

## Reserves

<b>Forecast Movements in City Fund Usable Reserves 2021/22</b>				
	Notes	Estimated Opening Balance 1 Apr 2021 £m	Forecast Net Movement in Year £m	Estimated Closing Balance 31 Mar 2022 £m
<b>Revenue Usable Reserves</b>				
General Reserve	a	20.0	-	20.0
Earmarked				
Major Projects Financing Reserve	b	94.3	(13.8)	80.5
Police Future Expenditure	c	0.0	-	0.0
Highways Improvements	d	30.0	8.2	38.2
VAT Reserve	e	4.2	-	4.2
Proceeds of Crime Act	f	0.0	-	0.0
Judges Pensions	g	1.1	-	1.1
Public Health	h	0.8	-	0.8
Renewals and Repairs	i	0.5	-	0.4
Service Projects	j	5.5	-	10.2
Total Revenue Earmarked		156.4	(5.6)	150.8
Housing Revenue Account (HRA)	k	(0.4)	(0.1)	(0.5)
<b>Total Revenue Usable Reserves</b>		<b>156.0</b>	<b>(5.7)</b>	<b>150.3</b>
<b>Capital Usable Reserves</b>				
Capital Receipts Reserve	l	102.4	(29.0)	73.4
Capital Grants Unapplied	m	20.7	(14.1)	6.6
HRA Major Repairs Reserve	k	0.2	0.0	0.2
<b>Total Capital Usable Reserves</b>		<b>123.3</b>	<b>(43.1)</b>	<b>80.2</b>
<b>Total Usable Reserves</b>		<b>279.3</b>	<b>(48.8)</b>	<b>230.5</b>

Notes

- a. General Reserve – The accumulated balance from annual surpluses or deficits on the City Fund Revenue Account less any transfers to, or plus any transfers from, earmarked reserves.
- b. Major Projects Financing Reserve – This reserve will contain the balance of the general reserve above £20m to fund investment in major projects, either as a direct revenue contribution or to generate income to fund revenue costs.
- c. Police Reserve - Revenue expenditure for the City Police service is cash limited. Underspends against this limit may be carried forward as a reserve to the following financial year and overspends are required to be met from this reserve.
- d. Highway Improvements - Created from on-street car parking surpluses to finance future highways related expenditure and projects as provided by

section 55 of the Road Traffic Regulation Act 1984, as amended by the Road Traffic Act 1991.

- e. VAT Reserve – Should the City Corporation no longer be able to recover VAT incurred on exempt services as a result of exceeding the 5% partial exemption threshold, this reserve will be the first call for meeting the associated costs.
- f. Proceeds of Crime Act – Cash forfeiture sums awarded to the City. Under the guidelines of the scheme, the funds must be ringfenced for crime reduction initiatives.
- g. Judges Pensions - Sums set aside to assist with the City of London's share of liabilities.
- h. Public Health - established from ring-fenced grant allocations. The grant must be used on activities whose main or primary purpose is to improve the public health of local populations.
- i. Renewals and Repairs – Sums obtained on the surrender of headleases and set aside to fund cyclical maintenance and repair works to the property and void costs.
- j. A number of reserves for service specific projects and activities where the balance on each individual reserve is less than £0.5m have been aggregated under this generic heading.
- k. These reserves are ringfenced by statute to the Housing Revenue Account.
- l. The capital receipts reserve will be exhausted due to the City's commitment to Major projects over the life of the MTFP, subject to further receipts being received.
- m. Capital grants and contributions received for specific purposes. This includes receipts from the City's Community Infrastructure Levy.