

Conservative Independent Alliance Forecast Earmarked Reserves 2023/24 to 2026/27

Reserve	2023/24			2024/25		2025/26		2026/27	
	Balance at 1 April 2023	Forecast Change	Forecast Balance at 31 March 2024	Forecast Change	Forecast Balance at 31 March 2025	Forecast Change	Forecast Balance at 31 March 2026	Forecast Change	Forecast Balance at 31 March 2027
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Revenue Grants Unapplied</b>									
Grants and Contributions Reserve	37.0	-19.0	18.0	-7.0	11.1	-3.7	7.4	-1.0	6.4
COVID-19 Reserve	15.4	-9.3	6.1	-3.8	2.3	-2.3	0.0	0.0	0.0
Government Initiatives Reserve	2.3	-0.5	1.8	-0.6	1.3	-0.2	1.0	0.0	1.0
<b>Subtotal Revenue Grants Unapplied</b>	<b>54.8</b>	<b>-28.8</b>	<b>25.9</b>	<b>-11.3</b>	<b>14.6</b>	<b>-6.2</b>	<b>8.4</b>	<b>-1.0</b>	<b>7.5</b>
<b>Corporate Priorities</b>									
Budget Priorities Reserve	11.4	-9.8	1.6	-1.5	0.1	0.0	0.1	0.0	0.1
Transformation Reserve	1.5	0.0	1.5	3.2	4.7	-4.7	0.0	0.0	0.0
Zero Emissions Zone	0.5	0.0	0.5	0.0	0.5	0.0	0.5	0.0	0.5
Youth Provision Reserve	0.3	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Subtotal Corporate Priorities</b>	<b>13.7</b>	<b>-10.1</b>	<b>3.6</b>	<b>1.7</b>	<b>5.2</b>	<b>-4.7</b>	<b>0.6</b>	<b>0.0</b>	<b>0.6</b>
<b>Funding for Risk</b>									
Insurance Reserve	12.9	0.0	12.9	0.0	12.9	0.0	12.9	0.0	12.9
Demographic Risk Reserve	13.0	4.0	17.0	4.0	21.0	4.0	25.0	4.0	29.0
Council Elections	0.4	0.2	0.6	0.2	0.8	-0.8	0.0	0.0	0.0
Redundancy Reserve	2.4	0.0	2.4	1.3	3.7	-3.7	0.0	0.0	0.0
Trading Accounts	0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Council Tax Collection Fund Reserve	3.0	0.0	3.0	-3.0	0.0	0.0	0.0	0.0	0.0
Business Rates Reserve	9.5	0.0	9.5	-9.5	0.0	0.0	0.0	0.0	0.0
Collection Fund Reserve (NEW)	0.0	0.0	0.0	4.0	4.0	0.0	4.0	0.0	4.0
IFRS 9 Risk Reserve (NEW)	0.0	0.0	0.0	2.2	2.2	0.0	2.2	0.0	2.2
<b>Subtotal Funding for Risk</b>	<b>41.3</b>	<b>4.0</b>	<b>45.4</b>	<b>-0.8</b>	<b>44.5</b>	<b>-0.4</b>	<b>44.1</b>	<b>4.0</b>	<b>48.1</b>
<b>Capital &amp; Equipment</b>									
Capital & Prudential Borrowing Reserves	67.8	0.3	68.1	9.6	77.8	7.9	85.7	7.5	93.2
Vehicle and Equipment Reserve	3.4	0.3	3.7	-1.6	2.2	-1.3	0.8	0.0	0.8
Investment Pump Priming Reserve	2.0	-1.9	0.1	0.0	0.1	0.0	0.1	0.0	0.1
<b>Subtotal Capital &amp; Equipment</b>	<b>73.2</b>	<b>-1.3</b>	<b>72.0</b>	<b>8.1</b>	<b>80.1</b>	<b>6.6</b>	<b>86.6</b>	<b>7.5</b>	<b>94.1</b>
<b>Other Reserves</b>									
Schools' Reserves	12.9	0.0	12.9	0.0	12.9	0.0	12.9	0.0	12.9
Partnership Reserves	1.9	-1.6	0.3	-0.2	0.1	-0.1	0.0	0.0	0.0
On Street Car Parking Reserve	4.9	0.2	5.1	-2.2	2.9	-1.3	1.6	-0.5	1.1
<b>Subtotal Other Reserves</b>	<b>19.7</b>	<b>-1.4</b>	<b>18.4</b>	<b>-2.4</b>	<b>16.0</b>	<b>-1.4</b>	<b>14.6</b>	<b>-0.5</b>	<b>14.1</b>
<b>Total Earmarked Reserves</b>	<b>202.7</b>	<b>-37.5</b>	<b>165.2</b>	<b>-4.7</b>	<b>160.5</b>	<b>-6.1</b>	<b>154.4</b>	<b>10.0</b>	<b>164.3</b>
DSG Unusable Reserve *	-41.1	-21.2	-62.3	-21.3	-83.6	-25.0	-108.6	-35.7	-144.3
<b>DSG High Needs deficit within Unusable Reserve *</b>	<b>-46.8</b>	<b>-21.2</b>	<b>-68.0</b>	<b>-21.3</b>	<b>-89.3</b>	<b>-25.0</b>	<b>-114.3</b>	<b>-35.7</b>	<b>-150.0</b>
<b>Total Earmarked Reserves after DSG Unusable Reserve</b>	<b>161.6</b>	<b>-58.7</b>	<b>102.9</b>	<b>-26.0</b>	<b>76.9</b>	<b>-31.1</b>	<b>45.8</b>	<b>-25.7</b>	<b>20.1</b>

Reserve	Description
<b>Revenue Grants Unapplied</b>	
Grants and Contributions Reserve	Holds overspent or underspent grants & contributions committed to be spent or recovered in future years. Excludes balance relating to DSG.
COVID-19 Reserve	Reserve to cover costs associated with and arising from COVID-19
Government Initiatives Reserve	Holds underspends on budgets funded by un-ringfenced specific grants relating Government initiatives or agreed outcomes.
<b>Subtotal Revenue Grants Unapplied</b>	
<b>Corporate Priorities</b>	
Budget Priorities Reserve	This reserve is being used to support the implementation of the Council's priorities and the Medium Term Financial Strategy.
Transformation Reserve	This reserve is needed to fund the implementation costs of the Council's Transformation programme. £10m proposed contribution assumed to be used in 2024/25 and 2025/26.
Zero Emissions Zone	This reserve holds surpluses generated by Network Coordination for the development and expansion of the ZEZ in the future years.
Youth Provision Reserve	Funding will be used in 2023/24 to manage pressures in Children's Services
<b>Subtotal Corporate Priorities</b>	
<b>Funding for Risk</b>	
Insurance Reserve	This reserve covers the County Council for insurance claims that, based on the previous experience of the County Council, are likely to be received, as well as a number of insurance related issues.
Demographic Risk Reserve	Held against High Needs DSG Risk
Council Elections	To meet the cost of the County Council elections every four years.
Redundancy Reserve	This reserve is available to fund redundancy costs arising from Transformational Change. Assumes half of the balance + half of new £10m is used in 2024/25 and half in 2025/26
Trading Accounts	Holds funds relating to traded activities which are carried forward each year (whether surplus or deficit).
Council Tax Collection Fund Reserve	This reserve holds any surplus/ deficit as a result of income from council tax being more or less than originally estimated
Business Rates Reserve	This reserve is to smooth the volatility of Business Rates income and to mitigate risk around future changes to Business Rates.
Collection Fund Reserve (NEW)	Create one new collection fund reserve and remove balances from Business Rates and CT reserves.
IFRS 9 Risk Reserve (NEW)	New reserve to smooth the potential impact of IFRS9 (changes in the value of Treasury Management Pooled Funds at year end) which may impact on the revenue account in 25/26 if the statutory override which removes changes in their value from the accounts ends on 1 April 2025.
<b>Subtotal Funding for Risk</b>	
<b>Capital &amp; Equipment</b>	
Capital & Prudential Borrowing Reserve	These reserves have been established for the purpose of financing capital expenditure in future years.
Vehicle and Equipment Reserve	To fund future replacement of vehicles and equipment
Investment Pump Priming Reserve	Funding held to meet the costs of self-financing schemes which require pump priming until the funds are returned.
<b>Subtotal Capital &amp; Equipment</b>	
<b>Other Reserves</b>	
Schools' Reserves	In accordance with the Education Reform Act 1988, the scheme of Local Management of Schools provides for the carry forward of individual schools surpluses and deficits. These reserves are committed to be spent on schools. Other School Reserves cover a number of miscellaneous education activities, including amounts loaned to individual schools against school reserves, and School Partnership Accounts which are operated in respect of inter-school activities.
Partnership Reserves	This relates to funding for the Growth Deal
On Street Car Parking Reserve	This surplus has arisen under the operation of the Road Traffic Regulation Act 1984 (section 55). The purposes for which these monies can be used are defined by statute.
<b>Subtotal Other Reserves</b>	
<b>Total Earmarked Reserves</b>	
DSG Unusable Reserve *	
<b>DSG High Needs deficit within Unusable Reserve *</b>	* total excluding positive balances (eg. new schools set up fund offset by High Needs Deficit)
<b>Total Earmarked Reserves after DSG Unusable Reserve</b>	