

APPENDIX B – RESERVES BALANCES

Earmarked reserves are one-off balances set aside for investment towards agreed priorities. A key element in handling the Council's earmarked reserves is that the principles of We Make Camden are incorporated: namely, confidence that the Council is spending and investing resources on the delivery of outcomes. This will be an even greater point of focus as the organisation move to deliver the next round of MTFS savings. **Table 1** below sets out the forecast reserve position over the next 5 years.

Based on current projections the Council's earmarked reserves are forecast to grow steadily over the next five years. Officers have used the approach of a prudent forecast to show the worst-case scenario and where external funding is available this would always be utilised first before a call on Council resources.

The Housing Revenue Account unearmarked reserve balances is showing steady forecasted growth over the next five years reflecting plans to rebuild the reserve over the medium term. The forecast to support school activities remains stable.

Table 1 – Forecast Reserve Balances

Earmarked Reserves	Forecast Reserves 31/03/20 23 £m	Forecast Reserves 31/03/20 24 £m	Forecast Reserves 31/03/20 25 £m	Forecast Reserves 31/03/20 26 £m	Forecast Reserves 31/03/20 27 £m	Forecast Reserves 31/03/20 28 £m	Forecast Reserves 31/03/20 29 £m
--------------------	---	---	---	---	---	---	---

Reserves to support Council Priorities							
(a) Multi Year Budget Reserve	38	37	39	42	39	36	33
Education Commission	0	0	0	0	0	0	0
Cost of Change/We Make Camden	3	4	5	5	6	6	6
(b) Supported Housing Reserves	0	0	0	0	0	0	0
Sub Total	42	41	44	47	44	42	39
Reserves with Conditions							
Dedicated Schools Grant	19	19	19	19	19	19	19
Mayor's Charity Reserve	0	0	0	0	0	0	0
(a) Multi Year Budget Reserve	24	23	23	23	23	23	23
Sub Total	43	43	43	43	43	43	43
Reserves to Support Capital Activity & Asset Management							
Future Capital Schemes	13	12	12	12	12	12	12
Haverstock PFI Funding Reserve	1	1	1	1	1	0	0
Schools PFI Equalisation Reserve	4	4	4	4	5	5	5
Building Schools for the Future	1	1	1	1	1	1	1
Accommodation Strategy	8	7	6	5	4	3	2
Sub Total	26	25	24	23	22	21	20

Reserves to Manage Future Risk							
Self-Insurance Reserve	3	3	3	3	3	3	3
Business Rates Safety Net	19	16	19	22	26	29	32
GF Future Cost Reserve	22	22	22	22	22	22	22
Sub Total	44	41	44	48	51	54	58
Total Earmarked Reserves							
	155	150	154	160	160	159	159
General Balances	16	17	18	19	20	21	22
Housing Revenue Account unearmarked	12	11	15	19	22	27	32
Housing Revenue Account earmarked	11	10	9	9	9	9	9
Schools Balances	18	18	18	18	18	18	18
Total General Balances	56	55	59	64	69	75	81
Public Health Grants	1	0	0	0	0	0	0
Recovery and Renewal	0	0	0	0	0	0	0
Total Covid Related Reserves	1	0	0	0	0	0	0
Total Earmarked Reserves							
	213	205	214	224	229	234	240

Table 2 below sets out the in-year movement across earmarked and other reserves. The net movement is forecast to be a £8m drawdown which is due to contributions towards funding the capital programme and dealing with the organisations collection fund deficits. The HRA drawdown is due to forecast in-year pressures.

Table 2 – Forecast Movement in Reserves

	Forecast Reserves 31/03/23 £m	Forecast Out of Reserves £m	Forecast Into Reserves £m	Forecast Reserves 31/03/24 £m	2023/24 Net Movement £m
Earmarked Reserves					
Reserves to support Council Priorities	42	-6	6	41	0
Reserves with Conditions	44	-2	0	43	-2
Reserves to Support Capital Activity & Asset Management	26	-8	7	25	-1
Reserves to Manage Future Risk	44	-7	3	41	-3
Total Earmarked Reserves	156	-23	17	150	-7
General Reserves					
General Balances	16	0	1	17	1
Housing Revenue Account	23	-5	3	21	-2
Schools Balances	18	0	0	18	0
Total Reserves	213	-28	21	205	-8