

APPENDIX 4: Earmarked reserves

Reserve	01-Apr-18	Movement	31-Mar-19	Purpose
	£000s	£000s	£000s	
Building Schools for the Future (BSF) Affordability Reserve	-9,703	1,888	-7,815	PFI Reserves
Capital Investment Reserve	-39,952	23,665	-16,287	To be used to finance the Council's Capital Investment Programme.
Corporate Initiatives Reserve	-871	0	-871	To fund the implementation of projects that support the Council's cross-cutting corporate initiatives.
Early Exit Costs Reserve	-5,069	0	-5,069	To assist in meeting future years additional pension costs.
Earmarked Reserves with a balance at 31 March 2019 under £0.500m	-4,891	363	-4,528	Various
Hard Facilities Management Service Contract Reserve	-703	36	-668	To fund the affordability gap within the Facilities Management service.
Hattersley Reserve	-1,812	0	-1,812	To finance highway improvements and regeneration initiatives in Hattersley.
Health Equalities Reserve	-3,005	399	-2,605	Ringfenced Public Health reserve per section 10 of the Department of Health Grant determination.
Health Integration Reserve	-3,348	-632	-3,980	To support the development and implementation of the Care Together Programme.
Insurance Reserves	-6,228	-4,003	-10,231	An estimate of claims incurred but not reported. Includes element to cover any expenditure for insurance claims.
Medium Term Financial Strategy Reserve	-37,375	15,005	-22,370	To support the delivery of the Medium Term Financial Strategy.
PFI Reserve	-3,222	-33	-3,255	For further information please see Note 28.
School Funding Reserve	-4,294	999	-3,295	Balance of Education grants to be utilised on Education and School related services.
Transport Replacement Fleet Reserve	-2,412	-236	-2,648	To fund future maintenance of vehicles procured via Prudential Borrowing.
Unspent Revenue Grant and Contribution Reserve	-8,487	341	-8,146	Unspent revenue grant, with no conditions attached. IFRS require these grants to be classed as reserves.

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Waste PFI Reserve	-6,515	0	-6,515	To smooth the impact of future years levy increases and associated managed collection costs.
Collection Fund Reserves	-3,472	-7,398	-10,871	Additional business rates income from the 100% retention pilot and a contingency balance to smooth the impact of unexpected deficits.
Care Together	-10,800	0	-10,800	To assist any funding risks of the implementation of the Care Together Programme
Service Improvement	-5,000	-500	-5,500	To support one off service improvements in future to allow services to balance budgets.
Children's Services	-3,400	3,400	0	To support if required future demands on Children's Services and delivery of the Children's Services Improvement Plan.
Total	-160,562	33,295	-127,267	

The overall reduction in earmarked reserves during 2019/20 is £33,295k which is net of both use of reserves and contributions to reserves. The significant movements in reserves during 2018/19 reflect:

- **BSF Reserves** – Planned use of reserves in accordance with the PFI accounting models. This is a smoothing reserve and will reduce to nil over the life of the PFI contracts.
- **Capital Investment Reserve** – planned use to fund the Capital Programme in 2018/19. The remaining balance on this reserve is expected to be fully utilised in 2019/20.
- **Insurance reserves** – amounts have been moved from the insurance provision to the reserve following an actuarial insurance review in 2019/20. The level of provision and reserve reflects the advice of the independent insurance expert.
- **Medium Term Financial Strategy Reserve** – planned use to fund additional investment in Children's Services (with the balance coming from the Children's Services reserve) and Strategic Investment in Manchester Airport.
- **School Funding Reserve** – Planned use of grants ring fenced for Schools and Education.
- **Collection Fund Reserves** – Contributions to this reserve reflect additional business rates income arising from the 100% retention pilot and additional section 31 grants relating to business rates reliefs.
- **Children's Services** – planned use of the reserve to support additional investment in Children's Services during 2018/19 (with the balance being funded from the Medium Term Financial Strategy Reserve). Planned use of reserves for Children's services in 2019/20 and 2020/21 will need to be funded from the Medium Term Financial Strategy Reserve.