



Specific Reserves Working Group

9 February 2021

Time 6.00 pm **Public Meeting?** YES **Type of meeting** Executive
Venue Teams Meeting

Membership

Chair Cllr Bhupinder Gakhal (Lab)

Vice-chair Cllr Udey Singh (Con)

Labour

Cllr Alan Bolshaw

Cllr Bhupinder Gakhal

Cllr Roger Lawrence

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

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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

<i>Item No.</i>	<i>Title</i>
1	Welcome and Introductions [The Chair to welcome everyone to the meeting. The Scrutiny Officer will then read out a list of those invited to the meeting to confirm who is in attendance.]
2	Meeting procedures to be followed [The Chair will explain how the meeting will proceed, how questions are to be asked and any matters of meeting etiquette.]
3	Apologies for Absence
4	Declarations of Interest
5	Specific Reserves Working Group - Terms of Reference (Pages 3 - 4) [Earl Piggott-Smith, Scrutiny Officer, to present terms of reference]
6	Review of Specific Reserves (Pages 5 - 32) [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 February 2021

Report title	Review of Specific Reserves 2020-2021	
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 be presented to Our Council Scrutiny Panel meeting on 17 March 2021.

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 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 2019-2020' report to Cabinet on 8 July 2020. Table 1 below details the balances and specific reserves held by the Council at 31 March 2020 which were included in the Council's audited Statement of Accounts.

Table 1 - Balances and Reserves as at 31 March 2020

	Balance as at 31 March 2020 £000
Total General Balances	(20,011)
Specific Reserves	(35,357)
Other Specific Reserves with Specific Criteria (excluding Schools' Balances)	(23,182)
Schools' Balances	(6,059)
Total	(84,609)

- 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

Division	Actual Balance as at 1 April 2020 £000	Forecast Net Use/(Contribution) 2020-2021 £000	Forecast Balance as at 31 March 2021 £000
Adult Services	(1,200)	600	(600)
Children's Services	(196)	3	(193)
City Assets and Housing	(125)	72	(53)
City Environment	(750)	44	(706)
Corporate	(29,025)	5,153	(23,872)
Finance	(2,447)	200	(2,247)
Governance	-	(190)	(190)
Public Health	(4)	-	(4)
Regeneration	(1,610)	688	(922)
Total	(35,357)	6,570	(28,787)

Table 3 – Other Specific Reserves with Specific Criteria by Division

Division	Actual Balance as at 1 April 2020 £000	Forecast Net Use/(Contribution) 2020-2021 £000	Forecast Balance as at 31 March 2021 £000
Adult Services	(7)	-	(7)
Children's Services	(209)	59	(150)
City Assets and Housing	(250)	(72)	(322)
City Environment	(3,371)	1,466	(1,905)
Corporate	(15,087)	-	(15,087)
Education and Skills	(749)	-	(749)
Finance	(2,691)	-	(2,691)
Public Health	(599)	(600)	(1,199)
Regeneration	(219)	8	(211)
Total	(23,182)	861	(22,321)

- 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/01022021/T]

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.

[TS/29012021/R]

7.0 All other implications

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

8.0 Schedule of background papers

- 8.1 Reserves, Provisions and Balances 2019-2020, report to Cabinet, 8 July 2020.

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Adult Services						
Adults Social Care Reserve	This reserve was established to ensure that the Adult 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.	(1,200)	(600)	These funds will be used to support Adult Social Care expenditure in 2020-2021.	This reserve is used to offset pressures against care purchasing budgets which otherwise would result in an overspend on Adult Services.	
Adult Services Total		(1,200)	(600)			
Children's Services						
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 the Safeguarding Partnership Board.	(196)	(193)	It is anticipated that a small amount of funds will be drawn down from this reserve during 2020-2021.	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 would need to receive their contributions back and the Council may have to absorb	

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
					the pressure of any increased costs going forward.	
Children's Services Total		(196)	(193)			
City Assets and Housing						
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.	(53)	(53)	Potential use of this reserve will be reviewed at year end.	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.	
Kickstart Loans	Recycling of funds secured following the repayment of Kickstart Loans into assistance for private sector housing improvements.	(72)	-	It is anticipated that this reserve will be utilised in 2020-2021 to fund the small works assistance programme.	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

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
						sell their properties and repayments are allocated to this reserve.
City Assets and Housing Total		(125)	(53)			
City Environment						
Climate Change Reserve	Funds in this reserve are available for climate change feasibility works and will enable the Council to tackle climate change with a shift to net carbon zero by 2028.	(750)	(706)	Reserve will support projects such as Heat Network and the Wolverhampton Infrastructure for SMART Energy (WISE) Programme.	This reserve addresses the need for the organisation to be responsive to its ambitions to achieve its carbon targets and other climate change projects. If the reserve to support those costs were not to be available, the Council may have difficulty in achieving carbon reductions and the opportunity to move forward with climate change projects.	

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
City Environment Total		(750)	(706)			
Corporate						
Transformation Reserve	To progress the Our Council Transformation Strategy and ultimately deliver greater efficiencies.	(1,756)	(1,063)	Examples of approved utilisation of Transformation Reserve funding in 2020-2021 include professional expertise in the process to establish an external operator for refurbished Civic Halls and resources to support the Business Support programme.	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 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
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.	(3,571)	(3,383)	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.	
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 Councillors as part of the quarterly financial	(5,393)	(4,918)	Examples of approved utilisation of Efficiency Reserve funding in 2020-2021 include the Delivering Independent Travel and Business Support programmes.	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 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
	monitoring and reporting arrangements.					
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.	(1,000)	-	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.	There would be an impact on the 2020-2021 budget outturn position if the reserves were not to be used as planned.	

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	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.	(450)	-	On 20 February 2019, Cabinet approved the use of funds from the Development Reserve to provide programme support resources 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.	
Enterprise Zone Business Rates Equalisation Reserve	To equalise the fluctuation in business rates receipts within the Enterprise Zone.	(665)	(665)		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	

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
					resources. Those resources would therefore not be available to support services.	
Business Rates Equalisation Reserve Page 16	To equalise the impact of the fluctuation in business rates on the Council's General Fund arising as a result of revaluations and appeals.	(1,123)	(1,123)	The current forecast indicates that the reserve will not be utilised in 2020-2021.	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.	On 11 November 2020, Cabinet approved the overarching draft budget strategy for 2021-2022 which included a drawdown of £1.1 million from this reserve in 2021-2022 to offset the deficit on the Collection Fund brought forward from 2019-2020.

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	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.	(2,151)	(2,151)	The current forecast indicates that the reserve will not be utilised in 2020-2021.	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.	
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.	(7,569)	(7,569)	The current forecast indicates that the reserve will not be utilised in 2020-2021.	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.	
2020-2021 Budget Strategy Reserve	In accordance with the 2020-2021 Budget approved by Cabinet on 19 February 2020, funds have been transferred into the 2020-2021 Budget Strategy Reserve to	(2,347)	-	This reserve will be drawdown in full in 2020-2021 in line with the 2020-2021 budget strategy.	There would be an impact on the 2020-2021 budget outturn position if the	

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
	support the financial strategy in 2020-2021.				reserves were not to be used as planned.	
Recovery Reserve	Funds in this reserve are available to support investment in services following the Covid-19 pandemic.	(3,000)	(3,000)	Work is ongoing to identify requirements and use of this reserve in line with the Relighting Our City priorities.	If funds were not available, it would reduce the Council's ability to invest in services following the Covid-19 pandemic.	
Corporate Total		(29,025)	(23,872)			
Finance						
Our Technology Reserve	This amount has been set aside to part fund costs arising from the ongoing development of Agresso.	(271)	(71)	Funds in this reserve will support the ongoing development of Agresso.	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 requires development.
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 2020-2021. 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 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
				monitoring reports to Councillors.		
Finance Total		(2,447)	(2,247)			
Governance						
Election Reserve	This reserve has been established to contribute the forecast in-year underspend against the local elections budget in 2020-2021 due to a fallow election year as a result of the Covid-19 pandemic. Funds in this reserve will then be available to cover future elections costs in excess of the available budget.	-	(190)	It is anticipated that £190,000 will be contributed into this reserve in 2020-2021.	There would be an indirect impact in that the cost of the election would need to be accommodated within other Council resources which could result in budget efficiencies having to be made elsewhere.	
Governance Total		-	(190)			
Public Health						
Building Resilience Reserve	This reserve is available to continue activities under the Preventing Violent Extremism work stream.	(4)	(4)	It is not currently anticipated that this reserve will be utilised in 2020-2021.	Potential for projects not being implemented.	
Public Health Total		(4)	(4)			

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Regeneration						
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.	(7)	(7)	It is not currently anticipated that this reserve will be utilised in 2020-2021.	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.	(1,321)	(644)	Reserve will support various regeneration projects including City Centre Public Realm Phase 3 and the Industrial Sites Strategy.	Regeneration of existing key sites and development of pipeline activity across the City would not be achieved.	The reserve is used to promote inward investment which will help to maintain or increase business rates and council tax base.
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 2020-2021.	This reserve supports educational art projects in schools and the wider community.	

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	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.	(276)	(265)	Part of this reserve (£10,000) supports crowdfunding initiatives. This element will be fully spent in 2020-2021.		Due to the Covid-19 pandemic, the level of community activities to engage and develop young people have not been able to take place as planned during 2020-2021. This reserve will be called upon in future years.
Regeneration Total		(1,610)	(922)			
Total		(35,357)	(28,787)			

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Other Specific Reserves with Specific
Criteria by Division

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Appendix 2

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Adult Services						
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.
Adult Services Total		(7)	(7)			
Children's Services						
Regional Adoption Agency (RAA)	As part of the funding agreement with partner Authorities in the Regional Adoption Agency it has been agreed that an overspend up to 5% of the approved budget will be held in a reserve to be utilised in future years.	(209)	(150)	This reserve balance brought forward on 1 April 2020 will be drawdown in full in 2020-2021 to be used for Adoption@Heart, however it is anticipated that there will be further planned contributions to this reserve totalling £150,000 by year end.		
Children's Services Total		(209)	(150)			
City Assets and Housing						
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.	(22)	(24)	It is not currently anticipated that this reserve will be utilised in 2020-2021.	The Council would have to meet the cost of any essential	

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
					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.	
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.	(120)	(190)	It is not currently anticipated that this reserve will be utilised in 2020-2021.	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.	

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
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 2020-2021.	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.	
City Assets and Housing Total		(250)	(322)			
City Environment						
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)	There is no planned use of this reserve in 2020-2021.	The reserve is used as a mechanism to minimise variations in annual service charges to traders that would otherwise arise	

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Page 26					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.	(2,362)	(1,420)	Reduction of licensing fees during the year 2020-2021	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	(29)	(29)	There is no planned use of this reserve in 2020-2021.	The functioning of the wholesale market will be impacted if the	

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Page 15	replacement. This Reserve has been established from market trader contributions (part of annual service charges).				site condition is not maintained. Market traders contribute to this reserve for the maintenance 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.	(888)	(364)	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	Compliance with Road Traffic Act (S55).

Other Specific Reserves with Specific
Criteria by Division

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Appendix 2

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
					Improvement works.	
City Environment Total		(3,371)	(1,905)			
Corporate						
Funds and Bequests Reserve	Trust funds administered by the authority with specific criteria for allocation.	(9)	(9)	It is not currently anticipated that this reserve will be utilised in 2020-2021.	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.	(15,043)	(15,043)			
Art Fund	Funds administered to support revenue expenditure against criteria defined by the bequest.	(33)	(33)	There is no planned use of this reserve in 2020-2021.	Would be unable to purchase art works, which is a condition of bequest and further develop	

Other Specific Reserves with Specific
Criteria by Division

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Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
					the Cities art collection.	
Mayors Award	Trust funds administered by the authority with specific criteria for allocation.	(2)	(2)	There is no planned use of this reserve in 2020-2021.	No specific impact on services.	Use of reserve governed by trust conditions.
Corporate Total		(15,087)	(15,087)			
Education and Skills						
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)	There is no planned use of this reserve in 2020-2021.	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.	

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
PFI Surplus Reserve	A Reserve to allow in year PFI contract efficiencies to be utilised to meet future years expenditure.	(660)	(660)	There is no planned use of this reserve in 2020-2021.		
Education and Skills		(749)	(749)			
Finance						
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.	(2,691)	(2,691)		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.
Finance Total		(2,691)	(2,691)			
Public Health						
Community Safety	To assist the Safer Wolverhampton Partnership to deliver the Community Safety and Harm Reduction Strategy and its annual Delivery Plan, as authorised by the Office of the Police and Crime Commissioner (PCC).	(22)	(22)	There is no planned use of this reserve in 2020-2021.	Reserve established from ring fenced Police Grant Community Fund for	Grant is awarded to the Council as accountable body for Safer Wolverhampton Partnership.

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
					specific Community Safety initiatives.	
Public Health	This reserve has been established from ring fenced Public Health grant and is to fund one-off public health initiatives.	(577)	(1,177)	There is no planned use of this reserve in 2020-2021.	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	This reserve is funded from ring fenced Public Health grants for use on public health related items of expenditure.

Other Specific Reserves with Specific
Criteria by Division

This report is PUBLIC
[NOT PROTECTIVELY MARKED]

Appendix 2

Specific Reserve	Description of Reserve	Balance at 1 April 2020 £000	Forecast Balance at 31 March 2021 £000	Areas of anticipated expenditure 2020-2021	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
					not funded then this could increase the demand upon the public health grant to deliver desired outcomes.	
Public Health Total		(599)	(1,199)			
Regeneration						
Building Control Service Improvements	Any surplus achieved on the Building Control Service is required to be reinvested back into the service.	(219)	(211)		These funds are ringfenced by the Building (local authority charges) regulations 2010.	Building control regulation compliance
Regeneration Total		(219)	(211)			
Total		(23,182)	(22,321)			