

Appendix 6 - Reserves Position as at 31st March 2023

		Balance 01/04/2022	2022/23 Transfers In	2022/23 Transfers Out	Current Balance	Proposals per 2022/23 Outturn	Balance 31/03/2023
		£m	£m	£m	£m	£m	£m
General Fund Balance	Minimum level of unallocated reserves, 5% of net revenue budget	(7.500)	(0.721)	0.000	(8.221)	0.000	(8.221)
Earmarked Reserves - General Fund							
Emergency Planning Reserve	To cover for unforeseen emergencies not budgeted for	(0.610)	(0.698)	0.000	(1.308)	0.000	(1.308)
Communications Reserve	To allow for investment in communications strategies and engaging with the public	(0.200)	0.000	0.000	(0.200)	0.000	(0.200)
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.	(0.600)	(0.025)	0.000	(0.625)	0.000	(0.625)
Public Health Reserve	The Public Health Grant is ring-fenced so any underspend is carried forward and spent in future years	(0.906)	(0.161)	0.000	(1.067)	0.000	(1.067)
Schools Deficit Liability Reserve	To fund potential deficits of schools that may become academies in the future	(0.674)	(0.330)	0.000	(1.004)	0.000	(1.004)
Climate Change Reserve	To allow for investment to address the climate emergency	(0.220)	(0.006)	0.000	(0.226)	0.000	(0.226)
Legal and Taxation Reserve	To meet potential one-off legal or tax liabilities	(0.300)	(1.060)	0.000	(1.360)	0.000	(1.360)
Pension Liabilities Reserve	To cover potential future Pension Fund liabilities arising from employer pension contribution rate fluctuations	(1.100)	0.000	1.100	0.000	0.000	0.000
Commercial Property Liabilities Reserve	To manage urgent liabilities associated with the Council's property	(1.700)	(1.100)	0.000	(2.800)	0.000	(2.800)
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	(30.031)	(9.009)	21.501	(17.539)	0.000	(17.539)
Self Insurance Reserve	To meet estimated liabilities in connection with internally-held risks related to the Council's Insurance programme	(2.756)	(0.442)	0.000	(3.198)	0.000	(3.198)
IT and Digital Reserve	To replace IT and digital equipment that has passed its useful life to improve operational efficiency	(2.591)	0.000	0.000	(2.591)	0.000	(2.591)

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			Transfers In	Transfers Out			
		£m	£m	£m	£m	£m	£m
Transformation Reserve	To allow for potential slippage in the delivery of capital receipts to fund transformation as well as funding tranformation projects beyond the end of the flexible capital receipts directive in 2024/25.	(8.015)	0.000	1.051	(6.964)	0.000	(6.964)
Capital Financing Smoothing Reserve	To smooth funding across the period of the Medium Term Financial Strategy	(15.420)	0.000	8.715	(6.705)	(3.410)	(10.115)
Redundancy Reserve	To fund costs of redundancy	(0.345)	0.000	0.000	(0.345)	0.000	(0.345)
Demographic & Cost-Led Pressures Reserve	To provide for potential cost pressures arising from demographic or other demand led services	(2.000)	0.000	0.000	(2.000)	0.000	(2.000)
Abortive Capital Cost Reserve	To provide for the cost of feasibility studies that do not progress into capital schemes	(1.500)	0.000	0.027	(1.473)	0.000	(1.473)
Collection Fund Smoothing Reserve	To provide for the potential downturn in the economy that would reduce the level of Business Rates/Council Tax	(6.196)	0.000	3.300	(2.896)	0.000	(2.896)
Better Care Fund Reserve	To meet costs relating to the Hospital Discharge Scheme	(1.032)	(0.788)	0.000	(1.820)	0.000	(1.820)
Joint Legal Team Reserve	To fund JLT specific invest to save projects	(0.126)	0.000	0.000	(0.126)	0.000	(0.126)
Financial Resilience	To provide the Council with financial resilience in respect of unforeseen events	(2.530)	(5.691)	0.000	(8.221)	0.000	(8.221)
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.	(0.184)	0.000	0.030	(0.154)	0.000	(0.154)
Archives	Archives partnership funds	(0.031)	0.000	0.000	(0.031)	0.000	(0.031)
Energy	To mitigate against fluctuations in energy prices	(0.791)	(0.496)	0.000	(1.287)	0.000	(1.287)
Procurement Training	To fund one-off trainingto support the new Hub and Spoke Operating Model	(0.050)	0.000	0.050	0.000	0.000	0.000
Ministry of Justice	To fund overpaid liability orders	(0.119)	0.000	0.000	(0.119)	0.000	(0.119)
Health & Safety	To fund a temporary Risk Management Officer	0.000	0.000	0.000	0.000	(0.071)	(0.071)
Project Management Office	To fund temporary support to the Project Management Office	0.000	0.000	0.000	0.000	(0.210)	(0.210)

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			Transfers In	Transfers Out			
		£m	£m	£m	£m	£m	£m
Hardship Fund	To fund hardship relief	0.000	0.000	0.000	0.000	(0.500)	(0.500)
Total Earmarked Reserves - General Fund		(80.027)	(19.806)	35.774	(64.059)	(4.191)	(68.250)
Total Revenue Reserves		(87.527)	(20.527)	35.774	(72.280)	(4.191)	(76.471)

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			Transfers In	Transfers Out			
		£m	£m	£m	£m	£m	£m
Other Ringfenced Reserves							
Schools Reserves							
School Balances	Schools are able to carry forward any underspends on their budgets	(3.019)	1.915	(0.381)	(1.485)	0.000	(1.485)
Dedicated Schools Grant	This is in deficit due to overspends in high needs block. This is planned to be repaid by 31st March 2024	2.164	1.299	0.000	3.463	0.000	3.463
Total Schools Reserves		(0.855)	3.214	(0.381)	1.978	0.000	1.978
Housing Revenue Account (HRA) Reserves							
Housing Revenue Account	Represents the balance carried forward on these accounts	(41.148)	0.000	3.158	(37.990)	0.000	(37.990)
North Whitley PFI	To provide a smoothing reserve for PFI payments	(10.147)	(0.073)	0.000	(10.220)	0.000	(10.220)
Total Housing Revenue Account (HRA) Reserves		(51.295)	(0.073)	3.158	(48.210)	0.000	(48.210)
Total Revenue Reserves (including Other Ringfenced Reserves & HRA)		(139.676)	(17.386)	38.551	(118.511)	(4.191)	(122.702)