

# Specific Reserves Working Group

9 January 2020

**Time** 2.00 pm      **Public Meeting?** YES      **Type of meeting** Scrutiny  
**Venue** Committee Room 1 - 3rd Floor - Civic Centre

## Membership

**Chair** Cllr Paula Brookfield (Lab)  
**Vice-chair** Cllr Jane Stevenson MP (Con)

## Labour

Cllr Alan Bolshaw  
Cllr Roger Lawrence  
Cllr Hazel Malcolm

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:

**Contact** Earl Piggott-Smith  
**Tel/Email** earl.piggott-smith@wolverhampton.gov.uk or 01902 551251  
**Address** Democratic Support, Civic Centre, 1<sup>st</sup> floor, St Peter's Square,  
Wolverhampton WV1 1RL

Copies of other agendas and reports are available from:

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**Tel** 01902 555043

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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** (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

9 January 2020

<b>Report title</b>	Review of Specific Reserves 2019-2020	
<b>Cabinet member with lead responsibility</b>	Councillor Louise Miles Resources	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Alison Shannon Tel Email	Chief Accountant 01902 554561 Alison.Shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>		

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## 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 be presented to Our Council Scrutiny Panel meeting on 11 March 2020.

## 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 and Provisions 2018-2019' report to Cabinet (Resources) Panel on 18 June 2019. Table 1 below details the balances and specific reserves held by the Council at 31 March 2019 which were included in the Council's audited Statement of Accounts.

**Table 1 - Balances and Reserves as at 31 March 2019**

	<b>Balance as at 31 March 2019 £000</b>
Total General Balances	(17,011)
Specific Reserves	(41,753)
Other Specific Reserves with Specific Criteria (excluding Schools' Balances)	(11,813)
Schools' Balances	(5,077)
<b>Total</b>	<b>(75,654)</b>

- 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.

### 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 Division can be found in tables 2 and 3 below.

**Table 2 – Specific Reserves by Division**

<b>Division</b>	<b>Actual Balance as at 1 April 2019 £000</b>	<b>Forecast Net Use/(Contribution) 2019-2020 £000</b>	<b>Forecast Balance as at 31 March 2020 £000</b>
Adult Services	(4,964)	4,300	(664)
Children's Services	(190)	-	(190)
City Assets and Housing	(125)	53	(72)
Corporate	(30,948)	5,726	(25,222)
Finance and Strategy	(2,811)	292	(2,519)
Public Health	(4)	-	(4)
Regeneration	(1,446)	579	(867)
<b>Total*</b>	<b>(40,488)</b>	<b>10,950</b>	<b>(29,538)</b>

**Table 3 – Other Specific Reserves with Specific Criteria by Division**

<b>Division</b>	<b>Actual Balance as at 1 April 2019 £000</b>	<b>Forecast Net Use/(Contribution) 2019-2020 £000</b>	<b>Forecast Balance as at 31 March 2020 £000</b>
Adult Services	(7)	-	(7)
Children's Services	(89)	-	(89)
City Assets and Housing	(205)	-	(205)
City Environment	(3,195)	495	(2,700)
Corporate	(5,954)	-	(5,954)
Finance	(2,103)	-	(2,103)
Public Health	(1,286)	200	(1,086)
Regeneration	(239)	31	(208)
<b>Total*</b>	<b>(13,078)</b>	<b>726</b>	<b>(12,352)</b>

\* Please note, following a review of specific reserves, a number of reserves have been reallocated to 'Other Specific Reserves with Specific Criteria' during 2019-2020. This therefore has resulted in a variance between the opening balances per category in Tables 2 and 3 when compared to Table 1.

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.

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/03012020/Z]

#### **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.  
[TC/20122019/D]

#### **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 Climate Change and Environmental implications**

8.1 There are no direct climate change and 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 Health and Wellbeing Implications**



11.1 There are no direct health and wellbeing implications arising as a result of this report.

**11.0 Schedule of background papers**

11.1 Reserves, Provisions and Balances 2018-2019, report to Cabinet (Resources) Panel, 18 July 2019.

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Specific Reserve	Description of Reserve	Balance at 1 April 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
<b>Adult Services</b>						
Adults Social Care Reserve	This reserve was established to ensure that the Adults Social Care council tax precept, additional social care support grant and the new improved better care fund grant was transferred to Adult Social Care. This reserve will be used to support the growing demand within Adult Social Care. The majority of the balance on this reserve will be required in 2019-2020 to support Adult Social Care expenditure.	(4,964)	(664)	These funds will be used to support Adult Social Care expenditure in 2019-2020. This is reflected in the quarterly budget monitoring reports to Councillors.	This reserve is used to offset pressures against care purchasing budgets which otherwise would result in a significant overspend on Adult Services.	
<b>Adult Services Total</b>		<b>(4,964)</b>	<b>(664)</b>			
<b>Children's Services</b>						
Safeguarding Partnership Board	To fund the Safeguarding Partnership 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	(190)	(190)	It is not currently anticipated that this reserve will be utilised in 2019-2020.	Commitments have been made to all partner agencies that their contributions will be carried forward to fund improvements to the service in future years. If the reserve was not utilised in this way, then partners	

Specific Reserves by Division

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Appendix 1

Specific Reserve	Description of Reserve	Forecast		Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
		Balance at 1 April 2019 £000	Balance at 31 March 2020 £000			
	the Safeguarding Partnership Board.				would need to receive their contributions back and the Council may have to absorb the pressure of any increased costs going forward.	
<b>Children's Services Total</b>		<b>(190)</b>	<b>(190)</b>			
<b>City Assets and Housing</b>						
DIRA 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.	<b>(53)</b>	-	It is anticipated that this reserve will be used in 2019-2020 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 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	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)	It is not currently anticipated that this reserve will be utilised in 2019-2020.	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.
<b>City Assets and Housing Total</b>		<b>(125)</b>	<b>(72)</b>			

Specific Reserve	Description of Reserve	Balance at 1 April 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
<b>Corporate</b>						
Transformation Reserve	To progress the Our Council Transformation Strategy and ultimately deliver greater efficiencies.	(1,781)	(1,642)	Examples of approved utilisation of Transformation Reserve funding in 2019-2020 include a Special Educational Needs Transport Review, additional resources within Human Resources to facilitate a programme of business improvement and professional expertise to establish an external operator for the refurbished Civic Halls.	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 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
				These transformation programmes will provide budget reductions and income generation opportunities in future years.		
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.	<b>(3,055)</b>	<b>(2,155)</b>	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	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 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Page 16				balances are retained by the Council. Funds have also been approved to fund an endowment with Land Trust to facilitate long term land management at Bilston.		
	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 approval is sought from Councillors as part of the quarterly financial monitoring and reporting arrangements.	<b>(6,484)</b>	<b>(5,667)</b>	Examples of approved utilisation of Efficiency Reserve funding in 2019-2020 include the transformation of the Waste & Recycling Service and the Business Support Programme.	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.



Specific Reserve	Description of Reserve	Balance at 1 April 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	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.	(1,698)	(1,198)	A review of anticipated future costs of Job Evaluation indicated that this reserve could be reduced. On 11 July 2018, Cabinet approved the drawdown of £500,000 from this reserve in 2019-2020 as part of budget strategy.	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 16 October 2019, Cabinet approval was sought to drawdown £1 million from this reserve in 2020-2021 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 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Development Reserve	To fund feasibility works.	(500)	(450)	On 20 February 2019, Cabinet approved the use of funds from the Development Reserve to provide programme support resources until 31 March 2021 to enable and secure inward grant investment and deliver new housing developments and growth for the City as part of the Walsall to Wolverhampton Growth Corridor.	If the reserve were not be used for this purpose, the Council may need to divert other resources to support feasibility works.	On 20 February 2019, Cabinet approved the use of funds from this reserve over the two year period to 31 March 2021.

Specific Reserve	Description of Reserve	Balance at 1 April 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	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.	(669)	(669)	The current forecast of the Enterprise Zone model indicates that the reserve will not be utilised in 2019-2020.	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.	
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)	The current forecast indicates that the reserve will not be utilised in 2019-2020.	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.	
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.	(2,968)	(2,968)	The current forecast indicates that the reserve will not be utilised in 2019-2020.	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.	

Specific Reserve	Description of Reserve	Balance at 1 April 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Budget Strategy Reserve	Funds in this reserve are available to address reorganisation costs as a result of the financial challenges faced by the Council over the medium term.	(9,069)	(7,569)	On 11 July 2018, Cabinet approved the drawdown of £1.5 million from this reserve in 2019-2020 as part of the budget strategy. In addition to this, it is currently anticipated that this reserve may be called upon during 2019-2020 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	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 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
				be detailed in quarterly budget monitoring reports to Councillors.		
Pension Deficit Recovery Reserve Page 21	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.	(781)	(781)	It is not currently anticipated that this reserve will be utilised in 2019-2020.	This reserve will support the upfront payment of potential 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	Forecast		Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
		Balance at 1 April 2019 £000	Balance at 31 March 2020 £000			
Recovery of Overpaid VAT Reserve	This reserve was established as a result of successful recovery of overpaid VAT totalling £1.8 million. The funds have been transferred into this reserve to support the approved 2019-2020 budget strategy.	(1,820)	-	On 11 July 2018, Cabinet approved the high level budget strategy for 2019-2020 which included the application of recovered funds linked to the overpayment of VAT. Those funds will therefore be drawdown in 2019-2020.	If the reserve were not to be available, the Council would have to find budget efficiencies to support the 2019-2020 budget strategy.	
<b>Corporate Total</b>		<b>(30,948)</b>	<b>(25,222)</b>			
<b>Finance and Strategy</b>						
Our Technology Reserve	This amount has been set aside to part fund costs arising from the Council's Our Technology Programme implementation and ongoing development of Agresso.	(351)	(211)	To support the upgrade of Agresso to milestone seven along with other key developments.	If the reserve were not to be available, the Council would have to divert other resources to support these developments.	A key financial and human resources system used across the Council would not be supported by the supplier without the upgrade.

Specific Reserve	Description of Reserve	Balance at 1 April 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Community Initiatives and Crowdfund Wolves	For a programme of positive community based activities to engage and develop young people and also to support Crowdfund Wolves.	(284)	(132)	The funds in this reserve will be used to support a programme of activities to engage young people in enabling them to contribute to the planned Positive Engagement Strategy. In addition to this, funds will also be used to support Crowd Fund Wolves projects.	If the reserve were not to be available, the Council would have to divert other resources to support these programmes.	
Revenues and Benefits Strategy Reserve	Funds available to address changes in benefit distribution.	(2,176)	(2,176)	It is not currently anticipated that this reserve will be utilised in 2019-2020. Any forecast use of this reserve will be detailed in quarterly budget	Funds available to address changes in benefit distribution.	

Specific Reserve	Description of Reserve	Balance at 1 April 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
				monitoring reports to Councillors.		
<b>Finance and Strategy Total</b>		<b>(2,811)</b>	<b>(2,519)</b>			
<b>Public Health</b>						
Building Resilience Reserve	This reserve is available to continue activities under the Preventing Violent Extremism work stream.	<b>(4)</b>	<b>(4)</b>	It is not currently anticipated that this reserve will be utilised in 2019-2020.	Potential for projects not being implemented.	
<b>Public Health Total</b>		<b>(4)</b>	<b>(4)</b>			
<b>Regeneration</b>						
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.	<b>(6)</b>	<b>(2)</b>	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.	
Regeneration Reserve	To fund projects in support of corporate regeneration priorities and maintaining the city centre development.	<b>(1,434)</b>	<b>(859)</b>	The funds in this reserve will support various regeneration projects including Bilston	Regeneration of existing key sites and development of pipeline activity across the City would not be achieved.	This reserve is used to promote inward investment which will help to maintain/ increase business rate and council tax base.



Specific Reserve	Description of Reserve	Balance at 1 April 2019 £000	Forecast Balance at 31 March 2020 £000	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
				Urban Village & Canalside.		
Schools Arts Service Reserve	This reserve is made up of funds to support educational art projects in schools and the wider community, which may lead to increased future income streams.	(6)	(6)	It is not currently anticipated that this reserve will be utilised in 2019-2020.	This reserve supports educational art projects in schools and the wider community.	
<b>Regeneration Total</b>		<b>(1,446)</b>	<b>(867)</b>			
<b>Total</b>		<b>(40,488)</b>	<b>(29,538)</b>			

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Other Specific Reserves with Specific  
Criteria by Division

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Appendix 2

Specific Reserve	Description of Reserve	Balance	Forecast	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
		at 1 April 2019 £000	Balance at 31 March 2020 £000			
<b>Adult Services</b>						
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.
<b>Adult Services Total</b>		<b>(7)</b>	<b>(7)</b>			
<b>Children's Services</b>						
The Education Penalty Notices) Regulations 2007	This reserve is made up fines levied to parents where their children are taken out of school on holidays during term time. The fund can only be spent on issuing and enforcing penalty notices and prosecuting recipients who do not pay.	(89)	(89)		This reserve balance could be recalled back by the Secretary of State at any time if it is not used for the intended purpose. If this reserve were to not be available, then this would have to be funded by the Council.	
<b>Children's Services Total</b>		<b>(89)</b>	<b>(89)</b>			
<b>City Assets and Housing</b>						
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.	(19)	(19)		The Council would have to meet the cost of any essential repairs and maintenance through its own resources.	
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.	

Other Specific Reserves with Specific  
Criteria by Division

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Appendix 2

Specific Reserve	Description of Reserve	Balance	Forecast	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
		at 1 April 2019 £000	Balance at 31 March 2020 £000			
Private Sector Housing – Civil Penalties	This reserve is made up of fines levied on private sector landlords under the Housing Planning Act 2016. As an alternative to prosecution landlords can be fined for breaches of the act for example breaches of an improvement notice or overcrowding in a property. Fines can be up to £30,000 and are ringfenced for the provision of the service.	(78)	(78)	It is not currently anticipated that this reserve will be utilised in 2019-2020.	If the reserve were not to be available, the Council would need to consider whether resources could be reallocated to support the cost of enforcement activity.	
Private Sector Housing – Licencing Fees	Licencing fees are levied on all private sector properties that offer multiple occupancy. Each property is charged a set fee at the point of registration. Properties are then assessed against pre-defined criteria and are awarded a star rating. Depending upon the star rating awarded an amount of the licence fee is refunded up to a total of the original fee. This reserve is required in order to fund these refunds in future years.	(74)	(74)	It is not currently anticipated that this reserve will be utilised in 2019-2020.	If the reserve were not to be available, the Council would need to consider whether resources could be reallocated to support the cost of enforcement activity.	
<b>City Assets and Housing Total</b>		<b>(205)</b>	<b>(205)</b>			

Other Specific Reserves with Specific  
Criteria by Division

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Appendix 2

Specific Reserve	Description of Reserve	Forecast		Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
		Balance at 1 April 2019 £000	Balance at 31 March 2020 £000			
<b>City Environment</b>						
Markets Reserve	This reserve is available 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.	
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.	(1,901)	(1,901)		The funds in this reserve are subject to Licensing legislation and can only be used for Licensing.	
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	(38)	(38)		The functioning of the wholesale market will be impacted if the site condition is not maintained. Market traders contribute to this reserve for the maintenance	

Other Specific Reserves with Specific  
Criteria by Division

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Appendix 2

Specific Reserve	Description of Reserve	Forecast		Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
		Balance at 1 April 2019 £000	Balance at 31 March 2020 £000			
	trader contributions (part of annual service charges).				of the markets, it cannot be used for any other purpose.	
Highway Management Reserve	Reinvestment of funds secured through bus lane enforcement into Highway improvement.	(1,164)	(669)	Funds will be reinvested into Transportation projects and Highway Improvement works.	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).
<b>City Environment Total</b>		<b>(3,195)</b>	<b>(2,700)</b>			
<b>Corporate</b>						
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.
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.	(5,910)	(5,910)			

Other Specific Reserves with Specific  
Criteria by Division

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Appendix 2

Specific Reserve	Description of Reserve	Balance	Forecast	Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
		at 1 April 2019 £000	Balance at 31 March 2020 £000			
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.	
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.
<b>Corporate Total</b>		<b>(5,954)</b>	<b>(5,954)</b>			
<b>Finance</b>						
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.	(2,103)	(2,103)		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.
<b>Finance Total</b>		<b>(2,103)</b>	<b>(2,103)</b>			

Other Specific Reserves with Specific  
Criteria by Division

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Appendix 2

Specific Reserve	Description of Reserve	Forecast		Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
		Balance at 1 April 2019 £000	Balance at 31 March 2020 £000			
<b>Public Health</b>						
Public Health	This reserve has been established from ring fenced Public Health grant and is to fund one-off public health initiatives.	(1,265)	(1,065)	It is currently anticipated that funds from this reserve will be utilised in 2019-2020 to support the Ward Fund under the Wolverhampton for Everyone initiative.	This reserve has been established to fund one off initiatives across Council services which impact upon Public Health. If these were not funded through this reserve, then they would require growth or invest to save in order to carry out any initiatives. If initiatives that impacted upon Public Health were not funded, then this could increase the demand upon the public health grant to deliver desired outcomes.	This reserve is funded from ring fenced Public Health grants for use on public health related items of expenditure.
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 (PCC).	(21)	(21)		Reserve established from ring fenced Police Grant Community Fund for specific Community Safety initiatives.	Grant is awarded to the Council as accountable body for Safer Wolverhampton Partnership.
<b>Public Health Total</b>		<b>(1,286)</b>	<b>(1,086)</b>			



Other Specific Reserves with Specific  
Criteria by Division

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Appendix 2

Specific Reserve	Description of Reserve	Forecast		Areas of anticipated expenditure 2019-2020	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
		Balance at 1 April 2019 £000	Balance at 31 March 2020 £000			
<b>Regeneration</b>						
Building Control Service Improvements	Any surplus achieved on the Building Control Service is required to be reinvested back into the service.	(239)	(208)	During 2019-2020 £31,000 is anticipated to be reinvested into the service.	These funds are ring-fenced by The Building (Local Authority Charges) Regulations 2010.	Building control regulation compliance.
<b>Regeneration Total</b>		<b>(239)</b>	<b>(208)</b>			
<b>Total</b>		<b>(13,078)</b>	<b>(12,352)</b>			

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