

# Specific Reserves Working Group

14 December 2021

**Time** 6.00 pm      **Public Meeting** YES      **Type of meeting** Scrutiny  
**Venue** MS Teams

## Membership

**Chair** Cllr Zee Russell (Lab)  
**Vice-chair** Cllr Udey Singh (Con)

**Labour** Cllr Tersaim Singh      **Conservative** Cllr Paul Appleby

Quorum for this meeting is two Councillors.

## Information for the Public

If you have any queries about this meeting, please contact the Scrutiny Team:

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

Copies of other agendas and reports are available from:

**Website** <https://wolverhamptonintranet.moderngov.co.uk/uuCoverPage.aspx?bcr=1>  
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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

- | <i>Item No.</i> | <i>Title</i>   |
|-----------------|--|
| 1               | <b>Welcome and Introductions</b><br>[The Chair to welcome everyone to the meeting.]  |
| 2               | <b>Meeting procedures to be followed</b><br>[The Chair will explain how the meeting will proceed, how questions are to be asked and any matters of meeting etiquette.] |
| 3               | <b>Apologies</b>   |
| 4               | <b>Declarations of Interest</b>  |
| 5               | <b>Review of Specific Reserves</b> (Pages 3 - 36)<br>[Alison Shannon and Michelle Howell to present the report].   |

## Specific Reserves Working Group

### 14 December 2021

<b>Report title</b>	Review of Specific Reserves 2021-2022	
<b>Cabinet member with lead responsibility</b>	Councillor Ian Brookfield Leader of the Council	
<b>Wards affected</b>	All Wards	
<b>Accountable director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Alison Shannon	Chief Accountant
	Tel	01902 554561
	Email	Alison.Shannon@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	N/A	

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#### Recommendations 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 Corporate Reserves as appropriate.
3. Approve that the findings and any recommendations be presented to Our Council Scrutiny Panel meeting on 19 January 2022.

## 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 performance and 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 2020-2021' report to Cabinet on 16 June 2021. Table 1 below details the balances and specific reserves held by the Council at 31 March 2021 which were included in the Council's audited Statement of Accounts.

**Table 1 - Balances and Reserves as at 31 March 2021**

	<b>Balance as at 31 March 2021 £000</b>
Total General Balances	(20,662)
Specific Reserves	(43,934)
Other Specific Reserves with Specific Criteria (excluding Schools' Balances)	(64,593)
Schools' Balances	(12,872)
<b>Total</b>	<b>(142,061)</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 Directorate can be found in tables 2 and 3 below.

**Table 2 – Specific Reserves by Directorate**

Directorate	Actual Balance as at 1 April 2021 £000	Forecast Net Use/(Contribution) 2021-2022 £000	Forecast Balance as at 31 March 2022 £000
Adult Services	(2,616)	1,926	(690)
Children's and Education	(206)	-	(206)
City Housing and Environment	(855)	370	(485)
Corporate	(35,688)	7,668	(28,020)
Finance	(2,447)	200	(2,247)
Governance	(330)	147	(183)
Public Health	(4)	-	(4)
Regeneration	(2,118)	616	(1,502)
<b>Total</b>	<b>(44,264)</b>	<b>10,927</b>	<b>(33,337)</b>

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

Directorate	Actual Balance as at 1 April 2021 £000	Forecast Net Use/(Contribution) 2021-2022 £000	Forecast Balance as at 31 March 2022 £000
Adult Services	(7)	-	(7)
Children's and Education	(1,600)	179	(1,421)
City Assets	(58)	-	(58)
City Housing and Environment	(3,103)	572	(2,531)
Corporate	(52,463)	32,180	(20,283)
Finance	(2,699)	-	(2,699)
Public Health	(4,134)	1,300	(2,834)
Regeneration	(199)	-	(199)
<b>Total</b>	<b>(64,263)</b>	<b>34,231</b>	<b>(30,032)</b>

- 3.2 It is proposed that any resources released from specific reserves be transferred to the Council's Corporate Reserves 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 out 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.

[MH/06122021/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.

[SZ/06122021/P]

## **7.0 All other implications**

7.1 There are no other direct implications arising as a result of this report. However, any consideration given to the use of reserves, provisions or balances could have direct or indirect equality implications. These will need to be considered as and when sums are allocated from reserves and/or balances whereby an initial screening will be conducted.

## **8.0 Schedule of background papers**

8.1 Reserves, Provisions and Balances 2020-2021, report to Cabinet, 16 June 2021.

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	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	Over the next two years, Adult Services Transformation Programme will be refreshed and will prioritise a number of key projects, including the redesign of the operating model, associated structures, and review of the practice model. This reserve will be used to support this transformation work and deal with the growing demand within Adult Social Care.	(2,616)	(690)	This reserve will be used to support the additional demand within the transformation period and to support the redesign of Adults service.	This would mean less capacity to support increases in demand and transformational work.	
<b>Adult Services Total</b>		<b>(2,616)</b>	<b>(690)</b>			

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
<b>Children's and Education</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 the Safeguarding Partnership Board.	(206)	(206)	Currently there is no expected use of this reserve in 2021-2022.	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 the pressure of any increased costs going forward.	
<b>Children's and Education Total</b>		<b>(206)</b>	<b>(206)</b>			



Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
<b>City Housing and Environment</b>						
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 interventions to prevent homelessness.	(53)	-	This reserve funding will support Housing Homelessness Services.	If the reserve were not be used for this purpose, the Council may need to divert other resources to support this service.	
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.	(730)	(485)	This reserve will support projects and resources to support the Climate Change agenda.	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	

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
					Council may have difficulty in achieving carbon reductions and the opportunity to move forward with climate change projects.	
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 used to support Housing capital programme.	Alternative funding would be required.	
<b>City Housing and Environment Total</b>		<b>(855)</b>	<b>(485)</b>			

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	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.	(2,554)	(1,692)	Examples of approved utilisation of Transformation Reserve funding in 2021-2022 include resources to support the Business Support programme, the HR Smart programme and various other transformation programmes.	Compromise service ability to deliver efficiencies and resultant budget reductions.	Potential impact on delivery of the budget reduction targets.
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.	(4,964)	(5,016)	Following a planned contribution to the reserve in 2021-2022, funds from this reserve will be used to support environmental works.	This reserve mainly addresses in-year budget pressures that cannot be met from within existing budgets.	

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	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 approval is sought from Councillors as part of the quarterly performance and budget monitoring and reporting arrangements.	(5,368)	(5,135)	Examples of approved utilisation of Efficiency Reserve funding in 2021-2022 include the Councillor Enquiries and Business Support programmes.	If the reserve is not used to support investment, significant new developments may not be able to be undertaken and efficiencies would not be realised.	
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)	(1,000)	On 28 July 2021, Cabinet approved the draft budget strategy for 2022-2023 which included the drawdown of £1 million from this reserve in 2022-2023, as there was no call on this reserve in 2020-2021. A review of anticipated future	There would be an impact on the 2022-2023 budget position if the reserves were not to be used as planned.	

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
				costs of Job Evaluation indicates that this reserve can be reduced.		
Development Reserve	To fund feasibility works.	(450)	(330)	This reserve is available to deliver new housing developments and growth for the City.	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 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	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.	(1,123)	(23)	On 19 February 2021, Cabinet approved the 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.	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.	(1,651)	(1,651)	There is no planned use of this reserve in 2021-2022.	This reserve was established to support the revenue costs associated with rephasing in the Capital Programme. Services may not be able to rephase projects sufficiently.	On 20 October 2021, Cabinet approved the draft budget strategy for 2022-2023 which included a drawdown of £1.651 million from this reserve in 2022-2023.

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	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.	(7,569)	(7,569)		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.	
Community Initiatives	For a programme of positive community based activities to engage and develop young people.	(548)	(548)	There is no planned use of this reserve in 2021-2022.		Committed to support #Yes initiatives in future years.

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Future Years Budget Strategy Reserve	Funds available to address reorganisation costs as a result of the financial challenges faced by the Council over the medium term.	(7,461)	(2,347)	On 19 February 2021, Cabinet approved the budget strategy for 2021-2022 which included a drawdown of £5.114 million from this reserve in 2021-2022 as part of the budget strategy.	There would be an impact on the 2021-2022 and 2022-2023 budget strategies if the reserves were not to be used as planned.	On 28 July 2021, Cabinet approved the draft budget strategy for 2022-2023 which included the drawdown of £2.347 million from this reserve in 2022-2023, as there was no call on those funds in 2020-2021.
Recovery Reserve	Funds in this reserve are available to support investment in services following the Covid-19 pandemic.	(3,000)	(2,709)	Examples of approved utilisation of Recovery Reserve funding in 2021-2022 include resources to support recovery work including Wolves at Work 18-24 - Youth Employment project.	If the reserve were not be used for this purpose, the Council may need to divert other resources to support Relighting Our City following the Covid-19 pandemic.	There are plans in place to spend this reserve in full by 2023-2024 in order to support Relighting Our City following the Covid-19 pandemic.
<b>Corporate Total</b>		<b>(35,688)</b>	<b>(28,020)</b>			



Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
<b>Finance</b>						
Our Technology Reserve	This amount has been set aside to part fund costs for 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.	
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 2021-2022.	Funds available to address changes in benefit distribution.	On 17 February 2021, Cabinet approved the draft budget strategy for 2022-2023 which included the drawdown of £2 million from this reserve in 2022-2023.
<b>Finance Total</b>		<b>(2,447)</b>	<b>(2,247)</b>			

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
<b>Governance</b>						
Elections Reserve	This reserve has been established to contribute the in-year underspend against the local elections budget in 2020-2021 due to a fallow election year. Funds in this reserve would then be available to cover future elections costs in excess of the available budget.	(183)	(183)	There is no planned expenditure in 2021-2022.	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.	Use of the reserve is anticipated in 2022-2023 when a standalone local election is scheduled.

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Ward Funds Reserve	Due to the Covid-19 pandemic, the remaining balance of Ward Funds not spent in 2020-2021 have been transferred into a specific reserve for future years.	(147)	-	Expenditure plans determined by Councillors in compliance with Ward Fund scheme governance.	No specific impact on services.	If the reserve were not used for this purpose it would impact on the Ward Fund scheme.
<b>Governance Total</b>		<b>(330)</b>	<b>(183)</b>			
<b>Public Health</b>						
Building Resilience Reserve	To continue activities under the Preventing Violent Extremism work stream.	(4)	(4)	It is not currently anticipated that this reserve will be utilised in 2021-2022.	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.	(6)	(6)	It is not currently anticipated that this reserve will be utilised in 2021-2022.	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.	

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	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.	(2,106)	(1,490)	Reserve will support various regeneration projects.	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 2021-2022.	This reserve supports educational art projects in schools and the wider community.	
<b>Regeneration Total</b>		<b>(2,118)</b>	<b>(1,502)</b>			
<b>Total</b>		<b>(44,264)</b>	<b>(33,337)</b>			

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
<b>Adult Services</b>						
Mary Ellen Bequest – Oxley Training Centre Reserve	Bequest available for use at the Oxley Training Centre.	(7)	(7)	There is no planned use of this reserve in 2021-2022.	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 and Education</b>						
1509 21 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 2021-2022.	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 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
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.	(179)	-	This reserve balance brought forward on 1 April 2021 will be drawn down in full in 2021-2022 to be used for Adoption@Heart.		
PFI Surplus Reserve	A Reserve to allow in year PFI contract efficiencies to be utilised to meet future years expenditure.	(1,332)	(1,332)	There is no planned use of this reserve in 2021-2022.		
<b>Children's and Education Total</b>		<b>(1,600)</b>	<b>(1,421)</b>			

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
<b>City Assets</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.	(24)	(24)	It is not currently anticipated that this reserve will be utilised in 2021-2022.	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 is no planned use of this reserve in 2021-2022.	There may not be funds to carry out necessary repairs.	
<b>City Assets Total</b>		<b>(58)</b>	<b>(58)</b>			

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
<b>City Housing and Environment</b>						
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)	There is no planned use of this reserve in 2021-2022.	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 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	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.	(1,759)	(1,210)	It is anticipated that the reserve will fund Street Electric Charging points, Electric Fleet Vehicles and Taxi Ranks.	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	(29)	(29)	There is no planned use of this reserve in 2020-2021.	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 of	

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Page 26	example, plant and equipment replacement or a roof replacement. This Reserve has been established from market trader contributions (part of annual service charges).				the markets, it cannot be used for any other purpose.	
Highway Management Reserve	Reinvestment of funds secured through Bus Lane enforcement into Highway improvement.	(931)	(908)	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	

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
					Highway Improvement works.	
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 to provision of the service.	(204)	(204)	It is not currently anticipated that this reserve will be utilised in 2021-2022.	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 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	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	(88)	(88)	It is not currently anticipated that this reserve will be utilised in 2021-2022.	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 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
	required in order to fund these refunds in future years.					
<b>City Housing and Environment Total</b>		<b>(3,103)</b>	<b>(2,531)</b>			
<b>Corporate</b>						
Funds and Bequests Reserve	Trust funds administered by the authority with specific criteria for allocation.	(8)	(8)	It is not currently anticipated that this reserve will be utilised in 2021-2022.	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	(17,118)	(17,118)			

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
	according to the Council's constitution					
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 2021-2022.	Would be unable to purchase art works, which is a condition of bequest and further develop the city's 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 2021-2022.	No specific impact on services.	Use of reserve governed by trust conditions.

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Collection Fund business rates section 31 Covid-19 relief reserve	This reserve has been established to hold the funds provided via a section 31 grant to the Council for the cost of Covid-19 and other business rates reliefs. Due to Collection Fund accounting treatment, the deficit on the Collection Fund in 2020-2021, to be offset in part by this funding, will not be realised until 2021-2022.	(30,619)	-	There was a deficit on the Collection Fund in 2020-2021, which due to Collection Fund accounting treatment will not be realised until 2021-2022. This reserve will be used in full in 2021-2022 to offset this element of the deficit.	This reserve was established to support costs associated with the Collection Fund. Should this reserve not be used in this way, the Council would need to redirect other resources to mitigate the impact on the budget.	

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Collection Fund tax income guarantee scheme reserve	In the Spending Review 2020, the Government announced funding to compensate 75% irrecoverable losses from council tax and business rates revenues in 2020-2021, that would otherwise need to be funded through local authority budgets in 2021-2022 and later years. The reserve has been established to hold the funds. Due to	(4,683)	(3,122)	There was a deficit on the Collection Fund in 2020-2021, which due to Collection Fund accounting treatment will not be realised until 2021-2022 and later years. This reserve will be used in part in 2021-2022 to offset one third of the deficit.	This reserve was established to support costs associated with the Collection Fund. Should this reserve not be used in this way, the Council would need to redirect other resources to mitigate the impact on the budget.	



Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
	Collection Fund accounting treatment, the deficit on the Collection Fund in 2020-2021, to be offset in part by this funding, will not be realised until 2021-2022 and later years.					
<b>Corporate Total</b>		<b>(52,463)</b>	<b>(20,283)</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	(2,699)	(2,699)		Should this reserve not be used in this way, the Council would need to redirect other resources to mitigate the impact on the budget.	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 will impact on the General Fund.

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
	to or from the Reserve dependent on the Fund outturn position.					
<b>Finance Total</b>		<b>(2,699)</b>	<b>(2,699)</b>			
<b>Public Health</b>						
34 Mediation Service	To provide a Mediation Service which is self-funded through annual contributions, mainly from Wolverhampton Homes and Cannock Chase District Council.	(1)	(1)	There is no planned use of this reserve in 2021-2022.		
Community Safety	To assist the Safer Wolverhampton Partnership to deliver the Community Safety and	(22)	(22)	There is no planned use of this reserve in 2021-2022.	Reserve established from ring fenced Police Grant Community Fund for specific Community	

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
	Harm Reduction Strategy and its annual Delivery Plan, as authorised by the Office of the Police and Crime Commissioner				Safety initiatives.	
Public Health	This reserve has been established from ring fenced Public Health grant and is to fund one-off public health initiatives.	(4,111)	(2,811)	It is anticipated £1.3 million will be drawn down from this reserve for Public Health and Leisure initiatives.		
<b>Public Health Total</b>		<b>(4,134)</b>	<b>(2,834)</b>			
<b>Regeneration</b>						
Building Control Service Improvements	Any surplus achieved on the Building Control Service is required to be reinvested	(199)	(199)	It is not currently anticipated that this reserve will be utilised in 2021-2022. A contribution will be made in this	These funds are ringfenced by the Building (local authority charges)	Building control regulation compliance.

Specific Reserve	Description of Reserve	Balance at 1 April 2021 £000	Forecast Balance at 31 March 2022 £000	Areas of anticipated expenditure 2021-2022	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
	back into the service.			financial year in line with regulations 2010.	regulations 2010.	
<b>Regeneration Total</b>		<b>(199)</b>	<b>(199)</b>			
<b>Total</b>		<b>(64,263)</b>	<b>(30,032)</b>			