

Title of Report	PROVISIONAL FINANCIAL OUTTURN 2019/20	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	2019/20 Draft (unaudited) Statement of Accounts (public)	Public Report: Yes
		Key Decision: Yes
Financial Implications	The expected final position on the General Fund is a surplus of £1.158m compared to a budgeted surplus of £161k, representing a £997k increase.	
	The expected final position on the HRA is a surplus of £2.427m, compared to a budgeted surplus position of £1.418m, representing a £1.009m increase.	
Legal Implications	Signed off by the Section 151 Officer: Yes	
	There are none.	
Staffing and Corporate Implications	Signed off by the Monitoring Officer: Yes	
	There are none.	
Purpose of Report	Signed off by the Head of Paid Service: Yes	
	To present the Provisional Outturn for 2019/20.	
Reason for Decision	Requirement of Financial Procedure Rules.	
Recommendations	THAT THE FINANCIAL PERFORMANCE FOR 2019/20, INCLUDING THE IMPACT ON RESERVES AND BALANCES AS AT 31 MARCH 2020 IS APPROVED	

1.0 INTRODUCTION

- 1.1 The Council is required to produce Financial Statements each year which ‘give a true and fair view’ of the financial position and transactions of the Council. The accounts have been prepared under the International Financial Reporting Standards since 2010/11.
- 1.2 This report summarises the main elements of our financial performance in 2019/20 and the results are referred to as ‘provisional’ as they are still subject to external audit and may change.
- 1.3 The 2019/20 accounts, published in draft form on the Council’s website on 14 August 2020. The final accounts will be considered and approved by the Audit and Governance Committee on 24 November 2020 after they have been audited. This later meeting to sign off the accounts is in line with the revised national statutory deadlines put in place to take account of the pandemic.
- 1.4 The finance service continues to operate a ‘Finance Business Partner’ delivery model. A key part of this includes budget holders and finance colleagues meeting in ‘finance clinics’ on a quarterly (or where required, monthly) basis. The key areas of focus within finance clinics is to review budgetary variances and revise in year forecasts, identify and manage the timely expenditure of earmarked reserves in order to drive value for money and in particular, reduce unexpected results in respect of the General Fund.

- 1.6 As in previous years, variances have occurred between quarter 3 forecasts and outturn. This shows that there remains a way to go to improve budget forecasting during the year. In recent years, services have made significant improvements in developing fit for purpose budgets and forecasting the council's financial position in year. Going forward we will require service areas to continue to seek to better understand their variances and ensure forecasts are included in quarter 3 and reported to members, thereby reducing unanticipated results at year end.
- 1.7 As part of the ongoing improvements in respect of financial management, the capacity of the finance team has been increased this year, allowing for the team to provide greater support to service areas during the year, following feedback received as part of the 2019 Corporate Peer Review.
- 1.8 The Finance team are also now well into the process of procuring a new finance system. This will provide a number of benefits to the organisation including the ability for real time information to be accessed by officers across all council services, increased engagement from users due to it being more accessible and user friendly and the automation of a number of processes which will allow finance resources to be redirected to more value added activities.
- 1.9 Finally, as part of the annual review of earmarked reserves, for which the S151 Officer has delegated authority, a significant number of new requests and existing reserves requested to be carried forward were not approved on the basis that criteria in respect of timing and known commitments was not met. More detail in respect of reserves can be found in section 6.

2.0 GENERAL FUND

- 2.1 The expected final position on the General Fund is set out in Table 1 of this report. The provisional surplus for the year is £1.158m compared to a budgeted surplus of £161k, representing a £997k increase.
- 2.2 The latest forecast outturn position reported to Cabinet was at quarter 3 and was a surplus of £353k, therefore the variance upon outturn compared to this position is £805k.
- 2.3 Details in respect of the treatment of this surplus can be found at 2.8 below. The most significant variances for 2019/20 are explained below and summarised in Table 2.

Table 1 – 2019/20 General Fund Revenue Provisional Outturn

Line No.	General Fund TOTAL DISTRICT EXPENSES	Original Estimate £'000	Provisional	
			Outturn £'000	Variance £'000
1	Chief Executives	286	246	-40
2	Human Resources & Organisational Development	647	631	-16
3	Legal & Commercial Services	1,340	1,271	-69
4	Strategic Director of Place	399	402	3
5	Community Services	5,945	6,155	210
6	Planning & Infrastructure	491	674	183
7	Economic Development	1,207	1,139	-68
8	Joint Strategic Planning	8	8	0
9	Customer Services	2,462	2,058	-404
10	Finance	907	998	91
11	Property	231	336	105
12	Strategic Housing	533	474	-59
13	Other	-22	0	22
14	Corporate and Democratic Core	36	33	-3
15	Non-Distributed Costs	87	126	39
16	Net Recharges	-1,320	-1,408	-88
17	Net Financing Costs	1,092	1099	7
18	Investment Income	-188	-332	-144

19	Localisation of Council Tax Grant	114	114	0
20	Revenue Contribution to Capital	470	519	49
21	Debt Restructuring Premium	0	23	23
22	Employee Benefits	0	0	0
23	Transfer to Reserves	161	1,197	1,036
24	Transfer to S106	0	1,335	1,335
25	Capital Grants and Contributions Applied	0	851	851
26	Section 106	0	-2,593	-2,593
27	Net Cost of Services after Recharges	14,886	15,356	470
FUNDING				
28	Revenue Support Grant	0	0	0
29	New Homes Bonus	3,068	3,068	0
30	Transfer from Collection Fund	90	90	0
31	Other Grants	0	193	193
32	Council Tax	5,341	5,341	0
33	Levy Account Surplus	0	8	8
34	National Non-Domestic Rates Baseline	6,387	6,656	269
		14,886	15,356	470

2.4 Analysis of Budgetary Variances

Table 2 – Major Variances

	£'000	£'000
Adverse Variances		
Non-distributed Retirement Benefits	-46	
Leisure Centres	-69	
Car Parking Management and Maintenance	-73	
Coalville Market – Income	-44	
Licensing Income	-30	
Legal Services Income	-36	
Property Services	-101	
Bed and Breakfast	-78	
Revenue Contribution to Capital	-49	
		-526
Favourable Variances		
Business Rates	278	
Grants	193	
Salary Savings	408	
Corporate Support Savings (Outsourcing of Leisure)	153	
Corporate Training	34	
Members ICT	30	
Summons Income	56	
Revenues & Benefits Partnership	58	
Recycling Income	30	
Housing Government Grant	60	
Rent Allowances and Rebates	226	
Planning Appeals	120	
		1,700
De-minus Non-Salary Variances	-177	
		-177
Total		997

2.5 **Business Rates**

2.5.1 For 2019/20, the council was part of the Leicestershire 75% Business Rates Retention Pilot along with all other Leicestershire Councils and as a result we received an additional £636k from the pilot surplus of which £86k was above the budgeted estimate.

2.5.2 As well as an ever-changing business rates base, the Council also shares the costs of appeals, debts write-offs and so on. The Council participates in a County Pool, which is a local mechanism of retaining business rates income within Leicestershire rather than divert

it back to Central Government, and mitigate the risk of under achievement on income targets. Councils are continuing to develop their systems for projecting and monitoring this major and often volatile income stream.

- 2.5.3 In 2019/20 an additional £278k of business rates was received by the Council compared with the original budget. This is largely due to £122k additional income, £142k additional section S31 grant (which is compensation to cover the cost of measures announced by the government provided by means of a grant paid under Section 31 of the Local Authority Act 2003), £86k pilot surplus and £84k less than budgeted for renewable energy sites.

2.6 Other Favourable Variances

- 2.6.1 Grants of £193k were received in 2019/20 that we had not budgeted for in relation to grants received that were not budgeted for.
- 2.6.2 Salary underspends of £408k were achieved as a result of vacant posts, staff turnover and reduction in hours. These significant underspends were reported to members throughout the year via the quarterly performance reports.
- 2.6.3 Rent Allowances and Rent Rebates were underspent by £226k as a result of less benefits paid than budgeted for. The budget was based on the 2018/19 mid-year subsidy estimate submitted in August 2018. The variance is a result of the budget being developed based on data from 2018 (as is normal for this area) and the actual results being different.
- 2.6.4 Following the transfers of leisure services to Everyone Active, Corporate savings of £153k have been achieved for the year and will continue to be saved on an ongoing basis.
- 2.6.5 The Council has benefited from a lower number of planning appeals which has provided a £120k saving in the cost of legal and technical fees.

2.7 Adverse Variances

- 2.7.1 On the adverse side there was an adverse variance of £101k for Property Services due to £54k less income in relation to commercial rents and services charges and additional expenditure of £47k on general repairs and building security.
- 2.7.2 Car Parking Management and Maintenance was overspent by £73k due to £45k additional non-domestic rates and £28k less income net of private owner payments.
- 2.7.3 There was additional expenditure of £69k for the leisure centres. This relates to additional health and safety repairs to the premises that were required before Everyone Active took over the running of the leisure centres and increases in water charges for which we were liable for.
- 2.7.4 Bed and breakfast costs falling to the council (after subsidy from housing benefit) was £78k higher than budgeted.
- 2.7.5 As reported to Scrutiny and Cabinet in June and July respectively in the Covid-19 Financial Impact Report, in the last few weeks of the 2019/20 financial year, we have estimated that income reduced by £11k due to the pandemic: bulky and food waste collections (£2k) and car parking income (£9k). An estimated £58k of additional expenditure was estimated to be incurred in respect of additional administration equipment (£3k), cleaning equipment (£1k), IT equipment (£43k), IT software licences and (£6k) and homelessness prevention (£5k).

2.8 Surplus Allocation

- 2.8.1 In line with the decision made by Council on 26 February 2019, any surplus income over expenditure in 2019/20 is to be transferred to the self-sufficiency reserve. The principle purpose of this reserve is that it is used to support meeting the projected deficits arising over the five year period of the Medium Term Strategy and maximise income generating

opportunities for ongoing self-sufficiency. As at the 1 April 2020, the reserve stood at £4.194m.

- 2.8.2 It is proposed that the £1.158m surplus is transferred to the Self-Sufficiency reserve. Combined with the release of £900k existing earmarked reserves, the Self-Sufficiency reserve balance at 31 March 2020 is £6.3m.

2.9 Financial Management Performance and Learning Specific to the General Fund

- 2.9.1 Following the trends of the last few years, the General Fund has produced a surplus above the budgeted position, compared to the annual budgeted surplus position (£997k increase on the £161k budgeted position). The result is largely a result of the complex accounting arrangements for business rates income, salary and corporate savings and additional grants received.
- 2.9.2 The surplus reported represents the true position for the 2019/20 financial year. There have been no material additional set aside of forecast surpluses within the year or excessive amounts of earmarked reserves approved, both of which serve to artificially suppress an outturn surplus via the creation of new earmarked reserves.
- 2.9.3 Continuing the pattern from last year, the variance on the net cost of services position for 2019/20 (which includes all expenditure and local income) represents the lowest variance since 2014/15. This shows that services are improving in setting realistic budgets that go on to spends. Similarly the variance on funding is also at its lowest, demonstrating that the council's financial management are continually improving.
- 2.9.4 It is anticipated that further improvements around organisation financial management will continue in line with the adoption of the CIPFA Financial Management Code.

3.0 HOUSING REVENUE ACCOUNT (HRA)

- 3.1 The financial performance of the HRA is summarised in Table 3.
- 3.2 The expected final position is a surplus of £2.427m, compared to a budgeted surplus position of £1.418m, representing a £1.009m increase. The latest forecast outturn position for the Housing Revenue Account reported to Cabinet was at quarter 3 and was a surplus of £1.776m, therefore the variance upon outturn compared to this position is £651k.
- 3.3 The surplus on the account has been added to the HRA balance which stood at £3.7m.

Table 3 – 2019/20 HRA Revenue Provisional Outturn

	Approved Budget	Provisional Outturn	Provisional Variance
	£'000	£'000	£'000
HOUSING REVENUE ACCOUNT			
Repairs and Maintenance	5,365	4,478	-887
Supervision and Management	2,701	2,471	-230
Provision for Doubtful Debts	100	6	-94
Capital Financing (Depreciation, Impairment and Debt Management)	4,791	5,007	216
Total Expenditure	12,957	11,962	-995
Less Rental Income & Service Charges	-17649	-17,596	53
Net Cost of Services	-4,962	-5,634	-943
Capital Financing (Principal & Interest)	-3,382	-3,365	-17
Investment Income	-109	-158	-50
NET (SURPLUS)/DEFICIT	-1,418	-2,427	-1,009

3.4 Analysis of Budgetary Variances

Table 4 – Major Variances

	£'000	£'000
Adverse Variances		
Reduced Service Charges and Garage Rent Income	-40	
Reduced Salary Capitalisation	-26	
Increased Corporate Recharges	-45	
Additional RCCO	-590	
		-701
Favourable Variances		
In-house Repair Team surplus	826	
Depreciation	455	
Salary savings	154	
Reduced contribution to Bad Debt Provision	94	
Utilities	57	
Contract Cleaning	26	
Council Tax on Void Properties	48	
Additional Investment Income	49	
		1,709
De-minus Non-Salary Variances	1	
		1
Total		1,009

3.5 Favourable Variances

3.5.1 Overall the HRA has £1.7m of favourable variances through the year. This included:

- £826k for the surplus from the In-house Repairs Team's trading account. The In-house Repair Team sit within the HRA, but have their own accounting records, which means they charge the HRA for the repairs and improvements they complete. Costs associated with the repair works are then charged to the trading account, and depending on the amount charged, the team generates a surplus or a deficit on the trading account which is then reinvested in the HRA. This surplus or deficit, in effect, provides a measure of the value of this work being completed in-house, as opposed to a third party. The surplus this year is the highest we have achieved from our in-house repairs team, and is a result of the team taking on more home improvement work.
- The depreciation charge is £455k lower than the budgeted position. Depreciation represents the cost of using the housing assets over the year, and is designed to represent the cost of wear and tear in properties. The depreciation charge is calculated at year end, making it difficult to assess the position earlier in the year. Paragraph 3.8.3 sets out changes we intend to make in 2020-21 to reduce this uncertainty.
- Net savings on salary costs of £154k. This figure is net of agency staff that are brought in to fill posts on a temporary basis.
- Lower than anticipated contributions to our bad debt provision, as we needed to write off less debt, saving £94k.

3.6 Adverse Variances

3.6.1 The largest adverse variance was an additional revenue contribution to capital outlay of (RCCO) £590k, bringing the total RCCO up to £2.2m. We made this additional contribution in response to higher than anticipated right to buy sales in 2019-20, which meant we retained £1.1m as right to buy one-for-one receipts, to be used on new affordable housing in the next 3 years. The additional RCCO was made to ensure our capital programme has

the funding to match these receipts, as the one for one receipts can only be used to fund 30% of the costs of new affordable housing,

3.7 Surplus Allocation

- 3.7.1 In 2019 Cabinet agreed to allow more flexible use of the HRA's surplus in the future should opportunities or funding challenges arise, with any remaining surpluses being used to repay debt in the future. Therefore, the 2019-20 surpluses remain within the HRA balances until they are needed either for debt repayment, or for another opportunity. This brings the balances up to £3.7m, with £1m required as a minimum working balance.
- 3.7.2 The HRA loan repayment reserve retains the £13m needed to repay the first two self-financing loans when they fall due in March 2022. After these have been paid the next maturity loan will be due in 2037. The HRA continues to repay the principal on two annuity loans, with £1.1m going towards repaying these loans in 2019/20. The annuity loans are due to run until 2027 and 2032.

3.8 Financial Management Performance and Learning Specific to the HRA

- 3.8.1 There is a continued trend of higher than expected surpluses on the HRA, which affects our ability to plan effectively and make robust strategic decisions, such as deciding how much of the surplus to put into our capital programme and how much to put in our debt repayment reserve.
- 3.8.2 The HRA surplus figure is very sensitive to movements within our balance sheet. This means some significant movements are not known until year end, such as the movement in depreciation and bad debt provision noted in paragraph 3.5.1. In 2019-20, £200k of the variance arose at year end, which is an improvement on the previous year where we saw a movement of £1.2m at year end.
- 3.8.3 We are continuing to improve our financial management within the HRA and have already implemented some changes for 2020-21, including:
- Revising historically underspent budgets down. For instance, we had a favourable variance on council tax in 2019-20 by decommissioning two sheltered schemes, which reduced our council tax liability. By identifying this during the year, we were able to amend the 2020-21 budget to capture this as an ongoing saving.
 - Revising our monitoring processes for the In-house Repair Team, so we can better understand forecast surplus or deficit position throughout the year.
 - Plans to utilise any underspend in depreciation at year end as additional revenue contribution to capital. This will bring stability to the year-end forecasts and ensure our capital programme retains sufficient funding for our home improvement programme.

4.0 SPECIAL EXPENSES

- 4.1 The expected final position on Special Expenses including net financing costs is an under spend of £2k. The budgeted contribution to Special Expenses reserves was £4k and the actual outturn was £6k. This movement was a result of increased salaries and service management recharges of £8k, additional burial income of £16k and reduced expenditure on general repairs and operational purchases of £11k plus an additional £21k on approved schemes during the year of which £5k was not spent and is no longer required. These have been reported to the Coalville Special Expenses Working Party. Table 5 below gives further details.

Table 5 – 2019/20 Special Expenses Revenue Provisional Outturn

	Approved Budget	Provisional Outturn	Provisional Variance
	£'000	£'000	£'000
SPECIAL EXPENSES			
Special Expenses	559	550	-9

Net Financing Costs	-23	-25	-2
Contribution to Earmarked Reserves	0	9	9
Expenditure Requirement	536	534	-2
Precept	476	476	0
Localisation of Council Tax Support Grant	64	64	0
Transfer from/(to) reserves	-4	-6	-2

4.2 The opening Special Expenses Reserves was £80k and with the surplus of £6k for the year plus an additional £1.8k which is to be released back from earmarked reserves in relation to the permissive footpath agreement at Melrose Road play hub, the reserve now stands at £88k.

5.0 CAPITAL

5.1 The Council's capital spending in detailed in Table 6.

Table 6 – 2019/20 Capital Provisional Outturn

Scheme	Original Budget	Prior Year c/fwd	In Year		Revised Budget	Provisional	
			Approvals /funding	Slippage		Outturn	Variance
			£'000	£'000		£'000	£'000
GENERAL FUND							
Disabled Facilities Grants	650	0	21	0	670	670	0
Council Offices	575	135	(133)	(147)	430	138	(292)
IT & Software (Inc Finance Review & WIFI)	216	163	(6)	(250)	121	123	2
Transport Account Vehicles	701	(154)	(45)	(200)	302	274	(28)
Hood Park Leisure Centre Ashby	1,199	0	0	(121)	1,078	1,078	0
New Leisure Centre Coalville	8,996	0	0	(7,251)	1,745	1,745	0
Depot works - various	0	95	0	(92)	3	3	0
Car Parks	0	25	0	(25)	0	0	0
Coalville Market Provision	0	292	144	(218)	217	217	0
Commercial Property Works - various	12	0	0	0	12	12	(0)
Heritage Assets work - various	125	170	0	(280)	15	14	(1)
Other Works (Salt and Appleby Magna)	195	0	0	(151)	44	44	0
Marlborough Square	0	1,226	540	(1,766)	0	0	0
Memorial Clock Tower	0	13	(6)	0	7	6	(1)
CV Park Dep Concrete	40	0	0	(2)	38	38	0
Roller Brake Tester	0	0	30	0	30	30	(0)
	12,709	1,965	545	(10,504)	4,713	4,392	(321)
HOUSING REVENUE ACCOUNT							
Improvements and Modernisation	8,126	0	0	(1,187)	6,939	5,994	(945)
New Build	4,984	0	0	(1,556)	3,428	1,170	(2,258)
	13,110	0	0	(2,743)	10,367	7,164	(3,203)
TOTAL CAPITAL PROGRAMME	25,819	1,965	545	(13,247)	15,080	11,556	(3,524)

5.2 General Fund Capital Programme

5.2.1 The General Fund capital budget was underspent by £321k and had slippages of £10.5m into 2020/21 compared to a budget of £14.7m. The main reasons for the underspends and slippages are:

a) Delays in the commencement of the building of the new leisure centre in Coalville has led to a £7.3m slippage into 2020/21. The main reason for this is due to delays in respect of obtaining a necessary Section 278 agreement for carrying out works to the A511 public highway.

b) Delays in the Marlborough square project resulted in a slippage of £1.8m into 2020/21. The reason for the delay is due to our inability to move on to the construction phase for this project, which is governed by completion of a Section 278 Highways agreement with Leicestershire County Council. The S278 Agreement for this project is particularly complex and the Highway authority have requested further survey information. Once all consents are in place and a contractor appointed expenditure can be expected to proceed at pace.

5.3 Housing Revenue Account Capital Programme

5.3.1 The final Housing Revenue Account capital budget was underspent by £3.2m and had slippages of £2.7m on the total approved budget of £13.1m. The main reasons for this underspend and slippage are:

a) Delays on new build sites have led to a £2.3m underspend on our New Supply Programme. The main causes were due to one planned site in Whitwick not progressing as quickly as had been hoped due to design issues with the drainage required, resulting in a £1.6m underspend. Bad weather over the winter also resulted in a £0.7m underspend in this year on the Cropston Drive, Coalville site. Timetables for these sites were rebased in the 2020-21 budget, so there was no need to carry this expenditure forward.

b) £1.6m of the New Supply Programme has been carried forward to 2020-21. This related to our acquisition of land and property through purchases, as opposed to new build, and ensures funding is retained for purchases from developers and on the open market which are currently in the pipeline.

c) Underspends on improvements and modernisation of £945k were largely driven by a £573k underspend on the Home Improvement Programme. This was a result of planned improvements being removed from the programme for reasons such as the property being sold or tenants refusing planned works which were not essential to health and safety matters. Other significant underspends include £221k on estate improvement works, which have not been carried forward as they were rebased in the 2020-21 budget.

e) £1.2m of the improvements and modernisation budgets have been carried forward to 2020/21. This includes £400k for fire risk remedial work in our supported homes, £378k for the off street parking programme, £300k for supported housing improvements and £109k to build mobility scooter stores.

6.0 RESERVES

6.1 The council holds reserves that are earmarked for a particular purpose and are set aside in order to meet known or predicted future expenditure in relation to that purpose. The reserves are monitored alongside the budget as part of monthly monitoring.

6.2 As part of the year end close down earmarked reserves are requested by various departments. Requests are either to carry forward existing reserves that remain unspent or to create new reserves from under spends within the current budget year if that underspend is from a budget area that aligns with the purpose of the reserve to be carried forward.

These reserves are checked by the Finance team for accuracy before being presented to the S151 Officer for approval under delegated powers.

6.3 Assuming that reserves are utilised in line with the timescales agreed as part of their approval, reserves represent an effective means of utilising surpluses and underspends and ensuring delivery of projects.

6.5 Best practice indicates that reserves, if set aside for specific purposes should be spent in accordance with projections. As detailed in paragraph 1.4 above, finance clinics now focus on ensuring that earmarked reserves are expended in a timely manner in line with the purposes in which they have been set aside.

6.6 Earmarked Reserves spent in 2019/20

6.6.1 In 2019/20, £1.54m of the £8.49m existing General Fund earmarked reserves brought forward were spent and the Housing Revenue Account spent £48k of the £146k of existing earmarked reserves.

6.7 Amounts approved to be carried forward as Earmarked Reserves

6.7.1 For 2019/20, £10.14m of earmarked requests were received by the Section 151 Officer, comprising of:

- £9.83m General Fund;
- £99k HRA;
- £183k Asset Protection; and
- £27k Special Expenses.

6.7.2 In consultation with the Corporate Portfolio Holder and the Leader, £8.76m of these reserves have been approved as follows:

- £8.46m General Fund;
- £94k HRA;
- £183k Asset Protection; and
- £25k Special Expenses.

6.8.3 A number of existing General Fund reserves were not requested or approved, meaning there is a further £1.12m of reserves that could be reallocated. Following review, the Section 151 Officer has retained £200k of this sum as an unallocated reserve. Therefore, the General Fund balance level of reserves retained for expenditure is £8.46m and £920k has been transferred to the self-sufficiency reverse.

6.8.4 The combined level of new reserves approved to be carried forward to 2020/21 is £8.76m. This balance is a marginal increase on the 2018/19 level of reserves.

6.9 Self-Sufficiency Reserve

6.9.1 The Self-Sufficiency reserve which is a separately maintained reserve is now £6.273m following the transfer of £1.158m of the surplus and £920k from the release of earmarked reserves. This means that there is now a healthy reserve available to manage the future deficit years to arise on the General Fund medium term financial plan which total £5.5m to 2024/25.

6.10 Other Reserves

6.10.1 As set out in paragraph 3.7, the HRA currently has balances of £3.7m. Of this, £1.0m is the working balance for the HRA and the remaining £2.7m remains to be used flexibly for future projects, or to repay debt. This is in addition to the £13m loan redemption reserve, which will be used to repay two loans in March 2022.

6.10.2 Both the General Fund and HRA exceed their agreed minimum level of balances.

6.10.3 Table 7 below summarises the position in respect of earmarked reserves and other reserves held by the council.

Table 7 – Earmarked Reserves as at 31st March 2020

Reserves	£'m
<u>General Fund</u>	
General Fund Earmarked Reserves	8.46
General Fund General Reserves (agreed minimum balance)	1.54
Self-Sufficiency Reserve	6.27
Asset Protection Fund	0.13
Other	0.18
	16.58
<u>Housing Revenue Account</u>	
Housing Revenue Account Earmarked Reserves	0.09
HRA working Balance	3.70
HRA Loan Redemption Reserve	13.00
	16.79
<u>Special Expenses</u>	
Special Expenses Earmarked Reserves	0.02
Asset Protection Fund	0.05
Special Expenses General Reserves	0.09
	0.16
<u>Other</u>	
S106	1.62
	35.17

Policies and other considerations, as appropriate	
Council Priorities:	Our financial position affects all of our council priorities.
Policy Considerations:	Not applicable
Safeguarding:	Not applicable
Equalities/Diversity:	Not applicable
Customer Impact:	Not applicable
Economic and Social Impact:	Not applicable
Environment and Climate Change:	Not applicable
Consultation/Community Engagement:	Not applicable
Risks:	There are significant financial risks to manage which were fully considered during the budget process.
Officer Contact	Tracy Bingham Head of Finance and S151 Officer tracy.bingham@nwleicestershire.gov.uk