

## Appendix C: Earmarked Reserve Balances

Category	Reserve Name	Actual Balance 31/03/2023 £m	2023/24 Movement	Forecast Balance 31/03/2024 £m	2024/25 Movement	Forecast Balance 31/03/2025 £m	2025/26 Movement	Forecast Balance 31/03/2026	2026/27 Movement	Forecast Balance 31/03/2027
Planned Projects	BSF PFI 1 reserve	4.748	0.504	5.252	0.490	5.742	0.000	5.742	0.000	5.742
Budget Risk	Budget Risk and Insurance	18.070	(3.373)	14.697	0.000	14.697	0.000	14.697	0.000	14.697
Planned Projects	Budget Strategy	18.604	(6.253)	12.351	(12.247)	0.104	9.000	9.104	(1.000)	8.104
Budget Risk	Business Continuity	10.000	0.000	10.000	0.000	10.000	0.000	10.000	0.000	10.000
Planned Projects	Capital Financing	1.806	(1.237)	0.569	0.000	0.569	0.000	0.569	0.000	0.569
Planned Projects	Care Experience	18.527	(2.000)	16.527	(6.527)	10.000	(10.000)	0.000	0.000	0.000
Planned Projects	Community Infrastructure Levy	0.029	0.000	0.029	0.000	0.029	0.000	0.029	0.000	0.029
Budget Risk	Core Funding	9.781	7.552	17.333	4.839	22.171	0.000	22.171	0.000	22.171
Ringfenced	Dedicated Schools Grant	5.083	(0.079)	5.004	(2.072)	2.932	(4.055)	(1.123)	(6.386)	(7.509)
Planned Projects	Digital Transformation Projects	0.000	0.000	0.000	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Planned Projects	Islington Assembly Hall Restoration Levy	0.047	0.000	0.047	0.000	0.047	0.000	0.047	0.000	0.047
Ringfenced	Joint Cemeteries Trading Account	1.715	0.000	1.715	0.000	1.715	0.000	1.715	0.000	1.715
Planned Projects	Levies	3.315	(3.315)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ringfenced	Pooled Schools Budgets	1.167	(0.828)	0.339	0.000	0.339	0.000	0.339	0.000	0.339
Ringfenced	Public Health	1.522	(0.070)	1.452	0.000	1.452	0.000	1.452	0.000	1.452
Ringfenced	Restricted Grants & Contributions	11.458	0.000	11.458	(2.292)	9.166	(2.292)	6.875	(2.292)	4.583
Ringfenced	Street Markets	0.201	0.000	0.201	0.000	0.201	0.000	0.201	0.000	0.201
<b>TOTAL EARMARKED RESERVES</b>		<b>106.073</b>	<b>(9.100)</b>	<b>96.972</b>	<b>(17.809)</b>	<b>79.163</b>	<b>(7.347)</b>	<b>71.817</b>	<b>(9.678)</b>	<b>62.139</b>

Below are narrative descriptions for each of the earmarked reserves held in the General Fund:

- Building Schools for the Future (BSF) PFI Smoothing reserve – The annual costs of PFI schemes fluctuate over the lifecycle of the schemes. This reserve helps to smooth the budgetary impact of PFI costs across financial years.
- Budget Risk and Insurance reserve – This reserve is set aside to mitigate budget risks, particularly the impact of delayed savings delivery, and for one-off expenditure commitments that span more than one financial year.
- Budget Strategy reserve – This reserve provides one-off funding for expenditure related to the delivery of the medium-term financial strategy (e.g., transformation projects, one-off growth, redundancy costs).
- Business Continuity – This reserve mitigates the risk of disruption to key council services and systems, including cyber security risks.
- Capital Financing – This reserve helps to smooth the potential budgetary impact in future financial years of an increased revenue cost of financing the capital programme, in the context of rising interest rates and a very uncertain interest rate outlook.
- Care Experience – This reserve provides for the potential direct and indirect costs of the non-recent child abuse support payment scheme.
- Cemeteries reserve – The council operates a shared cemeteries service with the London Borough of Camden, and any surplus at the end of each financial year is carried forward through this reserve.
- Community Infrastructure Levy (CIL) reserve – This reserve is the balance of CIL funding earmarked for administration costs in future financial years.
- Core Funding – This reserve comprises the one-off financial gain from the former London Business Rates Retention Pilot Pool, and up-front government grant income that will fund Collection Fund losses that will come out of future year budgets (due to Collection Fund accounting timing differences). The remaining balance not relating to Collection Fund losses has been set aside for risks around taxation income and government funding streams.
- Dedicated Schools Grant – This reserve is the balance of Dedicated Schools Grant held by the council that will be spent in future financial years.
- Digital Transformation Projects - This reserve holds budget provision for Digital Transformation projects to smooth the impact of expenditure across the Council. There are a variety of digital and technology related projects to enhance and modernise the council's systems and processes planned over the medium term. This is a live reserve with matching transfers to and drawdowns from the reserve.
- Islington Assembly Hall Restoration Levy – This reserve earmarks income from the Islington Assembly Hall Restoration Levy on events ticket sales towards funding restoration works in future financial years.
- Levies – This reserve holds funds as a result of the North London Waste Authority rebate and mitigates the significant uncertainty around levies estimates over the medium term, particularly concessionary fares, and the North London Waste Authority levy.
- Pooled Schools Budgets – This reserve holds the unspent balance of pooled schools' budgets that will be spent in future financial years.

- Public Health – This reserve is the balance of ring-fenced public health grant funding carried forward to spend in future financial years.
- Restricted Grants and Contributions - This reserve will hold income received that is earmarked for a specific purpose where other accounting treatment is not appropriate.
- Street Markets – The council operates three street markets at Chapel Market, Whitecross Street and Exmouth Market. Under laws governing the operation of these markets, any surplus at the end of each financial year is carried forward through this reserve for the future costs of operating the markets.