

Appendix C: General Fund Earmarked Reserve Balances

Category	Reserve Name	Actual Balance 31/03/2024 £m	2024/25 Movement	Forecast Balance 31/03/2025 £m	2025/26 Movement	Forecast Balance 31/03/2026 £m	2026/27 Movement	Forecast Balance 31/03/2027	2027/28 Movement	Forecast Balance 31/03/2028
Planned Projects	BSF PFI 1 reserve	3.478	(1.150)	2.328	0.000	2.328	0.000	2.328	0.000	2.328
Budget Risk	Budget Risk	21.659	(4.000)	17.659	(0.740)	16.919	(0.560)	16.359	0.000	16.539
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	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Planned Projects	Care Experience	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Planned Projects	Community Infrastructure Levy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Budget Risk	Core Funding	16.237	7.172	23.409	5.983	29.392	0.000	29.392	0.000	29.392
Planned Projects	Corporate Projects and Systems	18.250	(14.098)	4.152	(4.027)	0.125	0.125	0.250	0.000	0.250
Ringfenced	Dedicated Schools Grant	5.769	(2.769)	3.000	(3.000)	0.000	(3.000)	(3.000)	(3.000)	(6.000)
Planned Projects	Digital Transformation Projects	0.000	0.847	0.847	(0.000)	0.847	(0.000)	0.847	0.000	0.847
Budget Risk	Insurance Risk	3.350	0.000	3.350	0.000	3.350	0.000	3.350	0.000	3.350
Planned Projects	Islington Assembly Hall Restoration Levy	0.088	0.000	0.088	0.000	0.088	0.000	0.088	0.000	0.088
Ringfenced	Joint Cemeteries Trading Account	1.885	0.000	1.885	0.000	1.885	0.000	1.885	0.000	1.885
Planned Projects	Levies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ringfenced	Pooled Schools Budgets	1.471	0.000	1.471	0.000	1.471	0.000	1.471	0.000	1.471
Ringfenced	Public Health	1.593	(0.554)	1.039	(0.187)	0.852	(0.060)	0.792	0.000	0.792
Ringfenced	Restricted Grants & Contributions	17.557	(0.586)	16.971	(3.000)	13.971	(2.470)	11.501	(3.963)	7.538
Ringfenced	Street Markets	0.086	(0.055)	0.031	0.000	0.031	0.000	0.031	0.000	0.031
TOTAL GF EARMARKED RESERVES		101.422	(15.193)	86.229	(4.971)	81.259	(5.965)	75.293	(6.963)	68.331

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 – This reserve is set aside to mitigate budget risks over the medium term, including the risk delayed/undelivered savings.
- Business Continuity – This reserve mitigates the risk of disruption to key council services and systems, including cyber security risks.
- Capital Financing – This reserve was earmarked for revenue costs associated with the capital programme. It was fully drawn down in 2023/24.
- Care Experience – This reserve provided for the potential direct and indirect costs of the non-recent child abuse support payment scheme. It was amalgamated with the Corporate Projects and Systems reserve at the end of 2023/24. Any final scheme payments and project costs in 2024/25 will be funded from the Corporate Projects and Systems reserve.
- Community Infrastructure Levy (CIL) reserve – This reserve previously held the balance of CIL funding earmarked for CIL administration costs in future financial years. The small remaining balance was amalgamated with the Budget Risk reserve at the end of 2023/24.
- Core Funding – The purpose of this reserve is to set aside funding for: the risk of a significant increase in the NNDR appeals provision, particularly as a result of the next business rates revaluation in 2026; the risk of a significant increase in council funded reliefs across NNDR and council tax, such as council tax support, empty property relief and charitable relief; the risk of a significant economic downturn and the impact on NNDR and council tax collection; the potential adverse impact to the council's retained business rates income of a reset to the business rates retention system and wider changes to the distribution of local government core funding; and timing differences between Collection Fund deficits and associated government funding being received, due to the technical accounting arrangements around the Collection Fund.
- Corporate Projects and Systems (formerly Budget Strategy) – This reserve earmarks one-off funding for expenditure related to the delivery of key council transformation projects and systems upgrades. This includes digital transformation and investment in services to support the delivery of planned budget savings.
- 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.

- Insurance Fund Risk – This reserve supplements the actuarially assessed provision for insurance claim liabilities by holding the level of risk buffer recommended by the actuary.
- 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.
- Joint Cemetery Trading Account – The council operates a shared cemeteries service with the Camden Council, and any surplus at the end of each financial year is carried forward through this reserve.
- Levies – This reserve was earmarked to mitigate the significant uncertainty around levies estimates over the medium term, particularly concessionary fares and the North London Waste Authority levy. It was amalgamated with the Budget Risk reserve at the end of 2023/24.
- 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 holds income received that is restricted in some form for a specific purpose.
- Street Markets Reserve – 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.