

Specific Reserves Working Group

11 December 2018

Time 11.00 am **Public Meeting?** YES **Type of meeting** Executive

Venue Committee Room 2 - Civic Centre

Membership

Chair Cllr Paula Brookfield (Lab)

Vice-chair Cllr Jane Stevenson

Labour

Cllr Alan Bolshaw

Cllr Ian Brookfield

Cllr Dr Michael Hardacre

Quorum for this meeting is two Councillors.

Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies for Absence**
- 2 **Declarations of Interest**

DISCUSSION ITEMS

- 3 **Specific Reserves Working Group - Terms of Reference** (Pages 3 - 4)
[Earl Piggott-Smith, Scrutiny Officer, to present terms of reference]
- 4 **Review of Specific Reserves 2018/19** (Pages 5 - 34)
[Alison Shannon, Chief Accountant, to present report]

Specific Reserves Working Group Terms of Reference

1. Background

- 1.1 A specific reserve is an amount of money set aside voluntarily by the Council to fund or partially-fund future expenditure plans on a specific project or item. Under the Council's financial procedure rules, the establishment or dissolution of specific reserves requires the approval of the Cabinet. Use of specific reserves requires the approval of the Cabinet (Resources) Panel. Specific 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. Terms of Reference

- 2.1 To receive a detailed report on specific reserves.
- 2.2 To review and scrutinise the balances and movements of the council's specific reserves to ensure that they are appropriately established and required.
- 2.3 To make recommendation or comment to Cabinet on matters arising from the review and scrutiny of specific reserves.

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Specific Reserves Working Group

11 December 2018

Report title	Review of Specific Reserves 2018-2019	
Cabinet member with lead responsibility	Councillor Louise Miles Resources	
Wards affected	All	
Accountable director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
Accountable employee(s)	Alison Shannon Tel Email	Chief Accountant 01902 554561 Alison.Shannon@wolverhampton.gov.uk
Report to be/has been considered by		

Recommendation(s) for action or decision:

The Specific Reserves Working Group is recommended to:

1. Provide its view and observations on the appropriateness of the specific reserves that are held by the Council.
2. Agree that it be recommended to Cabinet that any reserves no longer required for their original purpose should be transferred to the Council's Efficiency or Transformation Reserve as appropriate.
3. Approve that the findings and any recommendations to be presented to Confidential Capable Council Scrutiny Panel meeting on 6 February 2019.

1.0 Purpose

- 1.1 The purpose of this report is to seek the views and observations of members of the working group as to the appropriateness of specific reserves held by the Council by providing information on the balances held and their uses.

2.0 Background

- 2.1 Specific 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 The specific utilisation of reserves is subject to approval by Cabinet (Resources) Panel. This is most often reported in quarterly budget monitoring reports.
- 2.3 Under the Council's financial procedure rules, the establishment, dissolution or use of specific reserves requires the approval of the Cabinet. Specific reserves must also be reviewed for relevance and adequacy at least twice per financial year, as part of the outturn and budget preparation processes. The last such review was reflected in the 'Reserves, Provisions and Balances 2017-2018' report to Cabinet on 11 July 2018. Table 1 below details the balances and specific reserves held by the Council at 31 March 2018 which were included in the Council's audited Statement of Accounts.

Table 1 - Balances and Reserves as at 31 March 2018

	Balance as at 31 March 2018 £000
Total General Balances	(17,000)
Specific Reserves	(40,857)
Other Specific Reserves with Specific Criteria (excluding Schools' Balances)	(9,757)
Schools' Balances	(5,108)
Total	(72,722)

- 2.4 The Council's reserves are currently being reviewed as part of the annual budget setting process and the views and observations of the working group concerning the appropriateness of specific reserves are therefore being sought as part of this annual review.
- 2.5 General Balances and Schools' balances are not within the scope of this report. The associated financial management arrangements of Schools' balances are governed by the City of Wolverhampton's Scheme for Financing Schools.

2.6 As part of last year's budget setting process all specific reserves were reviewed by Confident, Capable Council Scrutiny Panel Specific Reserves Working Group on 8 December 2017 for appropriateness. In response to feedback from the Working Group, and agreement of the Director of Finance, a number of reserve transfers were actioned during the 2017-2018 closedown process to rationalise and to ensure that reserves no longer required for their original purpose were consolidated to support future projects.

3.0 Review

3.1 This report provides detailed information on the Council's current specific reserves at Appendix 1. Other specific reserves that are administered by the Council but that have specific criteria for allocation are provided for information in Appendix 2. A summary of this information by Directorate can be found in tables 2 and 3 below.

Table 2 – Specific Reserves by Directorate

Directorate	Actual Balance as at 1 April 2018 £000	Forecast Net Use/(Contribution) 2018-2019 £000	Forecast Balance as at 31 March 2019 £000
Corporate	(36,944)	12,501	(24,443)
People	(1,982)	1,465	(517)
Place	(1,931)	1,107	(824)
Total	(40,857)	15,073	(25,784)

Table 3 – Other Specific Reserves with Specific Criteria by Directorate

Directorate	Actual Balance as at 1 April 2018 £000	Forecast Net Use/(Contribution) 2018-2019 £000	Forecast Balance as at 31 March 2019 £000
Corporate	(6,498)	-	(6,498)
People	(28)	17	(11)
Place	(3,231)	803	(2,428)
Total	(9,757)	820	(8,937)

3.2 It is proposed that any resources released from specific reserves be transferred to the Council's Efficiency or Transformation Reserve as appropriate in order to continue the funding that is available for strategic programmes.

4.0 Questions for Scrutiny to consider

- 4.1 The Specific Reserves Working Group is recommended to provide its views and observations on the appropriateness of specific reserves held by the Council as part of the budget setting process 2019-2020.
- 4.2 The Specific Reserves Working Group is asked to consider what further information and support is needed to more effectively carry their scrutiny function role.

5.0 Financial implications

- 5.1 These are discussed in the body of the report and are detailed in full at Appendices 1 and 2.
[RP/03122018/L]

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.
[JSM /15112018/A]

7.0 Equalities implications

- 7.1 There are no direct equalities implications arising as a result of this report.
- 7.2 It is important, however, that any re-direction of resources is preceded by an equality analysis in order to ensure that the Council's statutory duties are complied with and any negative impact on specific groups is mitigated as far as practicable.

8.0 Environmental implications

- 8.1 There are no direct environmental implications arising as a result of this report.

9.0 Human resources implications

- 9.1 There are no direct human resources implications arising as a result of this report.

10.0 Corporate landlord implications

- 10.1 There are no direct Corporate Landlord implications arising as a result of this report.

11.0 Schedule of background papers

- 11.1 Reserves, Provisions and Balances 2017-2018, report to Cabinet, 11 July 2018.

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Corporate Directorate						
Budget Contingency Reserve	Available to address in-year budget pressures that cannot be addressed from within existing service budgets. Funds in this reserve have been increased in previous years to support risks associated with the budget, including but not limited to the delivery of challenging budget reduction targets.	(3,416)	(2,758)	This reserve addresses in-year budget pressures that cannot be met from within existing budgets. An example of this is costs arising as a result of directed conversions by the Department for Education from Schools to Academies where deficit balances are retained by the Council.	This reserve addresses in-year budget pressures that cannot be met from within existing budgets. If this contingency were not to be available, there may be significant impact on service delivery.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Budget Strategy Reserve	Funds available to address reorganisation costs as a result of the financial challenges faced by the Council over the medium term.	(9,069)	(9,069)	It is currently anticipated that this reserve may be called upon during 2018-2019 to fund redundancy costs. However, at this stage in the financial year, it is difficult to forecast redundancy costs. The forecast use of this reserve will be detailed in quarterly budget monitoring reports to Councillors.	This reserve addresses reorganisation costs. If the reserve to support those costs were not to be available, the Council may have difficulty in achieving on-going budget reductions required over the medium term to balance the budget.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Business Rates Equalisation Reserve	To equalise the impact of the fluctuation in business rates on the Council's General Fund arising as a result of revaluations and appeals.	(2,123)	(2,123)		There would be an indirect impact in that the cost of appeals attributable to the Council would need to be accommodated within existing resources. Those resources would therefore not be available to support services.	
Development Reserve	To fund feasibility works.	(500)	(500)		If the reserve were not be used for this purpose, the Council may need to divert other resources to support feasibility works.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Efficiency Reserve	Available to allow pump priming and investment in new developments, where the main aim is to generate efficiencies in the future as supported by a fully costed business case. These business cases are considered by the Strategic Executive Board and decisions are reported to Councillors as part of the quarterly financial monitoring and reporting arrangements.	(6,109)	(4,002)	Examples of approved utilisation of Efficiency Reserve funding in 2018-2019 include the transformation of the Waste & Recycling Service and promoting independence of service users within Adult Services.	If the reserve is not used to support investment, significant new developments may not be able to be undertaken and therefore future budget reductions would not be realised. Examples of key projects requiring Efficiency Reserve funding include the transformation of the Waste & Recycling Service.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Enterprise Zone Business Rates Equalisation Reserve	To equalise the fluctuation in business rates receipts within the Enterprise Zone. The Enterprise Zone model for i54 allows the City Council to retain business rates to fund the development costs. This reserve enables us to smooth out the timing of receipt of business rates.	(669)	(669)	The current forecast of the Enterprise Zone model indicates that the reserve will not be utilised in 2018-2019.	There would be an indirect impact in that if the receipts from business rates within the Enterprise Zone were to fall, the shortfall would need to be accommodated within existing resources. Those resources would therefore not be available to support services.	
FutureWorks Reserve	This amount has been set aside to part fund costs arising from the Council's FutureWorks Programme implementation and ongoing development of Agresso.	(351)	(156)	The funds will be drawdown in 2018-2019 to support the next Agresso system upgrade and development.	Impact on service ability to continually develop Agresso to meet organisation needs and develop more efficient ways of working.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Job Evaluation Reserve	To assist with the funding of the implementation of new pay scales arising from job evaluation, in addition to equal pay costs that cannot be charged to the provision.	(1,700)	(1,700)		The Council is obliged to meet the costs of appeals arising from Job Evaluation and the professional fees associated with Equal Pay claims, meaning that it would have to fund them from elsewhere within its existing resources. In addition to this, the Council's legal advice and support with Equal Pay claims will be funded from this reserve, as the programme comes to an end.	On 11 July 2018, Cabinet approval was sought to drawdown £500,000 from this reserve in 2019-2020 as part of the budget strategy. A review of anticipated future costs of Job Evaluation indicates that this reserve can be reduced.

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Local Strategic Partnership Reserve	The Council's unspent share of LPSA reward grant received in 2010-11. This funding will be used to support the delivery of activities to Crowdfund Wolves.	(11)	-	This funding is used to support the delivery of activities to Crowdfund Wolves.	The matched contribution to Crowdfund Wolves is based on initiatives funded through the community.	
Pension Deficit Recovery Reserve	This reserve was established to make further pension contributions towards the past service deficit in order to reduce the total costs and secure on-going budget reductions. This will support the budget challenge that the Council will face in future years. During 2017-2018 a further £2.4 million was transferred into this reserve to fund the £5.5 million advanced payment processed during 2017-2018. The General Fund underspend was also transferred to this reserve to ensure sufficient funds are available for future projects.	(6,281)	(781)	This reserve will support the upfront payment of pension fund past service deficit contributions.	This reserve will support the upfront payment of pension fund past service deficit contributions. As a result of this, the Council is able to generate on-going budget reductions which are built into the Council's Medium Term Financial Strategy. If this reserve was not used in this way, other budget reductions would need to be identified.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Regional Work Reserve	Available to fund and support regional initiatives.	(710)	(660)	The funds in this reserve are available to support regional initiatives, for example, supporting the West Midlands Growth Company in facilitating the delivery of the West Midlands Combined Authority Strategic Economic Plan, which aims to attract more investment, jobs, businesses and visitors to the West Midlands region.	If the reserve were not be used for this purpose, the Council would not benefit from regional initiatives.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Transformation Reserve	To progress the 3Cs Transformation Strategy and ultimately deliver greater efficiencies.	(1,649)	(1,343)	Examples of approved utilisation of Transformation Reserve funding in 2018-2019 include a Special Educational Needs Transport Review and the Business Support Programme, both of which will deliver budget reductions.	Compromise service ability to deliver efficiencies and resultant budget reductions.	Potential impact on delivery of the budget reduction and income generation programme.

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Treasury Management Equalisation Reserve	To support the revenue costs associated with re-phasing in the Capital Programme, such as interest costs arising as a result of borrowing.	(4,356)	(682)	As part of the 2018-2019 budget setting process, two proposals were approved to drawdown £1.4 million from this reserve in 2018-2019. It is currently projected that additional funds may be required to support the forecast overspend of £2.2 million against Treasury Management budgets in 2018-2019.	This reserve was established to support the revenue costs associated with re-phasing in the Capital Programme. Services may not be able to re-phase projects sufficiently.	As part of the 2018-2019 budget setting process, two proposals were approved to drawdown £1.4 million from this reserve in 2018-2019. It is currently projected that additional funds may be required to support the forecast overspend of £2.2 million against Treasury Management budgets in 2018-2019.
Corporate Directorate Total		(36,944)	(24,443)			

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
People Directorate						
Adults Social Care Reserve	To ensure that the Adults Social Care council tax precept, additional social care support grant and the improved better care fund grant are transferred to Adult Social Care. Due to timing of the announcement of the additional monies in 2017-2018 not all schemes have had a full year effect and have continued to be delivered during 2018-2019. The reserve will enable these funds to support activities during 2018-2019 and also ensure they are spent in accordance with the grant conditions.	(1,299)	-	These funds will be used to support Adult Social Care expenditure in 2018-2019. This is reflected in the quarterly budget monitoring reports to Councillors.	The service would not be able to procure additional reablement activity to support services users within Adult Social Care.	
Building Resilience Reserve	To continue activities under the Preventing Violent Extremism work stream.	(4)	(4)		Potential for projects not being implemented.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Early Intervention Programme – 4 x Strengthening Family Workers	This reserve was established to fund the creation of four additional FTE's Strengthening Families Support Workers. The posts will assist with dealing with the increased caseloads within the Locality Teams that have arisen as part of the Children's Re-design.	(50)	-	Having reviewed the strategy for expenditure against this reserve, it has been identified that this reserve is no longer required. It is recommended that the remaining balance is transferred to the Efficiency Reserve in 2018-2019.		

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Public Health	This reserve has been established from ring fenced Public Health grant and is to fund one-off public health initiatives and including improving health through improving private sector housing.	(488)	(367)	It is anticipated that part of these funds will be used to support the Rent with Confidence project expenditure in 2018-2019.	If the reserve were not to be used for this purpose, the Council would need to consider if provision could be made from within existing resources.	Earmarked for Sexual Health Capital Project and Rent with Confidence
Safeguarding – Adults Board	To fund the Adults Board expenditure in future years. This reserve is made up of contributions from our partners (Police, Clinical Commissioning Group, Probation and Prospects) to support the running costs of the Adults Board in future years.	(141)	(146)		Commitments have been made to partner agencies that their contributions will be carried forward to fund this service.	
People Directorate Total		(1,982)	(517)			

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Place Directorate						
Art Gallery Touring Exhibitions Reserve	To support the costs of touring exhibitions. The reserve has been built up from net income generated in previous tours.	(9)	(6)	The reserve is used to fund the administrative costs associated with touring, which in turn generates income.	Touring exhibitions promote the Art Gallery and its collections. The reserve is used to fund the administrative costs associated with touring, which in turn generates income.	
HRA Homelessness	Available to support initiatives that work to prevent homelessness. This reserve was set up due to the uncertain future of the grant. Homelessness is on the increase and the Homelessness Reduction Act requires authorities to provide earlier intervention to prevent homelessness.	(155)	(55)	It is anticipated that part of this reserve will be used in 2018-2019 to support expenditure within the Homelessness Service Team.	If the reserve were not to be used for this purpose, the Council would need to consider if provision could be made from within existing resources.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Kickstart Loans	Recycling of funds secured following the repayment of Kickstart Loans into assistance for private sector housing improvements.	(72)	(72)		Reduced support for housing projects.	This fund was created from repaid kick start grants previously provided to homeowners to make home improvements. It becomes repayable as homeowners sell their properties and repayments are allocated to this reserve.

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Library Equipment	For the purchase of equipment for libraries and the library service transformation.	(19)	-	It is anticipated that this reserve would be used in full in 2018-2019 to support the Library Service Transformation.	It is anticipated that this reserve would be used in full in 2018-2019 to support the Library Service Transformation. Other funding sources would need to be identified if this reserve was not available.	
Local Growth Fund Transport	Sum set aside to meet the costs that may arise should capital funded development not realise a capital asset.	(122)	(122)		If the reserve is not utilised it can result in in-year pressures if capital funding development does not realise a capital asset.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Regeneration Reserve	To fund projects in support of corporate regeneration priorities and maintaining the city centre development.	(1,512)	(566)	The funds in this reserve will support various regeneration projects including Bilston Urban Village, Eastern Gateway and Lighting up the City.	Regeneration of existing key sites and development of pipeline activity across the City would not be achieved.	Used to promote inward investment which will help to maintain/ increase business rate and council tax base. Approximately a third of the forecast balance has been allocated to be spent on various projects in 2019-2020.

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Schools Arts Service Reserve	Pump priming funds to support arts projects in schools.	(42)	(3)	Examples of key projects requiring funding from this Reserve in 2018-2019 include family learning, new schools projects and lifelong learning classes.	Supports educational art projects in schools and the wider community. The service is renowned nationally for its museum education service.	There are proposals to utilise this funding to increase capacity in the short-term to increase the offer to schools wishing to purchase ad-hoc services not covered by service level agreements until demand levels are established.
Place Directorate Total		(1,931)	(824)			
Total		(40,857)	(25,784)			

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Corporate Directorate						
Art Fund	Funds administered to support revenue expenditure against criteria defined by the bequest.	(33)	(33)		Would be unable to purchase art works, which is a condition of bequest and further develop the Cities art collection.	
Funds and Bequests Reserve	Trust funds administered by the authority with specific criteria for allocation.	(9)	(9)		No specific impact on services.	Use of reserve governed by trust conditions.
Insurance Reserve	The Reserve is for unexpected insurance claim events that cannot be covered by Insurance Fund budgets. Insurance claims costs vary year to year and a contribution may be made to or from the Reserve dependent on the Fund outturn position.	(2,151)	(2,151)		No specific impact on services.	The Reserve is for unexpected claim events that cannot be covered by the Insurance Fund in a given year. If the reserve is not used for this purpose it would impact on the General Fund.

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Mayors Award	Trust funds administered by the authority with specific criteria for allocation.	(2)	(2)		No specific impact on services.	Use of reserve governed by trust conditions.
Revenue Grants Unapplied (IFRS) Reserve	Established in accordance with the principles of IFRS in relation to the recognition of grants and contributions in the Council's accounts. Approvals for the use of actual grants are made during the year according to the Council's constitution.	(4,303)	(4,303)			
Corporate Directorate Total		(6,498)	(6,498)			

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
People Directorate						
Community Safety	To assist the Safer Wolverhampton Partnership to deliver the Community Safety and Harm Reduction Strategy 2017-2020 and its annual Delivery Plan 2018-2019, as authorised by the Office of the Police and Crime Commissioner.	(21)	(4)	A drawdown from this reserve in 2018-2019 will support salary costs for Prevent and Cohesion Coordinator, Offender Management Coordination and Independent Domestic Violence Advisors.	Reserve established from ring fenced Police Grant Community Fund for specific Community Safety initiatives. For example, salary costs for Prevent and Cohesion Coordinator, Offender Management Coordination and Independent Domestic Violence Advisors.	Grant is awarded to the Council as accountable body for Safer Wolverhampton Partnership.
Mary Ellen Bequest - Oxley Training Centre Reserve	Bequest available for use at the Oxley Training Centre.	(7)	(7)		No specific impact on services	Use of reserve governed by trust conditions.
People Directorate Total		(28)	(11)			

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Place Directorate						
Building Control Service Improvements	Any surplus achieved on the Building Control Service is required to be reinvested back into the service.	(205)	(209)		Ring-fenced by The Building (Local Authority Charges) Regulations 2010.	Building Control Regulations not met.
Highway Management Reserve	Reinvestment of funds secured through Bus lane enforcement into Highway improvement	(1,791)	(983)	Funds will be reinvested into Transportation projects and Highway Improvement works including improving surface of public footpath that runs along the unadopted section of Grove Lane and in part facilitate the infill of Craddock Street subway to mitigate extreme Anti-Social Behaviour.	In accordance with Section 55 of the Road Traffic Act, this reserve holds any surplus generated through Bus Lane enforcement, to be reinvested into Transportation projects and Highway Improvement works.	Compliance with Road Traffic Act (S55)

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Licensing Reserve	The Licensing service is not permitted to make a surplus over a three-year period. Against this background the Reserve is used to minimise variations in fees imposed as costs and license volumes fluctuate between years.	(1,054)	(1,054)		The ability of the Licensing Service to minimise variations in license fees imposed from year to year would be compromised.	
Magistrates Court Reserve	Sinking fund to meet future refurbishment costs for building occupied by Magistrates court.	(34)	(34)		There may not be funds to carry out necessary repairs.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Markets Reserve	To fund periodic repairs and maintenance at the wholesale market including, for example, internal and external redecoration. The Reserve has been established from market trader contributions (part of annual service charges).	(92)	(92)		The Reserve is used as a mechanism to minimise variations in annual service charges to traders that would otherwise arise from annual fluctuations in repairs and maintenance costs. The service would be unable to smooth service charges for traders from year to year in accordance with tenancy agreements.	

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Victoria Square Sinking Fund Reserve	Contributions made by tenants and set aside by the Council to meet future maintenance costs at Victoria Square commercial units.	(17)	(19)		The Council would have to meet the cost of any essential repairs and maintenance through its own resources.	
Wholesale Market Sinking Fund	Established to fund specific major replacement and refurbishment projects at the wholesale market including, for example, plant and equipment replacement or a roof replacement. This Reserve has been established from market trader contributions (part of annual service charges).	(38)	(37)		The functioning of the wholesale market will be impacted if the site condition is not maintained.	
Place Directorate Total		(3,231)	(2,428)			
Total		(9,757)	(8,937)			

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