

# Confident, Capable Council

## Scrutiny Panel

2 December 2015

**Time** 6.00 pm **Public Meeting?** YES **Type of meeting** Scrutiny  
**Venue** Committee Room 3 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

### Membership

**Chair** Cllr Rita Potter (Lab)  
**Vice-chair** Cllr Andrew Wynne (Con)

Labour	Conservative	Liberal Democrat
Cllr Alan Bolshaw Cllr Jasbir Jaspal Cllr Jacqueline Sweetman Cllr Mary Bateman Cllr Caroline Siarkiewicz Cllr Harbans Bagri Cllr Lorna McGregor Cllr Milkinderpal Jaspal Cllr Payal Bedi Cllr Paul Sweet	Cllr Wendy Thompson	

Quorum for this meeting is three 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** Tel: 01902 551251 or [earl.piggott-smith@wolverhampton.gov.uk](mailto:earl.piggott-smith@wolverhampton.gov.uk)  
**Address** Democratic Support, Civic Centre, 1<sup>st</sup> floor, St Peter's Square,  
Wolverhampton WV1 1RL

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**Tel** 01902 555043

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

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# Agenda

## Part 1 – items open to the press and public

*Item No.*     *Title*

### MEETING BUSINESS ITEMS

- 1            **Apologies**
- 2            **Declarations of interest**
- 3            **Minutes of previous meeting (7.10.15)** (Pages 5 - 10)  
[To approve the minutes of the previous meeting as a correct record]
- 4            **Matters arising**  
[To consider any matters arising from the minutes]

### DISCUSSION ITEMS

- 5            **Budget Review - Draft Budget 2016/17** (Pages 11 - 22)  
[Mark Taylor, Assistant Director Finance, and Claire Nye, Head of Finance, to present 2016/2017 Draft Budget Strategy and Medium Term Financial Strategy report]
- 6            **Terms of Reference and Nominations for Specific Reserves Working Group**  
(Pages 23 - 26)  
[Claire Nye, Chief Accountant, to present report to establish the terms of reference for a working group to review the Council's specific reserves and to agree the membership of the working group.]

# Confident, Capable Council Scrutiny Panel

## Minutes - 7 October 2015

### Attendance

#### Members of the Confident, Capable Council Scrutiny Panel

Cllr Alan Bolshaw  
Cllr Jasbir Jaspal  
Cllr Jacqueline Sweetman  
Cllr Mary Bateman  
Cllr Caroline Siarkiewicz  
Cllr Andrew Wynne (Vice-Chair)  
Cllr Harbans Bagri  
Cllr Milkinderpal Jaspal  
Cllr Rita Potter (Chair)  
Cllr Wendy Thompson  
Cllr Payal Bedi

Cllr John Reynolds - Cabinet Member for City Economy

#### Employees

Earl Piggott-Smith	Scrutiny Officer
Claire Nye	Chief Accountant
Sam Axtell	Consultation and Community Involvement Officer

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## Part 1 – items open to the press and public

*Item No.*      *Title*

- 1      Chairs Announcement**  
The Chair paid tribute to Councillor Thomas (Bert) Turner who recently passed away. The meeting stood for a minutes silence in his memory.
- 2      Apologies**  
There were no apologies for the meeting.
- 3      Declarations of interest**  
There were no declarations of interest.
- 4      Minutes of previous meeting (22.7.15)**  
That the minutes of the meeting held on 22 July 2015 be approved as a correct record and signed by the Chair.

5 **Matters arising**

Minute 5 - Future Money - making the most efficient use of financial resources

The panel commented on concerns about Agresso and the delays in payment of invoices to suppliers. The panel discussed the issue and requested a briefing paper and report to a meeting on 2.12.15 on the proportion of invoices paid within the target of 30 days and other relevant performance information.

The panel welcomed the report on income generation and the opportunity to consider the issue in detail.

6 **Future Money - Income Generation (Savings Proposals)**

Claire Nye, Chief Accountant, presented the report. The report provides an update on work done during the previous years and also going forward to generate income towards meeting the Council's budget savings target.

Chief Accountant explained that £26 million of additional income had been generated during the period 2011/12 to 2015/16. Chief Accountant explained that £14 million of additional income had been generated through Council Tax increases and changes to the local scheme. Chief Accountant explained that the building of each new house generated new income from council tax and New Homes Bonus grant. Over the period reported, New Homes Bonus totalled £3.8 million for the Council.

Chief Accountant noted that significant income is generated through fees and charges and that a report will be presented to Cabinet Resources Panel on 20 October with proposed changes for 2016/17.

Chief Accountant explained that the Treasury Management Team is supported by specialist advice from Capita. Recent discussions with Capita confirmed that the Council's strategy continues to make the right balance between minimising the cost of borrowing and maximising returns on investment.

The report also includes specific savings proposals for income generation detailed in Table 2 which had been considered by Cabinet on 22 July 2015. A report will be presented to Cabinet on 21 October which will consider further income generating proposals. The Council will continue to monitor the situation and explore opportunities to generate additional income.

The panel queried the policy as regards the setting of fees and charges and specifically if they are based on a flat rate increases or based on more detailed work.

Chief Accountant explained that a flat rate is not applied and that financial modelling is undertaken to assess the impact of different levels of percentage increase and the effect on demand.

The panel queried the challenge in achieving the outstanding savings target for 2016/17 of £5.1 million that had been reported to Cabinet in July and the progress made towards meeting this aim. Chief Accountant explained that significant progress had been made and that an update will be reported to Cabinet on 21 October 2015.

It was noted that there is uncertainty about the level of funding for 2016/17 and that the Government's Autumn Spending Review on 25 November will provide further information.

The panel queried the savings figure quoted in Table 1 – Savings proposals classified as income generating (2011/12 to 2015/16) and the reasons for the reduction in savings for the period 2015/16 compared to the period 2014/15.

The panel queried Table 2 - Savings proposals classified as income generating 2016/17 and the reason that no savings were expected in 2017/18 and 2018/19 for bus lanes phase 2.

Chief Accountant explained that in both instances the table shows the annual increase and these figures do not represent the cumulative change.

The panel discussed the need for more detailed information about the individual savings proposals. Chief Accountant explained that more detailed reports will support the report to Cabinet on 21 October.

Resolved:

The panel to receive a briefing paper and report on the performance of Agresso in paying suppliers to the panel meeting on 2.12.15.

7

#### **Employee Volunteering Scheme - progress report**

Cllr John Reynolds, Cabinet Member for City Economy, briefly outlined the background to the aims of the employee volunteering scheme. Cllr Reynolds commented on the benefits of volunteering to the individual and business objectives, and links to previous Government policy initiatives. Cllr Reynolds commented on the potential of volunteering to bring a range of benefits to the Council. For example, evidence suggesting the positive impact on employees volunteering, team building and overall business performance.

Sam Axtell, Consultation and Community Involvement Officer, updated the panel on progress of the scheme. Currently 14 people have taken part in the programme since the launch in April 2015. Consultation and Community Involvement Officer commented that concern was expressed by managers about the impact of the scheme and their willingness to release staff for up to two days a year, particularly for in small teams. In response to such concerns discussions have been had with managers and reassurance given that spaces could not be backfilled. Furthermore, a decision about releasing staff will be subject to approval of the manager and due consideration will need to be given to the needs of the service. There was an expectation that managers would be willing to sign up to the scheme.

The panel queried if there was an ideal target for the number of volunteers to be recruited in the first year and the work done to promote the scheme. Consultation and Community Involvement Officer referred to the report and range of work done to promote the scheme, for example, drop in sessions, meetings with teams. In addition, there have been discussions with employees to provide an opportunity to develop ideas and respond to interest in getting involved

Consultation and Community Involvement Officer welcomed ideas from the panel about what more could be done to promote the scheme and encourage more employees to become volunteers. Consultation and Community Involvement Officer explained that managers are being encouraged to discuss the opportunity for employees to get involved as part of the annual appraisal. Guidance and e-learning in relation to the annual appraisal process has been published for managers. In addition, a tab is to be added to the intranet system to provide a link to details about employee volunteering. The scheme has been promoted on the Council intranet, road shows and newsletters. A range of related work is being done to encourage employees to think of volunteering as part of their on-going learning and development.

The panel commented on the impact of releasing employees on the Council and considered this needs to be handled carefully. The panel welcomed the assurance that the schemes would not affect the delivery of frontline services.

The panel queried the benefit to voluntary sector groups of a scheme that would involve releasing council employees for only two days annually and also the response from the sector. The panel queried if consideration had been given to increasing the number of days, while accepting the need to ensure continued delivery of frontline Council services. The panel welcomed that a decision about releasing employees would be the line manager.

Consultation and Community Involvement Officer responded that there have been discussions with representatives of the voluntary sector about the scheme. The feedback from the sector has been positive about the scheme. Discussions had identified the gaps and skills – such as book keeping which a team could provide in a rolling programme of support to an organisation. Consultation and Community Involvement Officer gave an example of a team supporting Compton in the Park event. The support of volunteers received positive feedback from the charity. Discussions are on-going with colleagues to build links with voluntary sector organisations.

The panel expressed disappointment about the small number involved in the scheme, when considering the size of the Council workforce. The panel queried the reasons for the low response and what work had been done to investigate this issue further.

Consultation and Community Involvement Officer acknowledged that increasing the number of volunteers was a challenge as the idea does not appeal to everyone. Consultation and Community Involvement Officer commented on the benefits of volunteering and also that it will take time to build up numbers. The panel accepted the challenge to increasing numbers of volunteering at a time when services are working with reducing resources and therefore a need to set realistic recruitment targets. Consultation and Community Involvement Officer highlighted the benefits to employees joining the scheme. The panel discussed the wider benefits of volunteering to the Council and the City as a whole.

The panel discussed the possibility of using the staff awards scheme to recognise volunteers, as part of the long service award ceremony.

Resolved:

The review group to receive a progress report on the employee volunteering scheme to the panel meeting on 20.4.16.

The meeting closed at 18:41

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# **Confident Capable Council Scrutiny Panel**

02 December 2015

<b>Report title</b>	Budget Review - Draft Budget 2016/17	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Resources	
	Councillor Paul Sweet Governance	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Keith Ireland, Managing Director	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Mark Taylor	Director of Finance
	Tel	01902 554410
	Email	Mark.Taylor@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>		

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## **Recommendation(s) for action or decision:**

The Panel is recommended to:

1. Provide feedback to Scrutiny Board for consolidation and onward response to Cabinet on the Draft Budget 2016/17, in particular those elements that are relevant to this Scrutiny Panel, including specifically:
  - a. the Savings, Redesign and Income Generation Proposals summarised at Appendix A.
  - b. the Financial Transactions and Base Budget Revisions summarised at Appendix B.

- c. other underlying assumptions to the 2016/17 Draft Budget as detailed at Appendix C.
2. Approve that the Scrutiny Panel response be finalised by the Chair and Vice-Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.

## **1.0 Purpose**

- 1.1 The purpose of this report is to seek the Panel's feedback on the Draft Budget 2016/17 including the related Savings, Redesign and Income Generation Proposals (referred to herein as Savings Proposals), Financial Transactions and Base Budget Revisions (referred to herein as Base Budget Revisions) and underlying Medium Term Financial Strategy (MTFS) assumptions that was approved by Cabinet to proceed for formal consultation and scrutiny stages of the budget process, as appropriate, on 21 October 2015.

## **2.0 Background**

- 2.1 At its meeting on 21 October 2015, the Cabinet considered the Draft Budget for 2016/17. Cabinet approved this as the basis for budget consultation and scrutiny over the forthcoming months.
- 2.2 The Cabinet report identified that due to the uncertain financial future, a full update of the MTFS 2016/17 – 2018/19 would only be conducted once the Spending Review and the Provisional Local Government Finance Settlement have been announced on 25 November and mid-December 2015 respectively.
- 2.3 The Cabinet report recommended that Savings Proposals amounting to £14.1 million in 2016/17 proceed to the formal consultation and scrutiny stages of the budget process. The Savings Proposals that fall within the scrutiny remit of this Panel are shown at Appendix A.
- 2.4 The Cabinet report further identified that £7.1 million of Base Budget Revisions be incorporated into the 2016/17 Draft Budget. The Base Budget Revisions that fall within the scrutiny remit of this Panel are shown at Appendix B.
- 2.5 Included at Appendix C are other underlying assumptions that impact on the 2016/17 Draft Budget, that fall within the remit of this Panel, for example inflationary, demographic and pay related pressures.
- 2.6 It is important to note that any savings proposals approved as part of prior year budget setting processes have already been scrutinised and approved by Cabinet and are therefore, already included in the MTFS.
- 2.7 As detailed in the Cabinet report, the 2016/17 Draft Budget will be considered by Scrutiny Panels during the November/December round of meetings and the feedback from those meetings will be reported to Scrutiny Board on 15 December 2015, which will consolidate that feedback in a formal response to Cabinet on 13 January 2016. The feedback provided to Scrutiny Board will include questions asked by Panel members, alongside the responses received. These arrangements have been endorsed by the Chair and Vice-Chair of the Scrutiny Board. Cabinet will take into account the feedback from Scrutiny Board when considering the final budget setting report in February 2016, for approval by Full Council in March 2016.

- 2.8 In order to limit the volume of paper used as part of the budget reporting process, the Cabinet report has not been appended to this covering report. Panel members are instead requested to bring their copy of the 2016/17 Draft Budget report, which was circulated with the 21 October 2015 Cabinet agenda. Detail of all the Council's individual savings proposals, including the latest to be considered by Cabinet on 21 October 2015, can be found on the council's website at:  
<http://www.wolverhampton.gov.uk/budgetsavings>

### **3.0 Proposals relating to the work of this Panel**

- 3.1 Included in the Draft Budget strategy are savings proposals and base budget revisions relating to the remit of this Panel. These are listed at Appendices A and B. The Panel is requested to provide and record its comments on these proposals, for submission to Scrutiny Board and then Cabinet.
- 3.2 In addition to commenting on these specific proposals, the Panel may also request additional information or clarification in relation to the budget and MTFS. Any such requests will be noted separately, either for consideration by the Panel at a future date, or for information to be forwarded to the Panel members concerned.

### **4.0 Financial implications**

- 4.1 The financial implications are discussed in the body of the report, and in the report to Cabinet. [MH/16112015/Q]

### **5.0 Legal implications**

- 5.1 The legal implications are discussed in the report to Cabinet. RB/18112015/R

### **6.0 Equalities implications**

- 6.1 The equalities implications are discussed in the report to Cabinet.

### **7.0 Environmental implications**

- 7.1 The environmental implications are discussed in the report to Cabinet.

### **8.0 Human resources implications**

- 8.1 The human resources implications are discussed in the report to Cabinet.

## **9.0 Schedule of background papers**

### **9.1 Draft Budget 2016/17, report to Cabinet, 21 October 2015**

## Appendix A

### Savings, Redesign and Income Generation Proposals by Cabinet Portfolio

#### Resources

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<b>Customer Services Transformation – accelerate existing savings</b>  Accelerate the migration of appropriate services into the contact centre using "lift and shift" methodology, in order to undertake end to end business process re-engineering and achieve efficiencies.	Councillor Andrew Johnson	Corporate	(850)	150	700
<b>Review of council tax scheme and discounts</b>  (i) To review council tax accounts with a single person discount and remove where there is noeligibility as set out in national council tax legislation. (ii) To end the discretionary council tax discount given for the first 21 days that a property is empty.	Councillor Andrew Johnson	Corporate	(500)	-	-
<b>Review of ICT requirements</b>  Removal of legacy printing equipment and service desk software solution, has presented an opportunity to reduce support and maintenance costs.	Councillor Andrew Johnson	Corporate	(145)	(20)	-

Appendix A

Savings, Redesign and Income Generation Proposals by Cabinet Portfolio

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<b>Efficiencies within Financial Services</b>  The proposal aims to reduce costs and deliver savings as part of a review of how services are currently delivered. This will be done through efficiencies delivered as part of the new bank contract, changing the provider of payment cards, reducing the number of printed payslips, a review of requisitioning across the organisation with a view to centralising and reviewing the current invoice scanning process with a view to providing an in-house solution.	Councillor Andrew Johnson	Corporate	(70)	(10)	-
<b>Revised approach to Procurement</b>  Restructure of Procurement Team to a Category Management approach.	Councillor Andrew Johnson	Corporate	(50)	-	-
<b>Review residual fraud resource (within Internal Audit)</b>  Following the transfer of the Benefit Fraud Investigation Team to the DWP as part of their Single Fraud Investigation Service Programme, we have assessed the council's residual fraud resource in order to ensure that we can meet our residual fraud responsibilities alongside central government	Councillor Andrew Johnson	Corporate	(50)	-	-

Appendix A

Savings, Redesign and Income Generation Proposals by Cabinet Portfolio

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
anti-fraud initiatives. This will remain under review in order to ensure that this remains the case.					
<p><b>Charges for late payment of invoices</b></p> <p>Commercial organisations that do not pay invoices on time can be subject to late payment fees. These fees are set in law and comprise an interest charge (8% plus Bank of England base rate) plus a fixed fee varying from £40 to £100 dependent upon the amount overdue. There is a cost to the Council in chasing late payments and taking enforcement action. Under this proposal the feasibility of levying a late payment charge will be considered as a way of prompting payment on time, avoiding costly recovery action and improving collection performance.</p>	Councillor Andrew Johnson	Corporate	(25)	-	-



## Appendix A

### Savings, Redesign and Income Generation Proposals by Cabinet Portfolio

#### Governance

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<b>Review of Staff Training</b>  A £90,000 reduction in the council's workforce development budget is proposed which includes: - Termination of the Research in Practice contract for Adults and Children's services (£30,000) - Removal of the budget for the three year 'Grow your own Social Worker' programme in Children's Services, which ceases in 2015-16 (£50,000) - Reduction in the corporate employee training budget (£10,000).	Councillor Paul Sweet	Corporate	(90)	-	-
<b>Governance Restructure</b>  As a result of previous Senior Management restructures, there is a need to reflect a leaner, flatter management structure across the Directorate by reviewing Middle Management posts.	Councillor Paul Sweet	Corporate	(75)	-	-

## Financial Transactions and Base Budget Revisions

### Resources

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<p><b>Net Employee On-cost Savings due to clearing strain balance owing to West Midlands Pension Fund at the end of 2014/15</b></p> <p>As reported to Cabinet on 22 July 2015, as a result of an underspend in 2014/15, instead of spreading the cost of pension strain over a period of up to three years, all sums due to the West Midlands Pension Fund relating to pension strain were fully accounted for in 2014/15. This enabled the Council to secure savings against the Council's pension liabilities for the period up to 2017/18.</p>	Councillor Andrew Johnson	Corporate	(1,900)	-	1,484
<p><b>Review of Centro Levy</b></p> <p>It is proposed that the corporate budget for the Centro levy is reduced in line with the revised forecast.</p>	Councillor Andrew Johnson	Corporate	(431)	-	-
<p><b>Review of Pensions costs</b></p> <p>Review of the current payment on account arrangements and the costs associated with former employees.</p>	Councillor Andrew Johnson	Corporate	(400)	-	-

### Financial Transactions and Base Budget Revisions

Details	Cabinet Member	Directorate	2016/17 £000	2017/18 £000	2018/19 £000
<b>Treasury Management savings including Minimum Revenue Provision</b>  The proposal is to: - improve return on investments - review the MRP policy relating to income generating assets - review borrowing cost assumptions (increase in shorter term borrowing)	Councillor Andrew Johnson	Corporate	(300)	-	(300)
<b>Revenues and Benefits – Maximisation of grants and other efficiencies</b>  As a result of grant funding being available it is possible to reduce the net costs of the service for 2016/17 without impacting on service delivery.	Councillor Andrew Johnson	Corporate	(200)	200	-
<b>Accelerate Revenues and Benefits team restructure</b>  To bring forward from 2017/18 to 2016/17 the final element of savings being delivered by restructuring the Revenues and Benefits team.	Councillor Andrew Johnson	Corporate	(50)	50	-

## 2016/17 Draft Budget Assumptions

Budget Growth	
Budget Pressure	2016/17 £000
<b>Corporate</b>	
Pay Award	1,337
Pension	6,411
National Insurance	672
Pay Increments	1,248
Birmingham Airport Dividends	(132)
Treasury Management adjustments including Minimum Revenue Provision	2,398
West Midlands Integrated Transport Authority Levy offset by savings proposal	134
Anticipated rise in non-domestic rates	145
Anticipated rise in energy prices	162
Better Care Fund savings to be identified. Additional sum required in light of prior year overspends	1,300
FutureWorks - annual expenditure as reported to Cabinet on 10 April 2013. This will be offset by previously approved savings proposals for the same amount in 2017/18 and 2018/19	716
Increase in Pension Costs of former employees. This is offset by a previously approved savings proposal for the same amount	176
Insurance Arrangements	200
<b>Total Corporate</b>	<b>14,767</b>



# Confident, Capable Council Scrutiny Panel

2 December 2015

<b>Report title</b>	Terms of Reference and Nominations for Specific Reserves Working Group	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Resources	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Mark Taylor, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Claire Nye Tel Email	Chief Accountant 01902 55(0478) claire.nye@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>		

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## Recommendation(s) for action or decision:

The Panel is recommended to:

1. Approve the terms of reference for the specific reserves working group.
2. Accept nominations for and approve the membership of the specific reserves working group.

## **1.0 Purpose**

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

## **2.0 Background**

- 2.1 Specific reserves are made up of revenue resources which have been voluntarily set aside by the Council in previous financial years in order to fund specific items of expenditure in the future.
- 2.2 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.
- 2.3 These reserves are currently being reviewed as part of the 2016/17 budget process. As in previous years, it is proposed that a specific reserves working group is established to scrutinise the reserves and seek the views and observations of members of the working group as to the appropriateness of the specific reserves that are held by the Council. It is proposed that this working group meet in January in order that any comments can be considered for the final 2016/17 budget report.

## **3.0 Specific Reserves Working Group.**

- 3.1 The proposed terms of reference are provided at Appendix 1.
- 3.2 The panel is requested to make nominations for the specific reserves working group and agree the membership of the group.

## **4.0 Financial implications**

- 4.1 There are no direct financial implications arising from this report although the establishment of the working group contributes to the financial transparency and governance of the council. [RT/18112015/H]

## **5.0 Legal implications**

- 5.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs. [TS/18112015/R]

## **6.0 Equalities implications**

6.1 There are no direct equalities implications arising from this report.

## **7.0 Environmental implications**

7.1 This report has no direct implications for the council's environmental policies.

## **8.0 Human resources implications**

8.1 There are no direct Human Resources implications

## **9.0 Schedule of background papers**

None

## Appendix 1

# **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.