

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 moves to deliver the next round of MTFS savings. Table 1 below sets out the forecast reserve position over the next five years.

Based on current projections, the Council's General Fund unearmarked 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 are 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 31/03/2024 £m	Forecast Reserves 31/03/2025 £m	Forecast Reserves 31/03/2026 £m	Forecast Reserves 31/03/2027 £m	Forecast Reserves 31/03/2028 £m	Forecast Reserves 31/03/2029 £m
Reserves to support Council Priorities						
(a) Multi Year Budget Reserve	41	42	44	42	40	38
Education Commission	0	0	0	0	0	0
Cost of Change/We Make Camden	3	3	4	4	4	4
(b) Supported Housing Reserves	0	0	0	0	0	0
Sub Total	44	46	48	46	44	42
Reserves with Conditions						
Dedicated Schools Grant	22	22	22	22	22	22
Mayor's Charity Reserve	0	0	0	0	0	0
(a) Multi Year Budget Reserve	31	30	30	29	29	29
Sub Total	53	52	52	52	52	52
Reserves to Support Capital Activity & Asset Management						
Future Capital Schemes	13	10	8	9	11	13
Haverstock PFI Funding Reserve	1	1	1	0	0	0
Schools PFI Equalisation Reserve	5	5	5	5	5	6
Building Schools for the Future	0	0	0	0	0	0
Accommodation Strategy	7	6	5	3	2	2
Sub Total	26	22	19	17	18	21
Reserves to Manage Future Risk						
Self-Insurance Reserve	3	3	3	3	3	3
GF Future Cost Reserve	22	3	3	3	3	3
Sub Total	25	6	6	6	6	6

Total Earmarked Reserves	149	126	125	121	120	121
General Balances	17	18	20	21	23	24
Housing Revenue Account unearmarked	13	14	18	22	25	27
Housing Revenue Account earmarked	11	11	11	11	11	11
Schools Balances	21	21	21	21	21	21
Total General Balances	62	64	70	75	80	83
Collection Fund Risk Reserve	44	20	10	10	10	10
Total Collection Fund Reserves	44	20	10	10	10	10
Total Reserves	255	210	205	206	210	214

Table 2 – Forecast Movement in Reserves

The table below sets out the in-year movement across earmarked and other reserves. The net movements include drawdowns to deal with the organisation's Collection Fund deficits as well as the forecasted outturn position across both the General Fund and Housing Revenue Account.

	Forecast Reserves 31/03/24	Forecast Out of Reserves	Forecast Into Reserves	Forecast Reserves 31/03/25	2024/25 Net Movement
	£m	£m	£m	£m	£m
<u>Earmarked Reserves</u>					
Reserves to support Council Priorities	44	-4	5	46	2
Reserves with Conditions	53	-1	0	52	-1
Reserves to Support Capital Activity & Asset Management	26	-11	7	22	-4
Reserves to Manage Future Risk	25	-19	0	6	-19
Total Earmarked Reserves	149	-35	12	126	-23
<u>General Reserves</u>					
General Balances	17	0	1	18	1
Housing Revenue Account	24	-4	4	25	1
Schools Balances	21	0	0	21	0
Collection Fund Risk Reserve	44	-30	6	20	-24
Total Reserves	255	-68	23	210	-22