



Resources and Equality Scrutiny Panel

13 October 2022

Report title	Reserves Working Group	
Cabinet member with lead responsibility	Councillor Obaida Ahmed Resources and Digital City	
Wards affected		
Accountable director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee(s)	Alison Shannon	Chief Accountant
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Report to be/has been considered by		

Recommendations for action or decision:

The Scrutiny Panel is recommended to:

1. Approve the terms of reference for the Reserves Working Group
2. Accept nominations for and approve the membership of the Reserves Working Group

1.0 Purpose

- 1.1 The purpose of this report is to establish the terms of reference for a working group to review the Council's earmarked reserves and to agree the membership of the working group which meets annually for this purpose.

2.0 Background

- 2.1 Reserves are made up of revenue resources which have been set aside by the Council in previous financial years in order to fund specific items of expenditure in the future. The timing and certainty of this future expenditure varies, depending on the nature of the related spend.
- 2.2 Under the Council's financial procedure rules, the establishment or dissolution of reserves require the approval of the Cabinet (Resources) Panel. Reserves must also be reviewed for relevance and adequacy at least twice per financial year, as part of the outturn and budget preparation processes.
- 2.3 Reserves are currently being reviewed as part of the budget process. As in previous years, it is proposed that a reserves working group is established to scrutinise the reserves and seek the views and observations of members of the working group as to the appropriateness of the reserves that are held by the Council. It is proposed that this working group meet during November 2022.

4.0 Reserves Working Group

- 4.1 The proposed terms of reference are provided at Appendix 1.
- 4.2 The panel is requested to make nominations for the Reserves Working Group and degree the membership of the group.

5.0 Financial implications

- 5.1 There are no direct financial implications arising from the recommendations of this report, although the establishment of the working group contributes to the financial transparency and governance of the council.
[AS/03102022/F]

6.0 Legal implications

- 6.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.

7.0 All other implications

- 7.1 There are no other direct implications arising as a result of this report.