

EARMARKED FUND BALANCES

	Revised Balance 01/04/20 £000	Forecast Balance 31/03/21 £000	Forecast Balance 31/03/22 £000	Forecast Balance 31/03/23 £000	Forecast Balance 31/03/24 £000	Forecast Balance 31/03/25 £000
Renewal of Systems, Equipment and Vehicles						
Children & Family Services	1,040	690	340	0	0	0
Adults & Communities	70	70	70	70	70	70
Environment & Transport	370	260	230	160	160	160
Corporate Resources	1,200	730	420	0	0	0
Trading Accounts						
Industrial Properties	1,090	840	590	340	0	0
Insurance						
General	6,400	6,270	6,270	6,270	6,270	6,270
Schools schemes and risk management	370	350	330	330	340	340
Uninsured loss fund	5,260	5,260	5,260	5,260	5,260	5,260
Committed Balances						
Community Grants	300	300	300	300	300	300
Other						
Children & Family Services						
Supporting Leicestershire Families	1,780	480	0	0	0	0
C&FS Developments	1,170	1,020	250	250	250	250
Youth Offending	560	450	340	230	120	0
Other	1,130	740	150	100	50	0
Adults & Communities						
A&C Developments	5,000	3,500	0	0	0	0
Public Health	460	290	140	0	0	0
Environment & Transport						
Commuted Sums	2,890	2,590	2,290	1,990	1,690	1,390
LLITM	2,080	1,470	190	-170	0	170
Major Projects - advanced design	930	740	50	40	30	20
Waste Developments	550	350	70	0	0	0
Section 38 Income	490	490	430	0	0	0
Other	1,380	1,240	900	700	500	320
Chief Executive						
Economic Development-General	510	400	300	200	100	0
Chief Executive Dept Developments	450	360	230	130	50	40
Other	180	30	0	0	0	0
Corporate Resources						
Corporate Resources Developments	50	50	50	50	50	50
Leicestershire Schools Music Service	160	160	160	160	160	160
Other	350	290	290	290	290	290
Corporate:						
Transformation Fund	7,480	4,000	1,000	0	0	0
Broadband	3,390	2,390	360	170	0	0
Business Rates Retention	1,570	570	570	570	570	570
Inquiry and other costs	1,040	230	0	0	0	0
Elections	580	780	130	330	530	730
Corporate Asset Investment Fund sinking fund	0	0	1,700	3,400	5,100	6,800
Other	680	390	390	390	390	390
Government Cash Flow Funding	19,690	0	0	0	0	0
Capital Financing (phasing of capital expenditure)	79,050	34,030	2,620	2,570	2,520	2,470
Pooled Property Fund investment *	-23,960	-23,960	-23,960	-23,960	-23,960	-23,960
TOTAL	125,740	47,850	2,460	170	840	2,090
Schools and Partnerships						
Dedicated Schools Grant	-4,050	-12,220	-14,410	-11,950	-21,570	-21,570
Leicestershire & Rutland Sport	1,460	1,310	900	660	390	0
Health & Social Care Outcomes	820	820	820	820	820	820
Emergency Management	410	410	410	410	410	410
East Midlands Shared Services - other	270	270	270	270	270	270
Leicestershire Safeguarding Children Board	80	70	50	40	20	0
Leics Social Care Development Group	40	40	40	40	40	40
Total	-970	-9,300	-11,920	-9,710	-19,620	-20,030

* Pooled Property Fund investments - funded from the overall balance of earmarked funds

Main Earmarked Funds:**Renewals of Vehicles and Equipment**

Departments hold earmarked funds for the future replacement of vehicles (the County Council has a fleet of around 350 vehicles) and equipment such as ICT.

Industrial Properties

These are funds generated from the industrial property portfolio. The fund is used for improvement works included within the capital programme.

Insurance

Earmarked funds to enable the Council to meet excesses not covered by insurance policies and smooth fluctuations in claims between years. The levels are informed by advice from independent advisors.

The **uninsured loss fund** is required mainly to meet potential liabilities arising from Municipal Mutual Insurance (MMI) that is subject to a run-off of claims following liquidation in 1992. The fund also covers the period before the Council purchased insurance cover and any other uninsured losses.

Supporting Leicestershire Families: used to fund the Supporting Leicestershire Families service which is providing early help and intervention services for vulnerable families across Leicestershire.

Children and Family Services Developments: provides funding for a number of projects within the department such as improving management information, information access and retention and responding to changing requirements as a result of OfSTED and legislation.

Adults and Communities Developments: held to fund a number of investments in maintaining social care service levels and assisting the department in achieving its transformation.

Commuted Sums. This funding, received from housing developers, is used to cover future revenue costs arising from developer schemes, where the specifications are over and above standard developments (e.g. block paving, bollards or trees adjacent to the highway). These liabilities can arise many years after the funding is received and therefore the balance on this earmarked fund has built up over time.

Leicester and Leicestershire Integrated Transport Model (LLITM). This earmarked fund is income from charging other local authorities for using the model. Surplus income is added into the fund and will be used to finance activity to refresh the model when required.

Other. These earmarked funds will be used to manage funding of schemes where grant awards and scheme expenditure relate to/occur in different years and will also will fund plant renewal for highway services.

Transformation Fund. The fund is used to invest in transformation projects to achieve efficiency savings and also to fund severance costs. To achieve the level of savings within the MTFs the Council will need to change significantly, and this will require major investment, including in some of the core 'building blocks' of transformation such as improvements to data quality, and improvements to digital services enabling more self-service.

Broadband. This fund was established to allow the development of super-fast broadband within Leicestershire. There is a significant time lag in spending County Council funds as a result of securing grant funding from Central Government and the European Regional Development Fund (ERDF) that required those funds to be spent first and within a set period.

Business Rates Retention. The fund includes the County Council's element of the Leicester and Leicestershire Business Rates Pool contingency of £2m.

Inquiry and other costs. This fund is held to provide funding for inquiry and other costs associated with historical child sexual exploitation.

Pooled Property Fund(s). The Cabinet on 11 September 2015 and 11 October 2016 approved the investment of £15m and £10m respectively of the Council's earmarked funds into pooled property funds. The investments are held to achieve higher returns than if the funds were invested as cash. The investment is funded from the overall balance of earmarked funds and can be realised in the future when required. A cumulative unrealised gain of £1.0m is also included with the fund.

Corporate Asset Investment Fund sinking fund. With the ever expanding property portfolio owned through the Corporate Asset Investment Fund, targetted to reach £260m over the MTFs period, it is important to establish and build up a sinking fund to cover any major capital works needed to be undertaken on these property assets in the future.

Government Cash Flow Funding. The Government paid the first instalment of general Covid-19 grant (£15.1m) and the 2020/21 Business Rates Section 31 grant (£4.6m) in late March 2020. These amounts have been set aside in this new earmarked fund and will be used to fund expenditure in 2020/21.

Capital Financing. This fund is used to hold MTFs revenue contributions required to fund the approved capital programme in future years. The fund also includes the balance on the future developments fund which is used to support mainly future capital programme developments. This element of the fund has been fully committed but not all spend has yet been incurred. The balance will be held in the capital financing fund to fund the outstanding commitments.

Partnerships Earmarked Funds

Dedicated Schools Grant. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years Finance (England) Regulations. This fund is earmarked to meet the revenue costs of commissioning places in new schools, early years and to support pressures on the high needs block.

Within the schools block funding, future DSG allocations for schools growth will be retained and added to the earmarked fund to support the revenue costs of commissioning new schools. The deficit on the high needs block will increase in the medium term until the savings arising from the High Needs Development Plan are delivered. In the short term the surplus on the schools block will partially offset the high needs deficit. The expectation of the Development Plan is to replenish the DSG earmarked fund so that new school funding is not impacted.

Leicestershire and Rutland Sport. The main purpose of this earmarked fund is to hold partner contributions until expenditure on the agreed activities has been incurred. A significant part of the services' funding from external agencies is uncertain in nature, so the earmarked fund also allows management of funding variations and a redundancy provision.

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