

**Council 3 March 2023**  
**Council Tax Resolution for 2023/24**  
**Appendix 3: Reserves Forecast 2023-26**

**Reserves Forecast 2023-26**

	Forecast Closing Balance						Purpose
	Forecast Closing Balance Mar-23	Withdraw	Addition	Mar-24	Mar-25	Mar-26	
	£000	£000	£000	£000	£000	£000	
<b>Schools Reserve</b>	14,000	0	0	14,000	14,000	14,000	
<b>General Fund Reserves</b>							
Statutory Reserves	19,480	(13,436)	9,350	15,394	11,330	9,389	
Earmarked Reserves	301,188	(65,232)	26,198	262,154	198,640	138,183	
General Fund Reserve	23,527	0	0	23,527	23,527	23,527	
<b>Total General Fund</b>	<b>344,195</b>	<b>(78,668)</b>	<b>35,548</b>	<b>301,075</b>	<b>233,497</b>	<b>171,099</b>	
<b>Housing Revenue Account Reserves:</b>							
Housing Revenue Account General Reserve	58,950	(21,654)	0	37,296	11,542	10,037	
Major Repairs Reserve	4,173	0	0	4,173	4,173	4,173	
HRA PFI reserve	10,000	0	0	10,000	10,000	10,000	
HRA Residual liabilities fund	24,000	0	0	24,000	24,000	24,000	
Housing Insurance reserve	2,500	0	0	2,500	2,500	2,500	
<b>Total HRA</b>	<b>99,624</b>	<b>(21,654)</b>	<b>0</b>	<b>77,970</b>	<b>52,216</b>	<b>50,711</b>	
<b>TOTAL RESERVES</b>	<b>457,820</b>	<b>(100,322)</b>	<b>35,548</b>	<b>393,045</b>	<b>299,714</b>	<b>235,811</b>	
<b>SCHOOLS RESERVE</b>							

	Forecast Closing Balance						Purpose
	Forecast Closing Balance Mar-23	Withdraw	Addition	Mar-24	Mar-25	Mar-26	
	£000	£000	£000	£000	£000	£000	
LMS Reserve	14,000	0	0	14,000	14,000	14,000	School balances assumed year-end position. These are not Council resources and so cannot be used by MCC.
<b>Sub Total Schools</b>	<b>14,000</b>	<b>0</b>	<b>0</b>	<b>14,000</b>	<b>14,000</b>	<b>14,000</b>	
<b>STATUTORY RESERVES</b>							
Bus Lane Enforcement Reserve	6,458	(4,992)	3,200	4,666	2,874	1,082	Ring-fenced reserve which can only be applied to specific transport, environmental and highways related activity.
On Street Parking	6,364	(8,154)	6,150	4,360	2,378	2,342	Ring-fenced reserve which can only be applied to specific transport and highways related activity.
Ancoats Square Reserve	2,467	(231)	0	2,236	2,005	1,892	Received from the Homes and Communities Agency to cover the revenue costs of maintaining Ancoats Square for a period of at least 25 years.
Taxi Licensing Reserve	1,012	0	0	1,012	1,012	1,012	This is a smoothing reserve to equalise the income and expenditure of running the function over financial years. Income ring-fenced by statute.
Spinningfields Commuted Sum	629	(9)	0	620	611	611	Funds received as part of an agreement to cover maintenance costs.
St Johns Gardens Contingency	955	(50)	0	905	855	855	Contribution from St Johns Gardens tenants for maintenance works
New Smithfield Market	441	0	0	441	441	441	To contribute towards funding the development plans for the market
Great Northern Square Maintenance Fund	269	0	0	269	269	269	Set up in accordance with the agreement with the developers of the site. It will be used for upgrading of the square.
Art Fund Reserve	31	0	0	31	31	31	For art purchases
Manchester Move Reserve	210	0	0	210	210	210	To managed waiting list for Registered Providers
Manchester Safeguarding	191	0	0	191	191	191	Children's Safeguarding Board activity. The Board is a joint responsibility with MCC & CCG
Hulme High Street	283	0	0	283	283	283	Historic service charge levied by Hulme High Street Ltd

	Forecast Closing Balance						Purpose
	Forecast Closing Balance Mar-23	Withdraw	Addition	Mar-24	Mar-25	Mar-26	
	£000	£000	£000	£000	£000	£000	
West Gorton Park Reserve	170	0	0	170	170	170	For spend on play equipment over the next 10 - 15 years
<b>TOTAL</b>	<b>19,480</b>	<b>(13,436)</b>	<b>9,350</b>	<b>15,394</b>	<b>11,330</b>	<b>9,389</b>	
<b>EARMARKED RESERVES</b>							
<b>BALANCES HELD FOR PFI'S</b>							
Street Lighting PFI	0	0	0	0	0	0	Established to fund the requirements over 25 years re: the PFI contract for Street Lighting service via external contractors
Temple PFI	392	(29)	8	371	283	0	Established to fund the requirements of the PFI scheme over 25 years
Wright Robinson PFI Reserve	1,437	(4)	40	1,473	1,368	1,105	PFI Scheme 25 year contract drawdown will be in future years as expenditure exceeds grant.
<b>TOTAL</b>	<b>1,829</b>	<b>(33)</b>	<b>48</b>	<b>1,844</b>	<b>1,651</b>	<b>1,105</b>	
<b>MANAGING ECONOMIC AND COMMERCIAL RISKS</b>							
Business Rates Reserve	13,816	(490)	8,999	22,325	21,835	11,231	To mitigate Business Rates income risk due to the volatility of assumptions
Airport Dividend reserve	14,189	(1,073)	0	13,116	0	0	The income in the reserve is from the Manchester airport dividend which is then used in arrears to support the Medium Term Financial Plan
Planning Reserve	3,148	(480)	0	2,668	2,184	2,184	Used to smooth the volatility of planning fee income to avoid budget pressures if fee income reduces
Investment Estate smoothing reserve	466	0	0	466	466	466	To manage budget pressures due to the volatility in investment income.
Land Charges Fees Reserve	244	(50)	0	194	144	144	To smooth the budget impact, planned to utilise in 2020/21
<b>TOTAL</b>	<b>31,862</b>	<b>(2,093)</b>	<b>8,999</b>	<b>38,768</b>	<b>24,628</b>	<b>14,024</b>	
<b>INSURANCE FUND</b>							

	Forecast Closing Balance						Purpose
	Forecast Closing Balance Mar-23	Withdraw	Addition	Mar-24	Mar-25	Mar-26	
	£000	£000	£000	£000	£000	£000	
Insurance Fund	17,335	(500)	0	16,835	16,335	16,335	The insurance fund has been established to fund risks that are self insured.
<b>RESERVES THAT WILL BE UTILISED TO SUPPORT THE DELIVERY, FINANCING AND RISK OF THE CAPITAL STRATEGY</b>							
Capital Fund Reserve	81,875	(20,112)	10,717	72,480	47,880	23,038	Contribution to schemes which are supporting employment and growth, future carbon reduction investments and high priority strategic development opportunities in the city. Acts as a buffer for the capital financing reserve if required
Capital Financing Reserve	34,730	0	0	34,730	34,730	34,730	Capital Financing Reserve: Held to fund expected future increases in borrowing costs linked to the Council's capital investment programme and significant level of internal borrowing. The reserve will be used to mitigate the impact on the revenue budget of increased borrowing levels in the future.
Investment Reserve	8,888	(2,189)	0	6,699	4,470	2,576	To deliver priority regeneration projects.
Town Hall Reserve	8,502	(3,124)	0	5,378	1,951	1,951	To fund revenue costs including decant costs, for the Town Hall Complex Programme
Enterprise zone reserve	2,558	(99)	500	2,959	3,357	3,750	To underwrite the borrowing costs for development in the Oxford Road Corridor
Manchester International Festival	9,173	(1,250)	0	7,923	6,923	6,123	To fund agreed future Manchester International Festivals / Factory International grant from the reserve. Grant agreement will be aligned to the Arts Council England funding cycle.
Eastlands Reserve	7	(4,389)	5,137	755	1,823	823	This reserve reflects the contribution from Manchester City Football Club and will be used for various projects including English Institute of Sport. Use of the reserve has to be agreed with Sport England.
Highways Commuted Sum	4,305	(89)	0	4,216	4,127	4,038	Contributions towards future maintenance
<b>TOTAL</b>	<b>150,037</b>	<b>(31,252)</b>	<b>16,354</b>	<b>135,139</b>	<b>105,260</b>	<b>77,028</b>	

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	Forecast Closing Balance Mar-23	Withdraw	Addition	Mar-24	Mar-25	Mar-26	
	£000	£000	£000	£000	£000	£000	
<b>RESERVES HELD TO SUPPORT DELIVERY AND RISK IN THE MTFP</b>							
Budget smoothing reserve	48,731	(2,300)	0	46,431	36,908	17,758	Planned use to smooth the impact of budget shortfalls to mitigate likely future funding reductions whilst cuts and savings are developed and implemented.
Integration Reserve	0	0	0	0	0	0	The reserve is a joint resource between Manchester City Council and NHS ICS to support the infrastructure requirements that underpin the mobilisation of the Locality Plan.
Transformation Reserve	8,609	(1,833)	0	6,776	5,276	3,776	Includes £1.5m a year for three years to fund the revenue costs of the ERP project. A balance is held to support future change programmes and the budget impact of any VER/VS costs.
Supporting Families Reserve	2,439	(800)	0	1,639	439	0	To support the Thriving Families initiative, a whole family, strengths-based approach to child protection.
Clean City	0	0	0	0	0	0	To support clean and green initiatives including litter bin installations, park clean ups, knotweed and hogweed clearances and other waste and recycling activities.
St. John's Growth Zone	1,156	(1,156)	0	0	0	0	Growth in business rates income in the St Johns footprint, used to support budget
Our Manchester reserve	389	(237)	0	152	0	0	Additional investment made available as part of the 2017-2020 budget process to drive forward the delivery of Our Manchester initiatives
Adult Social Care	7,633	(5,010)	0	2,623	174	0	To support Adult and Social Care Improvement Plan
Children's Social Care Reserve	0	0	0	0	0	0	To address pressures in social care, in particular the need to invest in early help and prevention in Children's Services and continued pressures on LAC budgets
Homelessness Reserve	1,946	(1,946)	0	0	0	0	To offset potential increases in need / demand
<b>TOTAL</b>	<b>70,903</b>	<b>(13,282)</b>	<b>0</b>	<b>57,621</b>	<b>42,797</b>	<b>21,534</b>	
<b>RESERVES HELD FOR ACCOUNTING PURPOSES</b>							

	Forecast Closing Balance						Purpose
	Forecast Closing Balance Mar-23	Withdraw	Addition	Mar-24	Mar-25	Mar-26	
	£000	£000	£000	£000	£000	£000	
Business Rates - COVID-19	7,166	(7,166)	0	0	0	0	Business rates relief provided over the pandemic and funded by Government. Applied to offset Collection Fund deficit in arrears.
MAES Reserve	1,359	(449)	0	910	910	910	To fund Manchester Adult Education Services (MAES)
Children's Services Reserve	3,402	(2,797)	0	605	0	0	Various Children's grants being used over more than one year
Collection Initiatives Reserve	3,489	(777)	0	2,712	1,712	1,712	Previous years underspends and one-off grant funding, to be fund ongoing Resident and Welfare Support programmes.
English Partnership (Homes and Communities Agency)	569	(90)	0	479	479	479	HCA approval required to Fund Development appraisal and Eastland's Project team
Other Grants and Contributions - Neighbourhood Services	619	0	0	619	619	619	Various local Environment scheme and initiatives i.e. 'clean up campaigns'
Other Grants and Contributions- Growth and Development	199	0	0	199	199	199	Unspent grants received in previous year
Fraud Fund	136	(68)	0	68	0	0	Unspent grant received in previous year
Deprivation of Liberty Grant	149	(149)	0	0	0	0	Unspent grant received in previous year
Asylum Seekers	359	(92)	0	267	267	0	This will fund the Local Authority Asylum Support Officer (LAASLO) project.
Flood management reserve	37	(37)	0	0	0	0	Unspent grant received in previous year
Department for Transport Grants Reserve	33	0	0	33	33	33	Unspent grant received in previous year
Afghan Families	1,000	(1,000)	0	0	0	0	Unspent grant funding for Afghan families in the city to provide support and temporary accommodation until a permanent offer is identified. This will be applied in 2023/24
Ukrainian Families	1,000	(1,000)	0	0	0	0	Unspent grant funding for Ukrainian families placed in sponsor homes. This provides support for a 12 month period from arrival date and will be applied in 2023/24

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	£000	£000	£000	£000	£000	£000	
Local Authority Housing fund	980	(980)	0	0	0	0	Unspent grants funding to provide housing and accommodation to Afghan and Ukrainian families currently supported with temporary accommodation arrangement. This will be applied in 2023/24
<b>TOTAL</b>	<b>20,497</b>	<b>(14,605)</b>	<b>0</b>	<b>5,892</b>	<b>4,219</b>	<b>3,952</b>	
<b>OTHER SPECIFIC RESERVES</b>	<b>0</b>			<b>0</b>			
Making Manchester Fairer	4,410	(2,430)	0	1,980	1,080	1,080	Funding for Making Manchester Fairer including kickstarter schemes
Fleet Maintenance Reserve	67	(92)	25	0	0	0	Reserve created for smoothing the impact of vehicle repair and maintenance costs.
Cleopatra Reserve	250	(130)	0	120	0	0	Balance to support legal costs relating to the CSE review programme
Newton Heath Market Reserve	22	0	0	22	22	22	To fund the future market provision
Landlord Licensing Reserve	100	0	100	200	300	300	This reserve holds the funding for investigation into poor property conditions in the private rented sector in Manchester with the purpose of improving housing conditions for tenants by enforcing compliance with statutory regulations and standards.
Selective Licensing reserve	4	0	117	121	669	669	Costs for administering the reputable landlord initiative and ensure compliance
Pension Risk Fund	518	0	0	518	518	518	To fund external pension liabilities
Nuclear Free Zone	43	(5)	0	38	33	33	General reserve/ GM contributions. At the end of the year any surplus/deficit is adjusted in the reserve
Carbon Reduction Reserve	684	(400)	0	284	79	79	To fund revenue initiatives which support the target for Manchester to become a zero carbon city by 2038 at the latest and specifically, to support the delivery of the Council's 2020-25 Action Plan
End User Device Reserve	1,030	0	515	1,545	60	575	To support ongoing ICT replacement programme.

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	Forecast Closing Balance Mar-23	Withdraw	Addition	Mar-24	Mar-25	Mar-26	
	£000	£000	£000	£000	£000	£000	
Councils with ALMOs Group (CWAG) Reserve	82	(82)	0	0	0	0	Held in relation to the running costs of the Council With ALMOs Group which is administered by MCC
Graves and Memorials	97	0	0	97	97	97	Money held in trust for repair and development costs for gravestones
Trading Standards Reserve	93	(36)	0	57	21	21	Specific grants such as Tobacco control, control of migration etc.
Housing Compliance Reserve (Fixed Penalty Notices)	505	(82)	0	423	341	341	Revenue collected from enforcement activity is ring-fenced to functions related to Housing Compliance.
Community Safety Reserve	445	(100)	0	345	245	145	A collection of grants the majority of which require spending plans to be agreed with key partner organisations such as GM Police.
Litter Reserve (Fixed Penalty Notices)	132	0	0	132	132	132	Under Government regulations reserve is ringfenced to a small number of specific projects.
Great Ancoats Management Improvement Reserve	192	(20)	0	172	152	152	Specific reserve for use within defined areas within Great Ancoats. Spending plans still under discussion.
Social Value Fund	52	(90)	40	2	2	42	Reserve for Social Funding income from successful tenders
<b>TOTAL</b>	<b>8,726</b>	<b>(3,467)</b>	<b>797</b>	<b>6,056</b>	<b>3,751</b>	<b>4,205</b>	
<b>TOTAL EARMARKED RESERVES</b>	<b>301,188</b>	<b>(65,232)</b>	<b>26,198</b>	<b>262,154</b>	<b>198,640</b>	<b>138,183</b>	
<b>Grand Total General Fund Reserves</b>	<b>358,195</b>	<b>(78,668)</b>	<b>35,548</b>	<b>315,075</b>	<b>247,497</b>	<b>185,099</b>	