

Reserves

Forecast Movements in City Fund Usable Reserves 2022/23				
	Notes	Estimated Opening Balance	Forecast Net Movement in Year	Estimated Closing Balance
		01-Apr-22		31-Mar-23
		£m	£m	£m
Revenue Usable Reserves				
General Reserve	a	20.0	0.0	20.0
Earmarked				
Major Projects Financing Reserve	b	60.7	(21.8)	44.9
Business Rate Equalisation	c	10.2	(10.2)	0.0
Highways Improvements	d	47.8	(14.7)	33.1
Risk Reserve	e	30.0	0	30.0
Build Back Better Fund	f	16.7	(1.7)	15.0
London Pool Strategic Investment Pot	g	8.8	(8.8)	0.0
Police Future Expenditure	h	3.5	0.0	3.5
VAT Reserve	i	4.2	0.0	4.2
Renewals and Repairs	j	3.5	0.0	3.5
Proceeds of Crime Act	k	2.2	0.0	2.2
Judges Pensions	l	1.1	0.0	1.1
Service Projects	m	9.6	0.0	9.6
Total Revenue Earmarked		218.3	(57.2)	167.1
Housing Revenue Account (HRA)	n	0.6	0.2	0.8
Total Revenue Usable Reserves		218.9	(57.0)	167.9
Capital Usable Reserves				
Capital Receipts Reserve	o	157.1	(38.3)	118.8
Capital Grants Unapplied	p	30.6	(10.8)	19.8
HRA Major Repairs Reserve	q	0.3	0.0	0.3
Total Capital Usable Reserves		188.0	(49.1)	138.9
Total Usable Reserves		406.9	(106.1)	306.8

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. Business Rate Equalisation Reserve - Will be used to fund collection fund deficits that will be accounted for in future years following govt support for business during the COVID-19 pandemic.
- 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. Risk Reserve – Additional fund set aside to manage the uncertainties stemming from COVID-19 on income and expenditure.
- f. Build Back Better Fund – funds set aside to support the economic recovery following the pandemic and climate action goals.
- g. London Pool Strategic Investment Pot - This relates to yet to be allocated SIP funds generate through the London NNDR Pool. The City Corporation acts a lead authority for the pool and in that role holds these fund on behalf of London.
- h. 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.
- i. 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.
- j. Renewals and Repairs – Sums set aside for future repairs and maintenance costs.
- k. 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.
- l. Judges Pensions - Sums set aside to assist with the City of London's share of liabilities.
- m. 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.
- n. These reserves are ringfenced by statute to the Housing Revenue Account.
- o. 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.

Appendix C

- p. Capital grants and contributions received for specific purposes. This includes receipts from the City's Community Infrastructure Levy.
- q. HRA Major Repair Reserve – funds set aside to finance HRA capital expenditure.