

Summary of Estimated Reserve Movements 31/03/2023 - 31/03/2026

Appendix 1

| | | Balance 31/03/23 | Transfers In | Transfers Out | Balance 31/03/24 | Transfers In | Transfers Out | Balance 31/03/25 | Transfers In | Transfers Out | Balance 31/03/26 |
|--|---|---------------------|--------------|------------------|---------------------|--------------|------------------|---------------------|--------------|------------------|---------------------|
| | | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| General Fund Balance | Minimum level of unallocated reserves, 5% of net revenue budget | (8,221) | (161) | 0 | (8,382) | 0 | 0 | (8,382) | 0 | 0 | (8,382) |
| Earmarked Reserves - General Fund | | | | | | | | | | | |
| Emergency Planning Reserve | To cover for unforeseen emergencies not budgeted for | (1,308) | 0 | 0 | (1,308) | 0 | 0 | (1,308) | 0 | 0 | (1,308) |
| Communications Reserve | To allow for investment in communications strategies and engaging with the public | (200) | 0 | 20 | (180) | 0 | 20 | (160) | 0 | 20 | (140) |
| Housing Benefit Subsidy Loss Reserve | To provide for any potential clawback from central government of housing benefit subsidy following audit of the annual housing subsidy claim. | (625) | 0 | 0 | (625) | 0 | 0 | (625) | 0 | 0 | (625) |
| Public Health Reserve | The Public Health Grant is ring-fenced so any underspend is carried forward and spent in future years | (949) | 0 | 0 | (949) | 0 | 0 | (949) | 0 | 0 | (949) |
| Schools Deficit Liability Reserve | To fund potential deficits of schools that may become academies in the future | (1,004) | 0 | 0 | (1,004) | 0 | 0 | (1,004) | 0 | 0 | (1,004) |
| Climate Change Revenue Reserve | To allow for revenue investment to address the climate emergency | (170) | 0 | 70 | (100) | 0 | 100 | 0 | (170) | 0 | (170) |
| Legal and Taxation Reserve | To meet potential one-off legal or tax liabilities | (1,360) | 0 | 330 | (1,030) | 0 | 0 | (1,030) | 0 | 0 | (1,030) |
| Commercial Property Liabilities Reserve | To manage urgent liabilities associated with the Council's property | (2,458) | 0 | 0 | (2,458) | 0 | 0 | (2,458) | 0 | 0 | (2,458) |
| Revenue Grant Unapplied Reserve* | To hold Revenue Grant balances where the conditions for use have been met but relevant expenditure has not yet been incurred | (10,516) | 0 | 0 | (10,516) | 0 | 0 | (10,516) | 0 | 0 | (10,516) |
| Self Insurance Reserve | To meet estimated liabilities in connection with internally-held risks related to the Council's Insurance programme | (2,314) | 0 | 0 | (2,314) | 0 | 0 | (2,314) | 0 | 0 | (2,314) |
| IT and Digital Reserve | To replace IT and digital equipment that has passed its useful life to improve operational efficiency | (2,338) | 0 | 255 | (2,083) | 0 | 0 | (2,083) | 0 | 0 | (2,083) |
| Transformation Reserve | To allow for potential slippage in the delivery of capital receipts to fund transformation as well as funding transformation projects beyond the end of the flexible capital receipts directive in 2024/25. | (8,806) | 0 | 500 | (8,306) | 0 | 2,500 | (5,806) | 0 | 5,406 | (400) |

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|--|--|---------------------|--------------|------------------|---------------------|--------------|------------------|---------------------|--------------|------------------|---------------------|
| | | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| Capital Financing Smoothing Reserve | To smooth funding across the period of the Medium Term Financial Strategy | (10,580) | (4,488) | 8,822 | (6,246) | 0 | 468 | (5,778) | 0 | 4,939 | (839) |
| Redundancy Reserve | To fund costs of redundancy | (345) | 0 | 0 | (345) | 0 | 0 | (345) | 0 | 0 | (345) |
| Demographic & Cost-Led Pressures Reserve | To provide for potential cost pressures arising from demographic or other demand led services | (2,000) | 0 | 0 | (2,000) | 0 | 0 | (2,000) | 0 | 0 | (2,000) |
| Abortive Capital Cost Reserve | To provide for the cost of feasibility studies that do not progress into capital schemes | (1,500) | 0 | 0 | (1,500) | 0 | 0 | (1,500) | 0 | 0 | (1,500) |
| Collection Fund Smoothing Reserve | To provide for the potential downturn in the economy that would reduce the level of Business Rates/Council Tax | (4,416) | 0 | 0 | (4,416) | 0 | 0 | (4,416) | 0 | 0 | (4,416) |
| Better Care Fund Reserve | To meet costs relating to the Hospital Discharge Scheme | (1,032) | 0 | 0 | (1,032) | 0 | 0 | (1,032) | 0 | 0 | (1,032) |
| Joint Legal Team Reserve | To fund JLT specific invest to save projects | (126) | 0 | 0 | (126) | 0 | 0 | (126) | 0 | 0 | (126) |
| Financial Resilience | To provide the Council with financial resilience in respect of implications from future local government funding reform including the business rates reset | (8,221) | (161) | 0 | (8,382) | (2,781) | 0 | (11,163) | (2,906) | 5,687 | (8,382) |
| DEGNS Strategic Reserve | To address acknowledged strategic challenges facing the Directorate including in the areas of capital programme delivery, driving forward major regeneration projects and securing funding, supporting Reading's economic recovery from the impacts of the pandemic and delivery of Directorate savings plans. | (154) | 0 | 50 | (104) | 0 | 50 | (54) | 0 | 54 | 0 |
| Energy | To mitigate against fluctuations in energy prices | (1,287) | 0 | 30 | (1,257) | 0 | 30 | (1,227) | 0 | 0 | (1,227) |
| Ministry of Justice | To fund overpaid liability orders | (119) | 0 | 0 | (119) | 0 | 0 | (119) | 0 | 0 | (119) |

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|---|---|---------------------|----------------|------------------|---------------------|----------------|------------------|---------------------|----------------|------------------|---------------------|
| | | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s | £000s |
| Pay & Inflationary Pressures | To mitigate against potential additional pay & inflationary pressures | 0 | (2,133) | 2,133 | 0 | (2,000) | 2,000 | 0 | (2,000) | 2,000 | 0 |
| Total Earmarked Reserves - General Fund | | (61,828) | (6,782) | 12,210 | (56,400) | (4,781) | 5,168 | (56,013) | (5,076) | 18,106 | (42,983) |
| Total Revenue Reserves | | (70,049) | (6,943) | 12,210 | (64,782) | (4,781) | 5,168 | (64,395) | (5,076) | 18,106 | (51,365) |
| Other Ringfenced Reserves | | | | | | | | | | | |
| Schools Reserves | | | | | | | | | | | |
| School Balances | Schools are able to carry forward any underspends on their budgets | (3,019) | 0 | 0 | (3,019) | 0 | 0 | (3,019) | 0 | 0 | (3,019) |
| Dedicated Schools Grant | This is in deficit due to overspends in high needs block. | 4,300 | 0 | 800 | 5,100 | 0 | 1,700 | 6,800 | 0 | 0 | 6,800 |
| Total Schools Reserves | | 1,281 | 0 | 800 | 2,081 | 0 | 1,700 | 3,781 | 0 | 0 | 3,781 |
| Housing Revenue Account (HRA) Reserves | | | | | | | | | | | |
| HRA | Cumulative HRA balance which is ringfenced to support the management and maintenance of the Council's housing stock and to fund the provision of new council housing. | (41,355) | 0 | 2,499 | (38,856) | 0 | 2,930 | (35,926) | 0 | 3,232 | (32,694) |
| North Whitley PFI | To provide a smoothing reserve for PFI payments | (9,815) | 0 | 392 | (9,423) | 0 | 455 | (8,968) | 0 | 520 | (8,448) |
| Total Housing Revenue Account (HRA) Reserves | | (51,170) | 0 | 2,891 | (48,279) | 0 | 3,385 | (44,894) | 0 | 3,752 | (41,142) |
| Total Revenue Reserves (including Other Ringfenced Reserves) | | (119,937) | (6,943) | 15,901 | (110,979) | (4,781) | 10,253 | (105,507) | (5,076) | 21,858 | (88,725) |