

Appendix 4

Reserves

Management of Council Reserves

1. The Council's Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.
2. The opening balance at 1st April 2019 in the Council's General Reserves was £10.3m as published in the Council's Statement of Accounts for 2018/19.
3. The updated Risk Assessment for 2019/20 provided for the Minimum Level to increase to £12.0m. The Reserves Strategy for 2019/20 set out a planned contribution from earmarked reserves of £1.7m to the general reserve in 2019/20.
4. Following an update to the Risk Assessment for 2020/21, the minimum level has been retained at £10.3m.
5. The Council also maintains Earmarked Revenue reserves for specific purposes. At 31 March 2020 balances on these reserves stood at £40.1m, excluding balances held by Schools.
6. At the end of 2018/19 a central contingency referred to as the MTFFS (Medium Term Financial Strategy) Reserve was created to support in-year pressures against the 2019/20 revenue budget. Use of this earmarked reserve has been subject to approval of robust business cases.

7. **Table 1** shows the total reserves at the end of March 2019/20. Overall the Council remains in a strong financial position given the major challenges across the public sector.

Table 1 – Reserves Position

	£m
General Reserve	10.3
Earmarked Reserves (excluding Schools)	40.1
Total Reserves Balance at 31 March 2020	50.4

8. Further details of individual reserves are provided in Table 2.

Table 2 – Earmarked Reserves (excluding Schools)

Earmarked Reserves	Balance at 31 March 2019	Transfers Out 2019/20	Transfers in 2019/20	Balance at 31 March 2020
	£000	£000	£000	£000
People:				
PFI Equalisation - Extra Care Housing	(2,373)	0	(131)	(2,504)
Public Health	(627)	1	(352)	(979)
Other Useable reserves (<£500,000 in value)	(539)	273	0	(266)
Place:				
Investment (Sustainability) & Place restructure	(705)	23	0	(683)
Royal Arcade Crewe	(500)	401	0	(99)
Spatial Planning	(730)	326	(234)	(638)
Investment Portfolio	0	0	(558)	(558)
Other Useable reserves (<£500,000 in value)	(1,760)	1,209	(1,038)	(1,589)
Corporate:				
Brighter Future Transformation Programme	(1,000)	90	0	(910)
Collection Fund Management	(5,009)	4,063	(5,138)	(6,084)
Financing Reserve	(11,539)	4,451	(1,991)	(9,079)
Insurance Reserve - Cheshire County Fund	(570)	734	(277)	(113)
Insurance Reserve - Cheshire East Fund	(4,506)	2,164	(1,432)	(3,774)
New Homes Bonus Community Fund	(1,000)	1,860	(1,000)	(140)
Other Useable reserves (<£500,000 in value)	(804)	329	(2)	(477)
Central:				
MTFS Reserve	(6,426)	3,987	(1,001)	(3,439)
Revenue Grants Transferred to Earmarked Reserves	(5,446)	5,577	(8,931)	(8,800)
Trading Reserve	(2,161)	2,205	(44)	(0)
Total General Fund Reserves	(45,697)	27,692	(22,128)	(40,133)