 10% through the Summer and fall back to 2% by spring 2024. The Russian invasion of Ukraine is anticipated to intensify and prolong the surge in inflation and tighten the squeeze on household incomes. The Council will continue monitoring the impact this is likely to have on the collection rates for both Council Tax and Business Rates.
1.6	It is anticipated that pay deal negotiations will seek a pay award which is greater than the Council's current assumption of 2% for each year of the MTFs. The impact will depend how much buffer vacancies can provide against a pay award in excess of current assumptions. A 1% increase in pay is approximately £300k for the direct staffing costs of the General Fund and £120k for the indirect staffing of the Council's Operations partner.

2 Current position	
2.1	General Fund Revenue Outturn 2021/22 The General Fund is the main revenue fund from which the Council's services are met. The Council's net expenditure is financed from Council Tax and Business Rates

income and Government Grants. The table below shows the outturn position for 2021/22, actual compared to the revised budget.

General Fund Revenue Outturn				Variance to current budget
	Original Budget	Current Budget	Outturn	
	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000
Net Cost of Service	41,645	47,016	39,773	(7,243)
Non-Cost of Service Expenditure Adjustments	2,528	1,998	(257)	(2,255)
Other Operating Expenditure				
Town & Parish Precepts	6,398	6,398	6,398	(0)
Additional Restrictions COVID-19	4,589	0	1,005	1,005
Local Council Tax Support Grant	110	110	110	0
Levies	246	246	261	15
Financing and Investment Income and Expenditure	(10)	12	(391)	(402)
Non-Specific Grant Income				
New Homes Bonus	(1,177)	(1,177)	(1,177)	(0)
S31 Grant	(4,338)	(13,506)	(10,497)	3,009
Capital Grants	(16)	(25)	0	25
Other Non-Specific Grants	(1,735)	(1,735)	(1,853)	(118)
Net Budget Expenditure before Reserve Movements	48,240	39,337	33,373	(5,965)
Net Movements on Reserves				
Revenue Earmarked Reserves	(22,901)	(14,947)	(9,630)	5,317
Capital Reserves	(3,532)	(3,063)	(2,133)	930
Net Budget Expenditure After Reserve Movements	21,808	21,328	21,610	282
Financed By:				
Council Tax Income (District Council)	(14,959)	(14,959)	(14,852)	107
Council Tax Income (Town & Parish Precepts)	(6,398)	(6,398)	(6,398)	0
Share of Surplus/Deficit on Collection Fund (Council Tax)	106	106	0	(106)
Business Rates Income	785	1,264	982	(282)
Local Council Tax Support Grant	(370)	(370)	(370)	(0)
Lower Tier Services Grant	(381)	(381)	(381)	0
Revenue support grant	(330)	(330)	(330)	(0)
Rural Services Delivery Grant	(260)	(260)	(260)	(0)
Total Financing	(21,808)	(21,328)	(21,610)	(282)
Budget Shortfall / (Surplus)	0	0	0	0

2.2 The summary in **Appendix A** provides details of the key budget variances for 2021/22, giving the surplus outturn position of £1.170m.

The Council made more efficient use of its existing assets, resulting in increased income from fees, rents, and charges. Building control income benefitted from the boom in the property market and housing development in the area. The Council also continued its collaboration with other councils, generating income from providing specialist services to them.

Staffing savings due to unfilled vacancies contributed significantly to the General Fund surplus position. Notably, Coastal Management and Planning Services held the highest levels of vacancies at 25% and 10% of their staffing budgets. Asset management and information and communication technology expertise has also been difficult to recruit, although the pressures here are being managed using contractors.

2.3 **Year End Revenue Budget Carry Forwards**
For 2021/22 the following individual revenue budget carry forward request over £0.030m requires Cabinet approval:

Description	Amount Requested £	Comments/Reason for Carry Forward
Asset Management	40,000	Additional funds required for Lowestoft Towns fund projects and Felixstowe North. This is from the underspends in Asset Management staffing costs.

Individual carry forward requests of £0.030m or less are approved by the Chief Finance Officer. These total £0.151m for 2021/22 and are detailed in **Appendix B** for information.

2.4 **General Fund Reserves and Balances**
The Council holds a number of earmarked revenue reserves which have been established to meet known or predicted commitments, and to hold balances of grants and external funding which is committed to future year spend. The Council reviews these reserves to ensure the levels continue to be appropriate and if no longer required, are returned to the General Fund.

The total balance on the Council's General Fund earmarked reserves on 31 March 2022 is £61.881m. This is a decrease of £11.76m on the position as of 31 March 2021. This is due to the release of Covid funding held in the Covid Reserve at March 2021, and use of the Capital Reserve to fund the capital programme. The General Fund balance remains at £6m. Reserve balances are summarised below and are shown in more detail in **Appendix C**.

As of 31st March 2022 £'000	
General Fund Earmarked Reserves	
Grants/Funding Carried Forward	6,861
Planned Future Capital Spending	5,453
Planned Future Revenue Spending	22,144
Risk Based	16,618
Port Health	4,315
COVID Reserve	5,882
Other	608
Total General Fund Earmarked Reserves	61,881

2.5	<p>Earmarked Reserves to highlight include:</p> <ul style="list-style-type: none"> ▪ Business Rates Equalisation Reserve (£15.241m) – This is income from Business Rates which is set aside to equalise the fluctuations in recognising Business Rate income due to timing differences, in relation to Business Rates appeals and for year-end surpluses/deficits. This reserve increased by £1.862m from the Council's share of the Pooling Benefit. ▪ In-Year Savings Reserve (£3.572m) – This is in-year savings set-aside to support future year budget pressures. ▪ Business Rate Pilot Reserve (£1.385m) – £0.809m was utilised in-year on various approved projects, notably the post office restoration, full fibre installation and finalisation of the Felixstowe south beach & Martello Café project. ▪ Capital Reserve (£3.245m) – This reserve provides a source of funding for capital investment projects. £3.467m was used in 2021/22. ▪ New Homes Bonus Reserve (£5.580m) – The Council received NHB funding of £1.177m and spent £1.661m supporting various community initiatives - enabling communities project and community and strategic partnerships. ▪ Port Health (£4.316m) – This reserve provides a source of finance to support the future development of the authority's infrastructure at the Port of Felixstowe. Port Health underwent significant expansion in preparation for and immediately following the UK's exit from the EU. The reserves therefore relate to: <ul style="list-style-type: none"> ▪ Future revenue spend reserve: a risk-based reserve to ensure the authority can consistently protect public and environmental health. ▪ Brexit reserve due to unspent funding. ▪ ICT reserve to facilitate ongoing re-engineering of the Port Health ICT infrastructure. ▪ COVID-19 Response Reserve (£5.882m) – Consisting of Section 31 Grants to fund Covid related Business Rate Reliefs and the Local Authority support grant. £17.276m was used from this reserve in 2021/22. This reserve will be utilised in 2022/23 to deal with accounting timing differences related to the pandemic impact on business rates, and to fund the ongoing recovery initiatives.
2.6	<p>COVID–19 Impact and Funding</p> <p>COVID-19 did not cause a significant impact on income as activities returned to near pre-pandemic levels. The Council applied its allocated Local Authority Covid grant towards alleviating the continued impact of Covid, with indoor leisure continuing to be the most affected.</p> <p>Savings on staff/member travel costs – mileage claims, use of public transport and hire of vehicles was forecast to continue in 2021/22, with a reduction made to the budget of £0.200m. The actual position for the year has exceeded this by a further £0.066m.</p>
2.7	<p>Capital Programme 2021/22 – General Fund</p> <p>Capital expenditure relates to the acquisition of fixed assets or expenditure that adds to (and not merely maintains) the value of an existing fixed asset. Costs of maintaining assets (repairs and maintenance) are funded through the General Fund revenue expenditure.</p> <p>The General Fund Capital Programme outturn and financing for 2021/22 is summarised below. Grants and reserves were the main source of financing in 2021/22, providing over half the funding required.</p>

	2021/22 Original Budget £'000	2021/22 Revised Budget £'000	2021/22 Outturn £'000	2021/22 Variance £'000
Service Area				
Economic Development & Regeneration	1,456	956	715	(241)
Environmental Services & Port Health	150	400	343	(57)
Financial Services	3,873	100	106	6
ICT Services	804	327	517	190
Operations	17,750	9,765	4,366	(5,399)
Planning & Coastal Management	19,344	4,169	8,560	4,391
Housing Improvement	1,399	1,100	1,042	(58)
Long Term Debtors	10,000	0	0	0
Total General Fund Capital Expenditure	<u>54,776</u>	<u>16,817</u>	<u>15,649</u>	<u>(1,168)</u>
Financed By: -				
Borrowing	25,470	5,435	6,996	1,561
Capital Receipt	0	0	112	112
Contributions	0	400	400	0
Grants	21,413	5,357	3,210	(2,147)
Reserves	7,893	5,625	4,931	(694)
Total Financing	<u>54,776</u>	<u>16,817</u>	<u>15,649</u>	<u>(1,168)</u>

2.8

Capital budgets are approved for the life of the project which can span more than one financial year. Any capital budgets for a project that remain unspent at the end of the financial year are carried forward to the following year. Similarly, with projects that are ahead of the original profile, budgets can be brought forward. The key variances on the General Fund Capital Programme (actual compared to the revised budget) are set out in the table below.

General Fund Capital Programme 2021/22	
Summary of Key Variances	
	£'000
Economic Development & Regeneration	
Former Post Office Façade - works due to be finished early 2022/23	(186)
Ness Point Regeneration Project - capital underspend (project completed)	(72)
Towns Fund - Station Quarter advanced expenditure	17
	(241)
Environmental Services & Port Health	
Port Health - underspend on estimated expenditure	(57)
	(57)
Financial Services	
Financial Services - minimal increased expenditure	6
	6
ICT Services	
Corporate IT - increased expenditure IDOX/UNIFORM upgrade	80
Corporate IT - corporate requirement increased expenditure	110
	190

	Operations	
	East Point Pavilion - work to be completed by June 2022	(966)
	Southwold Caravan Site redevelopment - rephased to 2022/23	(956)
	Former Deben High School - slippage to 2022/23	(829)
	Operational Vehicles/Equipment - deferred to 2022/23	(514)
	Seafront Gardens Beach Hut Sites & Relocations	(495)
	Various Pumping Stations - budget not required	(300)
	Public Conveniences Programme - rephased to 2022/23	(227)
	Play Areas (District wide) - budget not required	(200)
	Royal Plain - Crazy Golf now part of East Point Pavilion Project	(171)
	Newcombe Road Lowestoft - deferred to 2022/23	(150)
	Other minor re-phasing/deferments	(591)
		(5,399)
	Planning & Coastal Management	
	Lowestoft Flood Wall - scheme programme advanced	4,960
	Thorpeness Emergency works -	(115)
	Other minor project deferments to 2022/23	(454)
		4,391
	Housing Improvement	
	Minimal underspend	(58)
		(58)
		Total

2.9

Capital Programme 2021/22 - Housing Revenue Account (HRA)

A summary of the HRA Capital Programme for 2021/22 is provided in the table below. The largest area of variance against budget was in respect of the new build programme due to delays with the development of sites and the purchase of sites for development.

Housing Capital Programme Outturn	2021/22 Original Budget £'000	2021/22 Revised Budget £'000	2021/22 Outturn £'000	2021/22 Variance £'000
Housing Repairs	5,781	2,007	1,946	(61)
Housing Project Development	1,915	1,787	721	(1,066)
New Build Programme	15,016	3,042	1,566	(1,476)
Total General Fund Capital Expenditure	<u>22,712</u>	<u>6,836</u>	<u>4,233</u>	<u>(2,603)</u>
Financed By: -				
HRA DRF	5,369	2,237	930	(1,307)
Capital Receipt	5,329	1,438	1,155	(283)
Contributions	205	205	205	0
Grants	848	4	4	0
Reserves	10,961	2,952	1,939	(1,013)
Total Financing	<u>22,712</u>	<u>6,836</u>	<u>4,233</u>	<u>(2,603)</u>

2.10 Key variances on the HRA Capital Programme are set out below.

HRA Capital Programme 2021/22	
Summary of Key Variances	
	£'000
Housing Repairs	
Minor underspends	(61)
	(61)
Housing Project Development	
Projects - Compliance rephased to 2022/23	(100)
New Developments - rephased to 2022/23	(966)
	(1,066)
New Build Programme	
Rephased to 2022/23	(1,476)
	(1,013)
Total	(2,603)

2.11 **Housing Revenue Account (HRA) 2021/22**

The HRA is the statutory account to which the revenue costs of providing, maintaining, and managing the Council dwellings are charged. The HRA is financed by rents charged to tenants and charges for related services and facilities. The table below summarises the HRA outturn position for the year against the revised budget. The Housing Revenue Account has ended the year with a £3.650m net movement to the HRA working balance.

Housing Revenue Account Outturn Summary				
	2021/22 Original Budget £'000	2021/22 Revised Budget £'000	2021/22 Outturn £'000	2021/22 Variance £'000
Income				
Dwelling rent	(19,496)	(19,302)	(19,420)	(118)
Non-dwelling rents	(185)	(153)	(171)	(18)
Service charges and facilities	(1,227)	(1,224)	(1,212)	12
Leaseholder charges for services	(10)	(12)	(12)	0
Contributions towards expenditure	(33)	(59)	(97)	(38)
Reimbursement of costs	(306)	(259)	(273)	(14)
Interest income	(109)	(205)	(239)	(34)
Total Income	(21,366)	(21,214)	(21,424)	(210)
Expenditure				
Repairs & maintenance	4,292	6,003	5,209	(794)
Supervision and management	3,397	3,421	3,294	(127)
Special services	2,190	2,076	1,930	(146)
Rents, rates and other charges	103	162	162	0
Movement in the bad debt provision	12	113	22	(91)
Contribution to CDC*	95	95	78	(17)
Capital charges	3,768	3,339	3,558	219
Interest charges	2,194	2,184	2,166	(18)

	<table><tr><td>Revenue contribution to capital</td><td>5,368</td><td>2,236</td><td>854</td><td>(1,382)</td></tr><tr><td>Transfers to earmarked reserves</td><td>500</td><td>2,000</td><td>501</td><td>(1,499)</td></tr><tr><td>Total Expenditure</td><td>21,919</td><td>21,629</td><td>17,774</td><td>(3,855)</td></tr><tr><td>Net movement on the HRA for the year</td><td>553</td><td>415</td><td>(3,650)</td><td>(4065)</td></tr><tr><td colspan="5">* Corporate and Democratic Core (CDC)</td></tr></table>	Revenue contribution to capital	5,368	2,236	854	(1,382)	Transfers to earmarked reserves	500	2,000	501	(1,499)	Total Expenditure	21,919	21,629	17,774	(3,855)	Net movement on the HRA for the year	553	415	(3,650)	(4065)	* Corporate and Democratic Core (CDC)																																							
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2.12	<table><tr><td colspan="2">The key HRA variances against the revised budget for 2021/22 are provided below.</td></tr><tr><td colspan="2">Housing Revenue Account 2021/22</td></tr><tr><td colspan="2">Summary of Key Variances</td></tr><tr><td></td><td>£'000</td></tr><tr><td>Description</td><td></td></tr><tr><td>Reduced transfer to Debt Repayment Reserve, increased HRA working balance for potential provision (Transfer to earmark reserve)</td><td>(1,500)</td></tr><tr><td>Rephasing on the housing development programme - Direct Revenue Financing (DRF)</td><td>(1,382)</td></tr><tr><td>Increase in budget for repair and maintenance services not required *1</td><td>(794)</td></tr><tr><td>Reduced number of dwelling rent debts written off (dwelling rents)</td><td>(99)</td></tr><tr><td>Increase to the bad debt provision was not necessary</td><td>(91)</td></tr><tr><td>Staff savings due to vacancies (supervision and management)</td><td>(78)</td></tr><tr><td>Reprofiling of consultancy costs relating to the development programme (special services)</td><td>(87)</td></tr><tr><td>Budget increase for utility charges on sheltered schemes not yet required (special services)</td><td>(35)</td></tr><tr><td>Additional income for other sale of materials and admin fees (contributions towards expenditure)</td><td>(38)</td></tr><tr><td>Increased return on investment income</td><td>(34)</td></tr><tr><td>Savings on printing for the tenants' magazine and other office related costs (supervision and management)</td><td>(30)</td></tr><tr><td>Staff savings due to vacancies (special services)</td><td>(24)</td></tr><tr><td>Additional income on dwelling rents (dwelling rents)</td><td>(19)</td></tr><tr><td>Saving on interest payable and similar charges</td><td>(18)</td></tr><tr><td>Additional income on garage rents (Non dwelling rents)</td><td>(18)</td></tr><tr><td>Saving on contribution to Corporate and Democratic Core</td><td>(17)</td></tr><tr><td>Additional income on rechargeable repairs (reimbursement of costs)</td><td>(14)</td></tr><tr><td>Reprofiling of IT consultancy fees (supervision and management)</td><td>(14)</td></tr><tr><td>Saving on Legal Fees (supervision and management)</td><td>(5)</td></tr><tr><td>Saving on Debt Management and treasury fees (capital charges)</td><td>(3)</td></tr><tr><td>Increased depreciation charge (capital charges)</td><td>222</td></tr><tr><td>Reduced income on service charges (service charges and facilities)</td><td>12</td></tr><tr><td>Transfer to Brampton Sinking fund reserve (Transfer to earmark reserve)</td><td>1</td></tr><tr><td>Total variance to in-year forecast</td><td>(4,065)</td></tr><tr><td colspan="2">*1 Increased budget as contingency for unrecoverable cost relating to rising costs in service delivery.</td></tr></table>	The key HRA variances against the revised budget for 2021/22 are provided below.		Housing Revenue Account 2021/22		Summary of Key Variances			£'000	Description		Reduced transfer to Debt Repayment Reserve, increased HRA working balance for potential provision (Transfer to earmark reserve)	(1,500)	Rephasing on the housing development programme - Direct Revenue Financing (DRF)	(1,382)	Increase in budget for repair and maintenance services not required *1	(794)	Reduced number of dwelling rent debts written off (dwelling rents)	(99)	Increase to the bad debt provision was not necessary	(91)	Staff savings due to vacancies (supervision and management)	(78)	Reprofiling of consultancy costs relating to the development programme (special services)	(87)	Budget increase for utility charges on sheltered schemes not yet required (special services)	(35)	Additional income for other sale of materials and admin fees (contributions towards expenditure)	(38)	Increased return on investment income	(34)	Savings on printing for the tenants' magazine and other office related costs (supervision and management)	(30)	Staff savings due to vacancies (special services)	(24)	Additional income on dwelling rents (dwelling rents)	(19)	Saving on interest payable and similar charges	(18)	Additional income on garage rents (Non dwelling rents)	(18)	Saving on contribution to Corporate and Democratic Core	(17)	Additional income on rechargeable repairs (reimbursement of costs)	(14)	Reprofiling of IT consultancy fees (supervision and management)	(14)	Saving on Legal Fees (supervision and management)	(5)	Saving on Debt Management and treasury fees (capital charges)	(3)	Increased depreciation charge (capital charges)	222	Reduced income on service charges (service charges and facilities)	12	Transfer to Brampton Sinking fund reserve (Transfer to earmark reserve)	1	Total variance to in-year forecast	(4,065)	*1 Increased budget as contingency for unrecoverable cost relating to rising costs in service delivery.	
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2.13	<p>The below table provides the HRA Reserve balances as at the 31 March 2022. Also supported by Appendix C.</p>																																																												

As at 31 March 2022	
HRA Reserves	£'000
HRA Working Balance	9,670
HRA Earmarked Reserves	
Debt Repayment Reserve	13,000
Hardship Reserve	500
MMI Reserve	60
Impairment/Revaluation Reserve	256
Housing Development Reserve	6,300
Brampton Sinking Fund	1
Total of HRA Revenue Earmarked Reserves	20,117
Capital Earmarked Reserves (Major Repairs Reserve)	13,754

2.14	<p>Collection Fund 2021/22</p> <p>The Collection Fund records the income from Business Rates and Council Tax and its distribution, net of an allowance for cost of collection paid to the Billing Authority (East Suffolk Council).</p> <p>Council Tax</p> <p>Council tax income finances the expenditure of Suffolk County Council, the Police and Crime Commissioner for Suffolk, East Suffolk Council and its Town and Parish Councils. During 2021/22, the in-year movement on the Council Tax Collection Account was a surplus of £4.270m. The balance on the Council Tax Collection Account as of 31 March 2022 was a surplus of £2.772m (deficit of £1.498m in 2020/21). Central government created a Hardship Fund to provide Council Tax Relief to vulnerable people and households to help those affected most by the economic impact of the pandemic. This relief was granted under S13A discretionary reliefs and ESC was given a Hardship Grant to compensate for the relief granted. The impact of the pandemic on Local Council Tax Reduction Scheme reliefs and the council tax base has not been as great as originally estimated.</p> <p>Business Rates</p> <p>The Council as the Billing Authority collects all non-domestic rates from local businesses and distributes these to Central Government (50%), Suffolk County Council (10%) and East Suffolk Council (40%).</p> <p>Each year, the Council must make several assumptions in January to produce the National Non-Domestic Rate (NNDR1) return, which provides an estimate for the forthcoming year. Key assumptions in arriving at the estimated amounts include the value of outstanding appeals and forecasts of growth or reduction in the business rates base of the area.</p> <p>During 2021/22 the in-year movement on the Business Rate Collection Account was a surplus of £23.154m, reducing the brought forward deficit of £34.131m to a deficit of £10.977m (including the Central Government and SCC shares) as of 31 March 2022. These extremely large movements resulted from the introduction of significant business rate reliefs by the Government in response to the impacts of the pandemic on businesses, particularly in respect of the retail, hospitality, and leisure sectors in both 2020/21 and 21/22. The cost of these reliefs to ESC and SCC are funded by way of Section 31 Grant. Due to accounting timing differences, this funding is being carried forward in the Covid-19 Response Reserve referred to above, which will enable the Collection Fund deficits in 2022/23 to be met.</p>
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To reduce the amounts paid as levies to Government, all the Suffolk councils have entered a pooling arrangement allowing them to retain a larger proportion of growth by reducing their individual rate of levy. For 2021/22, the benefit to the Council of participating in the Suffolk Business Rates Pool was £3.368m. £1.506m of this benefit relates to Suffolk Public Sector Leaders forgoing their share of the pooling benefit on a one-off basis in response to the pandemic. This has been transferred to a separate earmarked reserve.

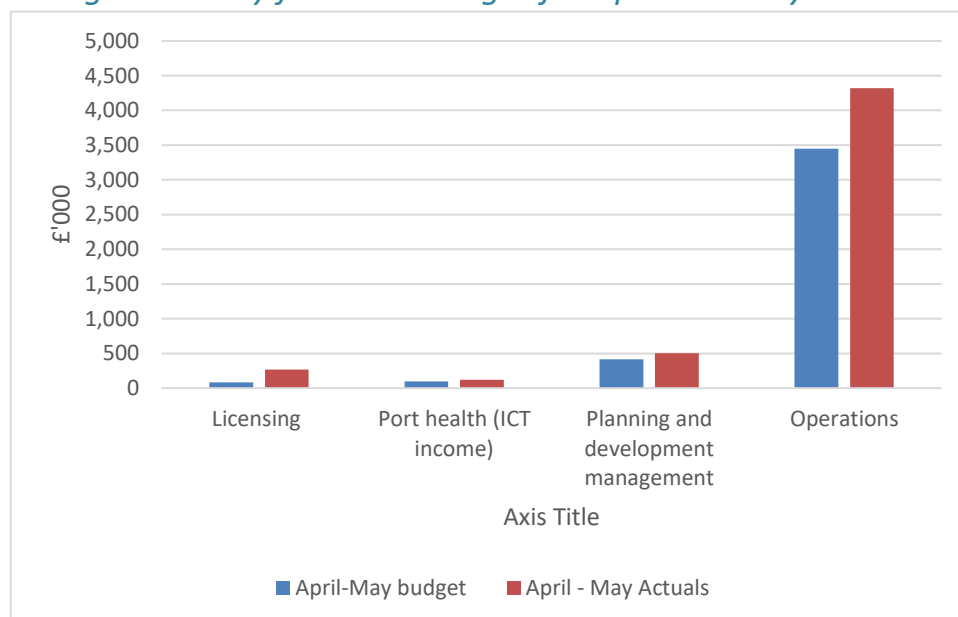
2.15 2022/23 Quarter 1 Monitoring

Fees and charges outlook

The boost in economic activities continues to contribute to healthy income levels from the utilisation of operational and investment assets and planning and development activities. Most areas of income expected to be on budget by the end of the year, except for parking services that continues to experience low uptake. However, some recovery is anticipated during the Summer.

The below graph shows how fees and charges income currently compares to budget in the four core areas. Further details on income trend so far are provided in **Appendix D**.

Figure 1 – Key fees and charges for April and May 2022



Staffing

The Council continues to struggle to fill some vacancies, particularly in specialist roles. Work is currently underway with regards to a recruitment and retention plan.

Utilities

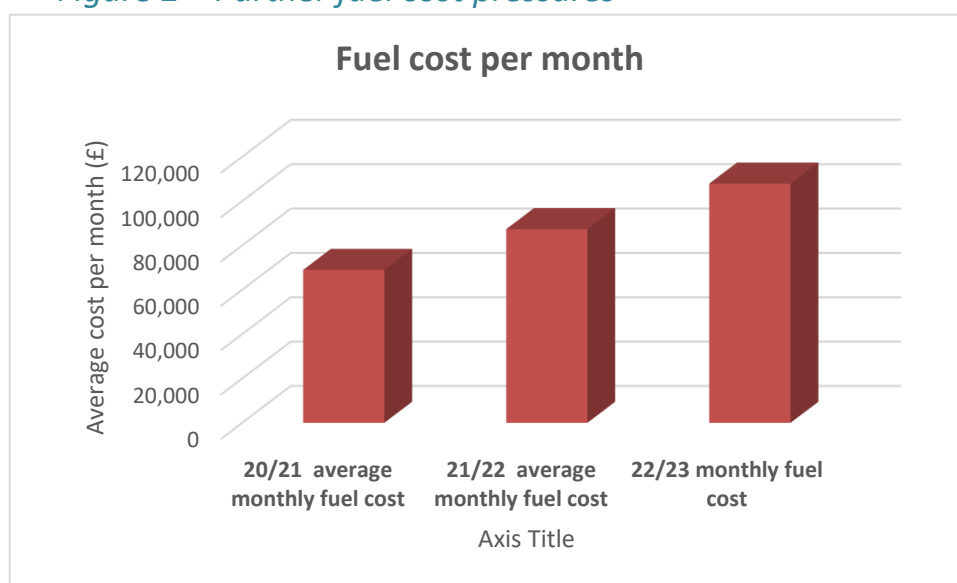
Hybrid working of Council offices means utility costs have not significantly increased yet. This will be closely monitored over the year.

Indoor Leisure has the greatest exposure to utility price increases. The Council works closely with its Leisure Partners to monitor performance and presently cost pressures are being managed within existing budgets.

Fuel costs

The biggest impact from the fuel inflation will come through the Council's Operations Partnership. To put this into perspective, Figure 2 below shows the trend in average fuel costs since 2020/21. The early fuel price increases have been covered by a timely reduction in waste disposal costs so far. Waste disposal cost reduction are driven by a combination of an increased demand for recycle due to the green agenda and a reduction in residual waste tonnages.

Figure 2 – Partner fuel cost pressures



3 How to address current situation

3.1 Draft Outturn Position 2021/22

The draft year end position for 2021/22 is a surplus of £1.170m. The proposal is to transfer this surplus equally between the Transformation Reserve and the Short Life Asset Reserve, approximately £0.585m to each reserve. This will assist with building reserves to support the transition of the Operations service to East Suffolk Services Ltd and to drive the highest possible standard of service delivery.

3.2 The carry forward of revenue budgets will enable services to have sufficient budget available in the new financial year for commitments made in 2021/22. Revenue budgets carry forward requests approved by the Chief Finance Officer will be transferred to a specific reserve to enable closer monitoring of their use throughout the forthcoming year. Requests no longer required are released back to the General Fund.

3.3 The outturn position will feed into the review and update of the Medium-Term Financial Strategy, Capital Programme, and the Housing Revenue Account in the 2022/23 budget process. This will inform decisions for the 2023/24 budgets which will be presented to Members for their approval and consideration during 2022/23.

3.4 2022/23 Quarter 1 Outlook

Quarterly financial monitoring will be reported to Cabinet during 2022/23.

4 Reason/s for recommendation	
4.1	To give Cabinet an update on the unaudited 2021/22 outturn for the Council's revenue and capital accounts, before the audited accounts are submitted for approval to the Audit and Governance Committee.
4.2	To provide Members with financial information on the Council's reserves and balances to assist in formulating budget policies for 2023/24 and beyond.
4.3	To provide Members with an initial financial outlook for 2022/23.

Appendices

Appendices:	
Appendix A	Summary of key General Fund budget variances in 2021/22
Appendix B	Individual revenue budget carry forward requests up to £0.030m
Appendix C	Movement on Reserves and Balances in 2021/22
Appendix D	Financial monitoring report – 2022/23 Q1

Background reference papers:		
Date	Type	Available From
June 2022	Final Accounts Working Papers for 2021/22	Financial Services Team

General Fund Outturn 2021/22		
Summary of Key Variances (Actual compared to Current Budget)		
	£'000	£'000
<u>Operational Efficiencies/Savings/Underspends</u>		
Direct staffing costs (vacancy savings over budgeted attrition levels)	(1,193,092)	
Port Health direct staffing variance transferred to Port Health Reserve	444,775	
Net vacancy impact on the general fund		(748,317)
Further transport/travel savings		(66,133)
Bank fees under budget		(113,738)
Housing Benefit Subsidy/Rent Allowances & Rebates		(436,864)
Other		(393,726)
Total		(1,758,778)
<u>Additional Income</u>		
Planning, Building Control		(382,959)
Joint Venture profit share		(149,445)
Interest and investment income		(424,481)
Total		(956,885)
<u>Income loss</u>		
Car parking (off street)	162,563	
Total		162,563
Budget Carry Forward Requests		(191,336)
Use of the In-Year Savings Reserve to balance the budget not required		1,382,700
Total variance on 2021/22 outturn to be funded from Reserves		(1,361,736)
Transfer to Budget Carry Forward Reserve		191,336
Transfer of Outturn Surplus:		
Transfer to Short Life Asset Reserve		585,200
Transfer to Transformation Reserve (Financial Sustainability)		585,200
		1,361,736

ESC Carry Forward Requests 2021/2022 to 2022/2023 - Amounts up to £30,000 approved by the CFO (as per the Constitution)

Account Name	Department name	Amount Requested £	Comments/Reason for Carry Forward
Financial Training	Human Resources	7,636	2021/22 budget allocated for finance training, as highlighted in the finance strategy theme delivery group and by the Corporate Governance Group. The procurement exercise took longer than anticipated and pushed the training back to 2022/23. The training includes a ½ day session for CMT plus full day sessions for cost centre managers.
Member Training	Member Expenses	15,000	There is a £50k budget covering the full four years between elections for Member Development. This is a requirement set by external standards. Due to delays caused by Covid, training is behind schedule and £15k needs to be carried forward. Specific plans are in place for 2022/23 and allocates funds to each of the political groups. £5k was carried forward from 2021.
Postages, Printing and Publication Expenses	Communications and Marketing	20,000	Publication of the final resident's magazine for 2021/22 has been delayed to 2022/23.
CIVIC events expenditure	Committee Administration	7,000	Expenditure on Civic Events and Chairman's Events has not occurred due to Covid restrictions, however, there are plans for larger events in 2022/23.
Grants & Contributions Expenditure	Sector Support Other	10,000	The commitment for the spend was made in Q3 2021 and the delays experienced were not foreseen and, in some respects, beyond our control. If this contribution has to be taken from the 2022/23 Economic Development budget, it will result in the team having little budget to spend on any new business support projects. This would severely impact the team's ability to develop initiatives or support projects. It would also limit what the team can feasibly do to support the East Suffolk business community throughout 2022/23 when it is still in recovery following Covid-19.

ESC Carry Forward Requests 2021/2022 to 2022/2023 - Amounts up to £30,000 approved by the CFO (as per the Constitution)

Account Name	Department name	Amount Requested £	Comments/Reason for Carry Forward
Grants & Contributions Expenditure	Sector Support Tourism	10,000	<p>The commitment for the spend was made in Q3 2021 and the delays experienced were not foreseen and, in some respects, beyond our control.</p> <p>If this contribution has to be taken from the 2022/23 Economic Development budget, it will result in the team having little budget to spend on any new business support projects. This would severely impact the team's ability to develop initiatives or support projects. It would also limit what the team can feasibly do to support the East Suffolk business community throughout 2022/23 when it is still in recovery following Covid-19.</p>
Grants & Contributions Expenditure	Business Support	10,000	<p>The commitment for the spend was made in August 2021 and the delays experienced were not foreseen and beyond our control. Payment of the grant was to be withheld until the lease agreement was signed between Menta and the landlord.</p> <p>If this contribution has to be taken from the 2022/23 Economic Development budget, it will result in the team having little budget to spend on new business support projects. This would severely impact the team's ability to develop initiatives or support projects. It would limit what the team can feasibly do to support the East Suffolk business community throughout 2022/23 when it is still in recovery following Covid-19.</p>
Grants & Contributions Expenditure	Economic Regeneration Staffing	3,100	<p>There are two reasons for the delay in expenditure; the first is following discussions with Procurement and Asset Management, we took the decision to create a 'DPS' (Dynamic Purchasing System) which provides many advantages and time saving when procuring services against project development and delivery. The second is the development funds required for the next tranche of the Regeneration programme, specifically around the Levelling Up Fund, which would be insufficient without the addition of the underspend in the 2021/22 financial year.</p>

ESC Carry Forward Requests 2021/2022 to 2022/2023 - Amounts up to £30,000 approved by the CFO (as per the Constitution)

Account Name	Department name	Amount Requested £	Comments/Reason for Carry Forward
Grants & Contributions Expenditure	Economic Regeneration Projects	20,400	There are two reasons for the delay in expenditure; the first is following discussions with Procurement and Asset Management, we took the decision to create a 'DPS' (Dynamic Purchasing System) which provides many advantages and time saving when procuring services against project development and delivery. The second is the development funds required for the next tranche of the Regeneration programme, specifically around the Levelling Up Fund, which would be insufficient without the addition of the underspend in the 2021/22 financial year.
Analysts/Vets Fees	Local Air Quality Management	13,800	Underspend on Air Quality supplies and services. This budget is required to extend a fixed term Environmental Health Officer in 2022/23.
Grants & Contributions Expenditure	Heritage Action Zone North	15,100	ESC match North HAZ PSiCA(Partnership Schemes in Conservation Areas) Grants scheme.
Other Ext Provided Services	Dog Control	5,300	Underspend on Dog Control supplies and services. This budget is required to extend a fixed term Environmental Health Officer in 2022/23.
Audit Fees	Internal Audit and Assurance	14,000	The ICT Auditor at Ipswich Borough Council (IBC) retired in 2020 and it has not been possible to replace him. There is a backlog of work that needs to be carried out by a specialist ICT Auditor. This budget carry forward for audit fees to IBC, will contribute towards the funding for this resource.
	Grand Total	151,336	

GENERAL FUND AND HOUSING REVENUE ACCOUNT(HRA) EARMARKED RESERVE SUMMARY 2021/22

	Balance 31 March 2020 £'000	Transfers Out 2020/21 £'000	Transfers In 2020/21 £'000	Balance 31 March 2021 £'000	Transfers Out 2021/22 £'000	Transfers In 2021/22 £'000	Balance 31 March 2022 £'000	Purpose of the Earmarked Reserve
General Fund:								
Actuarial Contributions	1,500	(1,500)	-	-	-	200	200	Financing pension strain budget pressures.
Additional Disabled Facilities Grant(DFG) funding (Non-Ringfenced)	29	(17)	-	12	(2)	-	10	External funding supporting additional Disabled Facilities Grant works above standard DFG.
Air Quality	86	(2)	-	84	(4)	-	80	Funding for Air Quality Management Areas by DEFRA.
Better Broadband	12	(5)	500	507	(500)	-	7	External funding received to support Broadband delivery.
Brexit	55	(61)	150	144	-	-	144	External funding received to finance Brexit cost pressures.
Budget Carry Forwards	203	(114)	109	198	(204)	272	266	Unspent revenue budgets carried forward to fund approved requests.
Building Control	515	-	-	515	-	-	515	Statutory fund to smooth Building Control expenditure and income over a rolling annual period.
Business Incentive	2	-	-	2	-	-	2	External Funding to support economic development.
Business Rates Equalisation	5,881	(14)	7,522	13,389	(10)	1,862	15,241	Business rates income set aside to equalise business rate income fluctuations and accounting timing differences.
Business Rates Pilot	2,673	(479)	-	2,194	(809)	-	1,385	Business rate retention pilot scheme income (2018/19) set aside to fund agreed projects.
Business Rates- Suffolk Public Sector Leaders (SPSL)	-	-	-	-	(190)	1,506	1,316	Suffolk Public Sector Leaders (SPSL) share of the business rates pooling benefit.
Capital Reserve	7,950	(2,543)	605	6,012	(3,467)	700	3,245	Source of finance for capital investment plans.
Climate Change (includes Suffolk Energy Link)	78	(1)	3	80	(9)	4	75	Additional source of finance for initiatives to reduce climate change.
Coastal Management - Revenue Works	166	-	144	310	-	70	380	Funding of coastal defence revenue expenditure.
Coastal Protection - Capital Works	176	-	-	176	-	-	176	Funding of coastal defence capital expenditure.
Communities	182	(52)	3,025	3,155	(925)	254	2,484	External Funding for community initiatives.
Community Housing Fund	2,134	(53)	-	2,081	(13)	-	2,068	Enabling local community groups to deliver affordable housing units.
Contractual Liability	-	-	500	500	(87)	-	413	Supporting any third party contractual issues.
County Sports Partnership	865	(152)	76	789	(124)	112	777	Delivery of the County Sports Partnership.
COVID9 Response	99	(2,368)	18,002	15,733	(17,276)	7,425	5,882	Government funding received in response to the COVID9 pandemic.
Customer Services	156	-	90	246	-	80	326	Funding project support and implementation costs.
Deployment of Flood Barrier	88	-	-	88	-	-	88	Meeting Lowestoft flood barrier deployment costs.
District Elections	80	-	60	140	-	60	200	Supporting costs of future elections.
Domestic Violence Support Funding	146	(83)	-	63	-	156	219	Funding domestic violence support schemes.
Economic Development	655	(55)	521	1,121	(124)	27	1,024	Funding to support Economic Development projects.
Economic Regeneration	269	(148)	60	181	(100)	-	81	Post 2013 flooding Lowestoft Seafront recovery activity.
Empty Properties & Houses in Disrepair	133	-	2	135	-	101	236	Assisting bringing empty properties back into use.
Enterprise Zone	640	(474)	381	547	(424)	438	561	Enterprise Zone retained business rates income pending distribution.

GENERAL FUND AND HOUSING REVENUE ACCOUNT(HRA) EARMARKED RESERVE SUMMARY 2021/22

	Balance 31 March 2020 £'000	Transfers Out 2020/21 £'000	Transfers In 2020/21 £'000	Balance 31 March 2021 £'000	Transfers Out 2021/22 £'000	Transfers In 2021/22 £'000	Balance 31 March 2022 £'000	Purpose of the Earmarked Reserve
General Fund:								
Environmental Protection	-	-	151	151	(83)	-	68	Sizewell funding for Environmental Protection staffing.
Felixstowe Forwards	33	(3)	1	31	(12)	-	19	External funding received to fund projects in Felixstowe.
Food Safety	-	-	-	-	-	195	195	Funding received in relation to staff time spent on Covid. To provide additional support for addressing the Food Safety backlog due to Covid.
Flood Prevention	6	-	-	6	-	-	6	Funding for flood prevention assistance.
Great Places	-	-	-	-	-	-	-	Funding new ways of working, building capacity, research, consultations and developing partnerships within Lowestoft.
Green Homes Funding	-	-	18	18	(18)	195	195	External funding received to facilitate greener home initiatives.
Growth Programme	140	(72)	-	68	(5)	-	63	External funding received to fund work on Suffolk Design Concepts.
Gypsy & Traveller	25	-	29	54	(28)	-	26	Fund for macerator at Kessingland site and external funding to find a new suitable site.
Heritage Action Zone North	30	(2)	1	29	(28)	9	10	Funding received to deliver the North Heritage Action Zone project.
Homelessness Prevention	438	(151)	284	571	(442)	857	986	Homelessness prevention revenue grants received in advance to be matched with expenditure in subsequent years.
Homes & Communities Agency (HCA) - Area Action Plan (AAP) Land Contamination Grant	162	-	-	162	-	-	162	To fund site investigative works covering the Area Action Plan in Lowestoft. Externally funded with conditions attached.
Homes & Communities Agency (HCA) Development Grant	75	-	-	75	-	-	75	Funding received for the Adastral Park development.
Housing Advisory	-	-	-	-	-	25	25	External funding to support an external review of the Council's running of temporary accommodation.
Housing and Planning Delivery	-	-	-	-	-	-	-	To provide a source of finance to fund service improvements in these service areas.
Housing Benefit (HB) Subsidy	300	-	-	300	-	-	300	Meeting budget pressures due to fluctuations with HB subsidy and implementation/changes due to Government legislation.
Housing Condition Survey & Improvements	91	(46)	-	45	(45)	-	-	To meet the cost of the periodic survey of Private Sector Housing within the district.
Human Resources	-	-	-	-	-	10	10	To provide funding for addition E-Learning (on-line learning) for staff.
Individual Electoral Registration	378	-	140	518	(60)	-	458	To meet the additional cost for administration of Individual Electoral Registration.
Indoor Leisure	50	-	-	50	-	-	50	Providing a source of finance to support the closure cost of Deben Leisure Centre during refurbishment.
Insurance	166	-	5	171	-	-	171	To provide a source of finance for any uninsured losses.
In-Year Contingency	-	-	-	-	-	-	-	To provide in-year contingency provision.
In-Year Savings	4,920	(600)	-	4,320	(748)	-	3,572	In-Year savings set aside to support future year budget gaps.
Key Capital Programme	182	-	-	182	-	-	182	To provide a source of finance to support the revenue costs associated with the delivery of key capital projects.
Land Charges	150	-	-	150	-	-	150	To support the General Fund from losses in future Land Charges income.

GENERAL FUND AND HOUSING REVENUE ACCOUNT(HRA) EARMARKED RESERVE SUMMARY 2021/22

	Balance 31 March 2020 £'000	Transfers Out 2020/21 £'000	Transfers In 2020/21 £'000	Balance 31 March 2021 £'000	Transfers Out 2021/22 £'000	Transfers In 2021/22 £'000	Balance 31 March 2022 £'000	Purpose of the Earmarked Reserve
General Fund:								
Landguard	16	(6)	8	18	(10)	78	86	Funding for the Landguard Governance review.
Local Development Framework	5	-	-	5	-	-	5	To meet the costs arising from the periodic preparation and adoption of the Local Development Framework.
Lowestoft Rising	101	(44)	1	58	(11)	40	87	Funding received to deliver earmarked work under the Lowestoft Rising project.
Modular Ramps - DFG	-	-	-	-	-	2	2	DFG funding for the removal of temporary ramps when no long required.
New Homes Bonus	5,442	(1,681)	2,303	6,064	(1,661)	1,177	5,580	Supporting community initiatives across East Suffolk.
Next Step Accommodation Programme	-	-	36	36	(14)	-	22	External funding to help Rough Sleepers get off the streets and into accommodation.
Planning	400	-	-	400	-	-	400	To provide a source of finance for planning appeals, local plans and planning challenges.
Planning & Building Control	-	-	-	-	-	-	-	To provide a source of finance for professional training and development needs of the service.
Planning Legal	200	-	200	400	-	-	400	To provide for legal costs in respect of planning appeals.
Planning Policy	-	-	-	-	-	-	-	To support development work and audit of the Local Plan.
Port Health	5,181	(789)	1,205	5,597	(4,133)	2,852	4,316	Supporting the future investment and development of the Authority's infrastructure at the Port of Felixstowe.
Private Sector Housing	54	-	18	72	(43)	182	211	Grants repaid to be set aside for empty property/home improvement initiatives.
Private Sector Housing Renovation Grants	810	(67)	-	743	(108)	-	635	Grants repaid set aside to fund future renovation works.
Protect and Vaccinate	-	-	-	-	-	69	69	DLUHC funding received via the Protect and Vaccinate programme. The funding is ringfenced for the purposes of protecting and vaccinating rough sleepers in response to the COVID-19 Omicron variant.
Recreation Areas Mitigation Strategy Staffing	-	-	-	-	-	103	103	Funding set aside to cover initial costs.
Rent Guarantee Scheme	15	-	-	15	-	-	15	To provide a source of finance for landlord claims.
Revenue & Benefits Administration	243	-	-	243	-	-	243	To provide a source of finance for budget pressures on the administration of Revenues & Benefits.
S106 Interest	30	-	-	30	-	-	30	Contingency related to Affordable Housing S106 should conditions not be met.
Short Life Assets	400	(144)	618	874	(653)	1,286	1,507	To fund the purchase of short life assets. Any capital funding will be repaid from revenue budgets.
Southwold Beach Huts	175	-	-	175	-	-	175	Receipt of monies from letting of new beach hut sites in Southwold in 2014/15 approved to be used within Southwold.
Stepping Homes	62	(47)	1	16	(5)	81	92	External funding received to support hospital patients to return home (Stepping Home project).

GENERAL FUND AND HOUSING REVENUE ACCOUNT(HRA) EARMARKED RESERVE SUMMARY 2021/22

	Balance 31 March 2020 £'000	Transfers Out 2020/21 £'000	Transfers In 2020/21 £'000	Balance 31 March 2021 £'000	Transfers Out 2021/22 £'000	Transfers In 2021/22 £'000	Balance 31 March 2022 £'000	Purpose of the Earmarked Reserve
General Fund:								
Strategic Plan Delivery	250	-	-	250	(250)	-	-	Facilitating the delivery of the Council's Strategic Plan, including any emerging priorities.
Transformation	1,137	(1,683)	3,763	3,217	(877)	1,226	3,566	To provide funding for efficiency (invest to save) initiatives and to support the delivery of the Strategic Plan.
Warmer Homes Healthy People	65	(26)	80	119	(63)	147	203	To provide a source of finance to fund grants towards heating of homes.
Youth Leisure	10	-	-	10	-	-	10	Project funding received to support Active Leisure for young people.
Total General Fund	46,515	(13,482)	40,612	73,645	(33,565)	21,801	61,881	

	Balance 31 March 2020 £'000	Transfers Out 2020/21 £'000	Transfers In 2020/21 £'000	Balance 31 March 2021 £'000	Transfers Out 2021/22 £'000	Transfers In 2021/22 £'000	Balance 31 March 2022 £'000	Purpose of the Earmarked Reserve
Housing Revenue Account:								
Hardship Reserve	500	-	-	500	-	-	500	Providing financial help to tenants who find themselves in financial hardship.
Debt Repayment Reserve	11,000	-	1,500	12,500	-	500	13,000	Set aside funds to meet future liabilities for repaying the Self-Financing debt.
Impairment/Revaluation Reserve	256	-	-	256	-	-	256	Providing for potential impairment and revaluation losses to HRA assets due to changes in Accounts and Audit Regulations.
Municipal Mutual Insurance Limited (MMI) Reserve	60	-	-	60	-	-	60	To provide for potential liabilities relating to Municipal Mutual Insurance Limited (MMI).
Housing Development Reserve	4,500	-	1,800	6,300	-	1	6,301	Funding for the Housing development programme.
Total Housing Revenue Account	16,316	-	3,300	19,616	-	501	20,117	