

Appendix A - Allocation of Reserves

A net drawdown from our reserves totalling £33.82m is recommended for 2024/25. £22.82m of this drawdown would meet the overspend on the General Fund (GF), whilst £3.21m would be drawn down from Housing Revenue Account (HRA) reserves to meet its overspend. A £5.78m drawdown is recommended to fund additional expenditure in schools, whilst £3.41m would also be drawn down from the Dedicated Schools Grant reserve, largely driven by the need to fund the £4.9m overspend against the High Needs Block.

In addition, the Council makes planned contributions to and drawdowns from reserves to support planned investments and mitigate against risks, including an £11.05m drawdown to support investment in capital projects.

The Council also holds a reserve which manages grant payments received from central government to fund business rates relief, which are generally not available to meet wider Council expenditure. Grants are held in reserve for a year and paid into the Collection Fund (compensating for the loss of business rates income as a result of reliefs) the following year.

Table 1: Proposed Reserve Allocations for 2024/25

Earmarked Reserves	Actual Reserves 31/03/24 £m	Movement Out of Reserves £m	Transfer Into Reserves £m	2024/25 Outturn Adjustments £m	Actual Reserves 31/03/25 £m
Reserves to support Council Priorities	48.847	(6.069)	8.025	(15.822)	34.981
Reserves with Conditions	53.340	(7.067)	7.351	0.000	53.624
Reserves to Support Ongoing Capital Activity & Asset Management	23.746	(11.991)	8.784	(1.000)	19.539
Reserves to Mitigate Future Risk	25.214	(8.194)	6.370	(6.000)	17.390
Total GF Earmarked Reserves	151.147	(33.321)	30.530	(22.822)	125.534
General Balances	16.858	0.000	1.500	0.000	18.358
Business Rates Reliefs Local Share	37.282	(37.120)	38.785	0.000	38.947
Total GF Reserves	205.287	(70.441)	70.815	(22.822)	182.839
Housing Revenue Account - Earmarked Reserves	16.328	(7.761)	1.384	0.000	9.951
Housing Revenue Account - Unearmarked Reserves	13.387	0.000	4.006	(3.215)	14.178
Total HRA Reserves	29.715	(7.761)	5.390	(3.215)	24.129
Schools Balances	20.989	(5.785)	0.000	0.000	15.204
Total Revenue Reserves	255.991	(83.987)	76.205	(26.037)	222.172