

# Cabinet Meeting

## 22 July 2015

<b>Report title</b>	Reserves, Provisions and Balances 2014/15	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<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 Tel Email	Director of Finance 01902 556609 mark.taylor@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Confident Capable Council Scrutiny Panel	7 October 2015

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

The Cabinet is recommended to:

1. Approve the transfers to/(from) specific reserves, provisions and general balances as detailed in tables 2, 3 and 4, including a transfer of £17 million from the General Fund balance into specific reserves.
2. Approve expenditure from provisions for their purposes as set out in Appendix B, up to the value held in each provision as at 31 March 2015.
3. Approve the continuation of delegation of authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to allocate funds from the Budget Contingency Reserve, the Regeneration Reserve, the Efficiency Reserve and the Transformation Reserve during 2015/16.

4. Approve the delegation of authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to allocate funds from the Development Reserve, the Regional Work Reserve, the Enterprise Zone Business Rates, the Business Rates Equalisation and the Treasury Management Equalisation Reserves, and the Budget Strategy Reserve during 2015/16.
5. Approve the delegation of authority to the Cabinet Member for Resources, in consultation with the Managing Director, to allocate funds from the Combined Authority Reserve during 2015/16.

**Recommendations for noting:**

The Cabinet is asked to note:

1. The level of the council's specific reserves, provisions and general balances as at 31 March 2015 and the purposes for which they are being held, as detailed in Appendices A and B.
2. That relevance and adequacy of specific reserves and general balances will be reviewed as required by the Constitution during the 2016/17 budget setting process.
3. That allocation of funding from all specific reserves will be reported to Cabinet (Resources) Panel in the scheduled quarterly budget monitoring reports.
4. That Confident Capable Council Scrutiny Panel will scrutinise the use of reserves as part of the budget setting process as in previous years.
5. That the Director of Finance considers that the overall level of all reserves, provisions and balances is sufficient to meet the likely level of obligations to be met from reserves, provisions and general balances in the short term.
6. The favourable General Fund outturn position during 2014/15, and the resulting adjustments to reserves, will help to support the Council's short term financial position, however it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £46.3 million of savings. Work continues to identify budget savings to address the projected budget deficit faced by the council over the medium term.

## 1.0 Purpose

- 1.1 The purpose of this report is to inform Cabinet of the Council's resources currently held as specific reserves, provisions and general balances as at 31 March 2015, taking account of the outturn position for 2014/15.

## 2.0 Summary

- 2.1 An analysis of the authority's general balances, specific reserves and provisions at 31 March 2015 is provided in table 1 below. This comprises of reserves, provisions and balances held for all funds including the General Fund, the Housing Revenue Account and Schools.

**Table 1 – Balances, Reserves and Provisions as at 31 March 2014 and 31 March 2015**

	Further details	Balance at 31 March 2014 £000	Net Movement 2014/15 £000	Balance at 31 March 2015 £000
Total General Balances	Table 2	(47,990)	17,968	(30,022)
Total Specific Reserves	Table 3	(27,630)	(23,816)	(51,446)
Total Provisions	Table 4	(39,053)	9,140	(29,913)
<b>Overall Total</b>		<b>(114,673)</b>	<b>3,292</b>	<b>(111,381)</b>

- 2.2 Overall, during 2014/15 there has been a reduction in the level of general balances, specific reserves and provisions. Full details of the movements against general balances, specific reserves and provisions are provided in the sections below.

## 3.0 Background

- 3.1 Specific reserves are made up of retained surpluses against previous years' revenue budgets, which are available to fund future expenditure. Some are required by law or accounting practice, whilst others represent amounts voluntarily set aside by the council for specific purposes.
- 3.2 The definition of provisions is set out in financial reporting standards. They state that a provision should be established when:
1. the council has a present obligation as a result of a past event, and
  2. there is significant uncertainty around the timing or amount of settlement of the obligation, but
  3. a reliable estimate can be made of the likely cost to the council.
- 3.3 These definitions are for accounting purposes. The important issue for the Council in looking forward is whether or not the specific reserves and provisions, taken together

with the Council's general balances, are sufficient to meet the cost of fulfilling the obligations (past or future) for which these reserves and provisions were established. If those obligations have been met, it is good practice to release the reserve or provision. The funds released are then available for other uses.

- 3.4 Due to the projected financial challenges facing the Council over the medium term, combined with the budget risks, reserves should only be called on in very specific circumstances and are not a viable funding option to reduce the projected budget deficit over either the short or longer term.
- 3.5 The policy on the use of reserves was revised during the 2014/15 budget process, and approved by Full Council in November 2013. The revised policy states:
1. Specific Reserves - to provide sufficient sums to meet known and estimated future liabilities and/or planned expenditure.
  2. General Fund Balance:
    1. To retain a minimum balance of £10 million at all times in order that sufficient sums are available to address the significant budget risks that face the authority should they materialise.
    2. This actual balance may however be lower than the £10 million where the use of these balances is the only option to fund significant costs associated with downsizing the workforce, in order to deliver significant ongoing savings. These balances should however be replenished to the minimum level of £10 million within a maximum of two financial years.
    3. Can only be used following the agreement of Full Council having first been considered by the Cabinet Member for Resources in consultation with Cabinet colleagues and then by Cabinet (Resources) Panel and only in the following circumstances:
      - a. To fund one-off exceptional/extraordinary items of expenditure where such expenditure cannot be contained within existing budgets or by calling on specific reserves and/or provisions.
      - b. To smooth the impact of a significant projected medium term budget deficit, where robust plans to address that deficit will take time to approve and implement.
      - c. To fund Invest to Save or income generating initiatives where there are insufficient sums held within the Efficiency Reserve to fund the initiative and there is a payback within a reasonable period of time.

## 4.0 General Balances

- 4.1 The Council maintains a number of general balances created by retained surpluses in this year and past years, as detailed in the table below.

**Table 2 – General Balances at 31 March 2014 and 31 March 2015**

	<b>Balance at 31 March 2014 £000</b>	<b>Net Movement 2014/15 £000</b>	<b>Balance at 31 March 2015 £000</b>
Schools' Balances	(15,990)	968	(15,022)
General Fund Balance	(27,000)	17,000	(10,000)
Housing Revenue Account Balance	(5,000)	-	(5,000)
<b>Total Balances</b>	<b>(47,990)</b>	<b>17,968</b>	<b>(30,022)</b>

- 4.2 General balances, unlike specific reserves, are funds that are generally available and not earmarked for a specific purpose although the individual funds are ring-fenced.
- 4.3 Schools' Balances are accumulated from savings against school budgets in past years. This sum is only available to fund expenditure against schools' delegated budgets.
- 4.4 The General Fund Balance has been accumulated from savings against general fund budgets in previous years. Due to the favourable General Fund outturn position for 2014/15, as reported to Cabinet at this meeting in the Revenue Outturn 2014/15 report, the Council did not draw down £9.9 million from the General Fund Balance to balance the budget, as originally budgeted for. It is therefore proposed that the balance in excess of £10 million in the General Fund Balance – £17 million – is transferred from the General Fund balance into specific reserves for future invest to save projects and redundancy costs.
- 4.5 The General Fund Balance will therefore be £10 million on 1 April 2015; the minimum balance as determined by the Council's policy on reserves and balances. Emphasis has therefore been placed on identifying budget savings to meet the projected budget deficit over the medium term. Details of the savings strategy progress to date for 2016/17 will be presented to Cabinet at this meeting in the Draft Budget and Medium Term Financial Strategy 2016/17 – 2018/19 report.
- 4.6 The Housing Revenue Account (HRA) Balance has been accumulated from net savings against HRA budgets in previous years. This balance is only available to fund expenditure against the HRA budget.

## 5.0 Specific revenue reserves

5.1 In addition to general balances, the Council also holds a number of specific reserves. An analysis of the authority's specific revenue reserves at 31 March 2015 is provided in the table below and is shown in more detail by individual reserve in Appendix A.

**Table 3 – Specific Revenue Reserves as at 31 March 2014 and 31 March 2015**

	<b>Balance at 31 March 2014 £000</b>	<b>Net Movement 2014/15 £000</b>	<b>Balance at 31 March 2015 £000</b>
People	(3,467)	(1,554)	(5,021)
Place	(3,933)	(57)	(3,990)
Corporate Services (including Education)	(5,315)	(358)	(5,673)
Corporate Budgets	(14,915)	(21,847)	(36,762)
<b>Total Specific Reserves</b>	<b>(27,630)</b>	<b>(23,816)</b>	<b>(51,446)</b>

5.2 As part of the 2015/16 budget process all specific reserves were reviewed for relevance and adequacy by Strategic Finance in conjunction with Budget Managers. They were also reviewed by Confident Capable Council Scrutiny Panel Specific Reserves Working Group for appropriateness.

5.3 There have been net additions to specific reserves totalling £23.8 million, as detailed in Appendix A.

5.4 Following a review to ensure adequacy by the Director of Finance, it is recommended that the following transfers between specific reserves are approved by Cabinet:

1. Transfer £766,156 from the Blocks 10 & 11 Treasury Management Reserve and £735,256 from the Southside Treasury Management Reserve to the newly established Treasury Management Equalisation Reserve;
2. Transfer of £250,000 from the LAC Transformation Reserve to the Efficiency Reserve;
3. Transfer of £132,238 from the Jennie Lee Centre Disposal Reserve to the Efficiency Reserve;
4. Transfer of £105,000 from the Furniture Reserve to the Efficiency Reserve;
5. Transfer £66,266 from the Professional Support and Advice Reserve to the Budget Contingency Reserve;
6. Transfer £38,552 from the Troubled Families Programme Reserve to the Efficiency Reserve;
7. Transfer £7,000 from the Economic Development Reserve to the Regeneration Reserve;
8. Transfer of £5,951 from the Corporate Advertising Reserve to the Efficiency Reserve; and,
9. Transfer of £143,905 from the Efficiency Reserve to the Regeneration Reserve.

- 5.5 In addition to those transfers detailed in the paragraph above, due to the favourable General Fund outturn position for 2014/15, as reported to Cabinet at this meeting in the Revenue Outturn 2014/15 report, the Council did not draw down £9.9 million of general fund reserves to balance the budget, as originally budgeted for. It is therefore proposed that the balance in excess of £10 million in general fund reserves – £17 million – is transferred into specific reserves for future invest to save projects and redundancy costs. The specific reserves detailed in Appendix A reflect this proposal, which Cabinet are recommended to approve.
- 5.6 Specific reserves will be reviewed as part of the revenue budget monitoring process throughout 2015/16, as required within the Constitution. Any proposed adjustments to specific revenue reserves will be reported to Cabinet (Resources) Panel for approval.
- 5.7 Further to this, the Confident Capable Council Scrutiny Panel will scrutinise the use of reserves as part of the 2016/17 budget setting process as in previous years.

## 6.0 Provisions

- 6.1 An analysis of the authority's provisions at 31 March 2015 is provided in the table below and is shown in more detail by individual provision in Appendix B.

**Table 4 – Provisions as at 31 March 2014 and 31 March 2015**

	Balance at 31 March 2014 £000	Net Movement 2014/15 £000	Balance at 31 March 2015 £000
Provisions for Bad and Doubtful Debts	(13,524)	1,072	(12,452)
Other Provisions	(25,529)	8,068	(17,461)
<b>Total</b>	<b>(39,053)</b>	<b>9,140</b>	<b>(29,913)</b>

## 7.0 Adequacy

- 7.1 In accordance with the provisions of the Local Government Act 2003 (Section 25); the Director of Finance is required to report on the adequacy of the proposed reserves. The Director of Finance considers that the overall level of all reserves, provisions and balances is sufficient to meet the likely level of obligations to be met from reserves, provisions and general balances in the short term.
- 7.2 It is important to note however, that many of the changes to reserves detailed within this report, which have arisen from the favourable General Fund outturn position in 2014/15, are already factored into the Council's Medium Term Financial Strategy. The underspend against budget during 2014/15 will help to support the Council's short term financial position, however it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £46.3 million of savings.

- 7.3 Work continues to identify budget savings to address the projected budget deficit faced by the council over the medium term, and progress will be reported to Cabinet at this meeting in the Draft Budget and Medium Term Financial Strategy 2016/17 – 2018/19 report.

## **8.0 Financial implications**

- 8.1 The financial implications are discussed in the body of the report.  
[MH/08072015/G]

## **9.0 Legal implications**

- 9.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.  
[TS/13072015/H]

## **10.0 Equalities implications**

- 10.1 This report has no direct equality implications. However, any consideration given to the use of reserves and/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.

## **11.0 Environmental implications**

- 11.1 This report has no direct implications for the council's environmental policies. However, any consideration given to the use of reserves and/or balances could have direct or indirect environmental implications: these will need to be considered as and when sums are allocated from reserves and/or balances.

## **12.0 Schedule of background papers**

Draft Budget and Medium Term Financial Strategy 2016/17 to 2018/19, report to Cabinet, 22 July 2015.

Revenue Outturn 2014/15, report to Cabinet, 22 July 2015.

5 Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19, report to Full Council, 6 November 2013.



Specific Reserve	Description of Reserve	Balance at 31 March 2014 £000	Net Movement 2014/15 £000	Balance at 31 March 2015 £000
<b>People</b>				
BCF Transition Reserve	To support the Better Care Fund Programme 2015/16.	-	(1,312)	(1,312)
Building Resilience Reserve	To continue activities under the Preventing Violent Extremism work stream.	(23)	19	(4)
Library Equipment	For the purchase of equipment for libraries.	(157)	-	(157)
Looked After Children Transformation Reserve	One-off project management costs arising from the Looked After Children (LAC) Transformation programme.	(250)	250	-
Mary Ellen Bequest - Oxley Training Centre Reserve	Bequest available for use at the Oxley Training Centre.	(7)	-	(7)
Mediation Service	The Mediation Service is self-funded through annual contributions which do not match the financial year in which expenditure is incurred. Earmarking the income already generated for the Mediation Service aids service planning.	(24)	4	(20)
Public Health - Alcohol	In line with the Corporate Priority to support the delivery of an effective Hospital based Alcohol Treatment Service and the implementation of a Multi Agency Safeguarding Hub (Toxic Trio Link).	-	(150)	(150)
Public Health - Emergency Planning Contingency	To respond to public health incidents and support the establishment of the resilience team imbed robust framework.	(50)	15	(35)
Public Health - Health Protection and Sexual Health	To support the implementation of new sexual health services for Wolverhampton and to initiate new ways of engaging and protecting vulnerable groups from infectious diseases.	-	(260)	(260)
Public Health - Healthy Ageing	To support collaborative work that aims to promote independence.	-	(70)	(70)

Specific Reserve	Description of Reserve	Balance at 31 March 2014 £000	Net Movement 2014/15 £000	Balance at 31 March 2015 £000
<b>People</b>				
Public Health - Infant Mortality	Corporate action in relation to the Infant Mortality Scrutiny Review and Action Plan.	-	(325)	(325)
Public Health - Obesity	Corporate action in relation to the Obesity call To Action.	-	(500)	(500)
Public Health - Public Mental Health	To fund projects supporting Public Mental Health	-	(86)	(86)
Public Health - Year 2 Transformation Fund	To support 2nd year Transformational projects approved through Health & Wellbeing Board.	-	(525)	(525)
Public Health CASH Additional Contracts	To fund public health interventions across the wider determinates in health.	(65)	45	(20)
Public Health Early Intervention Team	To support the families first programme.	(100)	31	(69)
Public Health Family Functional Therapy	To fund a specialised service to support adolescence on the edge of care remain with their families.	(40)	40	-
Public Health HOPE Service	To fund door to door local community research.	(3)	3	-
Public Health Housing Standards	Improving health through improving private sector housing.	(400)	-	(400)
Public Health MTFS 2014/15	To fund social inclusion re-design to meet public health outcomes for children and young people in the city.	(350)	350	-
Public Health Reserve	Public Health initiatives - ringfenced grant to meet public health criteria.	(545)	545	-
Public Health Services with PH Benefit	Public Health Services with Public Health Benefit	(150)	150	-
Public Health Strength and Balance	To support the Falls Prevention Service.	(117)	117	-
Public Health Telecare	Supporting telecare use to help independence particularly for elderly adults.	(100)	41	(59)
Public Health Transformation Fund	To support Transformational projects approved through Health & Wellbeing Board.	(700)	217	(483)

Specific Reserve	Description of Reserve	Balance at 31 March 2014 £000	Net Movement 2014/15 £000	Balance at 31 March 2015 £000
<b>People</b>				
Public Health Workforce	To support adoption leave cover and pharmacy lead.	(100)	100	-
Safeguarding – Adults Board	To fund Adults Board expenditure in future years.	-	(21)	(21)
Safeguarding – Children’s Board	To fund Children’s Board expenditure in future years.	-	(106)	(106)
Sam Sharpe Memorial	Funds to support Youth Events	(4)	4	-
Troubled Families Programme	Funding for the Troubled Families Programme, reserve no longer required transferred to corporate.	(39)	39	-
Youth Cafe Reserve	Fund the Youth Café.	(193)	(169)	(362)
Youth Offending IT Reserve	To fund the Youth Offending Team migration onto Childview - a new bespoke upgraded database.	(50)	-	(50)
<b>People Total</b>		<b>(3,467)</b>	<b>(1,554)</b>	<b>(5,021)</b>

Specific Reserve	Description of Reserve	Balance at 31 March 2014 £000	Net Movement 2014/15 £000	Balance at 31 March 2015 £000
<b>Place</b>				
Art Gallery Touring Exhibitions Reserve	To support the costs of touring exhibitions.	(9)	-	(9)
Building Control Service Improvements	Any surplus achieved on the Building Control Service is required to be reinvested back into the service	(169)	(45)	(214)
Cemeteries and Crematorium Reserve	To fund the replacement and repair of memorials.	(210)	15	(195)
Economic Development Reserve	Reserve to continue the momentum of business support in the city, with specific focus on assisting business relocations.	(165)	165	-
Energy Efficiency Reserve	To fund major repairs and/or refurbishment to supplement capital budgets targeted at energy efficiency measures.	(476)	(158)	(634)
Furniture Reserve	To fund projects where spatial reorganisation of working areas can deliver efficiency savings.	(105)	105	-
HRA Homelessness	Available to support initiatives that work to prevent homelessness.	(122)	(31)	(153)
Kickstart Loans	Recycling of funds secured following the repayment of Kickstart Loans into assistance for private sector housing improvements.	(47)	(25)	(72)
Licensing Reserve	Licensing Fee income. The surplus is to be reinvested in the Licensing Service.	(83)	39	(44)
Magistrates Court Reserve	Sinking fund to meet future refurbishment costs for building occupied by Magistrates court.	-	(34)	(34)
Markets Reserve	To meet predicted costs of wholesale market maintenance.	(54)	-	(54)
Regeneration Reserve	To fund projects in support of corporate regeneration priorities and maintaining the city centre development.	(1,908)	(92)	(2,000)

Specific Reserve	Description of Reserve	Balance at 31 March 2014 £000	Net Movement 2014/15 £000	Balance at 31 March 2015 £000
<b>Place</b>				
Showell Road Travellers Site - Residents Deposits Reserve	Deposits from new tenants of sites managed by Wolverhampton City Council. The deposits are refundable when tenants leave or they are used to offset arrears or to pay for any damage.	(1)	-	(1)
Showell Road Travellers Site Reserve	For the refurbishment of an existing site and also the provision of a new site, an annual contribution is made from the revenue budget.	(227)	(102)	(329)
Victoria Square Sinking Fund Reserve	Sums set aside for future maintenance costs at Victoria Square commercial units.	(31)	22	(9)
Voluntary Sector and Community Partnership Reserve	To support partnership activities approved by the Safer Wolverhampton Partnership and Wolverhampton Strategic Partnership.	(115)	-	(115)
Youth Zone	For the development of the Youth Zone. Transferred from People to Place directorate.	(211)	84	(127)
<b>Place Total</b>		<b>(3,933)</b>	<b>(57)</b>	<b>(3,990)</b>
<b>Corporate Services and Education</b>				
Apprenticeship Scheme Reserve	To support the apprenticeship scheme.	(101)	(31)	(132)
Corporate Advertising Reserve	Funding for the promotion and advertising of the city.	(6)	6	-
Insurance Reserve	To fund the council's self insurance commitments for unknown insurance claims, the movement during the year reflects the in year deficit of contributions in excess of insurance related costs.	(3,320)	488	(2,832)
Transformation Reserve	To progress the 3Cs Transformation Strategy and ultimately deliver greater efficiencies.	(900)	(600)	(1,500)
Pupil Referral Units Reserve	Held in accordance with the Scheme of Delegation for Pupil Referral Units (PRUs).	(914)	(221)	(1,135)
Schools Arts Service Reserve	Funds to support arts projects in schools.	(74)	-	(74)
<b>Corporate Services and Education Total</b>		<b>(5,315)</b>	<b>(358)</b>	<b>(5,673)</b>

Specific Reserve	Description of Reserve	Balance at 31 March 2014 £000	Net Movement 2014/15 £000	Balance at 31 March 2015 £000
<b>Corporate</b>				
Art Fund	Funds administered to support revenue expenditure against criteria defined by the bequest.	(33)	-	(33)
Blocks 10 & 11 Treasury Management Reserve	Funding to support the treasury management costs associated with Blocks 10 and 11 capital expenditure. The residual funding has been transferred into the Treasury Management Equalisation Reserve during 2014/15.	(766)	766	-
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 due to the increased risks associated with the budget, including but not limited to the delivery of challenging savings targets.	(500)	(6,350)	(6,850)
Budget Strategy Reserve	Funds available to address reorganisation costs as a result of the financial challenges faced by the Council over the medium term.	-	(9,000)	(9,000)
Business Rates Equalisation Reserve	To equalise the fluctuation in business rates as a result of revaluations and appeals.	-	(3,000)	(3,000)
Combined Authorities Reserve	Established from contributions of £50,000 from each Metropolitan District Council in the West Midlands to support the Combined Authority.	-	(350)	(350)
Development Reserve	To fund feasibility works.	-	(500)	(500)
Efficiency Reserve	Available to allow pump priming and investment in new developments, where the main aim is to generate efficiencies and savings in the future as supported by a fully costed business case. These business cases are considered by the Strategic Executive Board and decisions are reported to Councillors as part of the quarterly financial monitoring and reporting arrangements.	(5,477)	(430)	(5,907)

Specific Reserve	Description of Reserve	Balance at 31 March 2014 £000	Net Movement 2014/15 £000	Balance at 31 March 2015 £000
<b>Corporate</b>				
Enterprise Zone Business Rates Equalisation Reserve	To equalise the fluctuation in business rates receipts within the Enterprise Zone.	-	(500)	(500)
Funds and Bequests Reserve	Trust funds administered by the authority with specific criteria for allocation.	(9)	-	(9)
FutureWorks Reserve	This amount has been set aside to part fund costs arising from the council's FutureWorks Programme.	(2,440)	860	(1,580)
International Youth Exchange	Trust funds administered by the authority with specific criteria for allocation.	(10)	10	-
Jennie Lee Centre Disposal Reserve	This reserve was created to fund the disposal and relocation costs resulting from the disposal of the Jennie Lee Centre. The residual funding in this reserve was transferred into the Efficiency Reserve during 2014/15.	(132)	132	-
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.	(2,600)	13	(2,587)
Local Strategic Partnership Reserve	The council's unspent share of LPSA reward grant received in 2010/11, the use of this funding is managed by the Wolverhampton Partnership.	(159)	22	(137)
Mayors Award	Trust funds administered by the authority with specific criteria for allocation.	(2)	-	(2)
Professional Support and Advice Reserve	For professional services and advice, e.g. financial, legal, technical etc. where there is insufficient funding available within existing service budgets. The residual funding in this reserve has been transferred into the Budget Contingency Reserve during 2014/15.	(66)	66	-

Specific Reserve	Description of Reserve	Balance at 31 March 2014 £000	Net Movement 2014/15 £000	Balance at 31 March 2015 £000
<b>Corporate</b>				
Regional Work Reserve	Available to fund and support regional initiatives, including the Combined Authority for example.	-	(1,000)	(1,000)
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.	(1,986)	(1,321)	(3,307)
Southside Treasury Management Reserve	Established to fund the estimated treasury costs associated with the regeneration of the city centre. The residual funding has been transferred into the Treasury Management Equalisation Reserve during 2014/15.	(735)	735	-
Treasury Management Equalisation Reserve	To support the revenue costs associated with slippage in the Capital Programme.	-	(2,000)	(2,000)
<b>Corporate Total</b>		<b>(14,915)</b>	<b>(21,847)</b>	<b>(36,762)</b>
<b>Council Total</b>		<b>(27,630)</b>	<b>(23,816)</b>	<b>(51,446)</b>



Provision	Description of Provision	Balance at 31 March 2014 £000	Net Movement 2014/15 £000	Balance at 31 March 2015 £000
<b>Provisions for Bad and Doubtful Debts</b>				
Local Taxpayers	All bad and doubtful debt provisions are calculated by application of an established formula that takes account of the risk of not recovering debts owed to the council using a combination of factors including age of debt.			
Council Tax		(4,384)	1,682	(2,702)
Costs				
Council Tax		(566)	-	(566)
General Fund				
Sundry Debtors/ ABMN		(6,839)	(484)	(7,323)
Housing Revenue Account				
Rents/Other	(1,735)	(126)	(1,861)	
<b>Provision for Bad and Doubtful Debts Total</b>		<b>(13,524)</b>	<b>1,072</b>	<b>(12,452)</b>

**APPENDIX B**

Balance at 31 March 2014 £000	Provision Name	Provision Details	Amounts Used in 2014/15 £000	Provisions Made in 2014/15 £000	Balance at 31 March 2015 £000
<b>Other Provisions</b>					
(18,725)	Capitalisation Risks	This provision is in respect of potential claims under equal pay legislation. The Council had approval from the Government to capitalise payments it may need to make in respect of Equal Pay Back Pay claims. It is currently uncertain when payments might need to be made, and the value of any such payments.	6,344	-	(12,381)
(2,304)	Insurance	The Council self-insures risks to property and assets up to a total aggregate limit of £1.0 million and its liability exposures up to a limit of £250,000 on any one occurrence above which limits the external insurance cover operates. The insurance provision of £2.3 million is in respect of the outstanding claims under the self-insurance programme covering the current and past years.	-	-	(2,304)
(1,818)	Termination Benefits	During 2014/54, the Council undertook a further voluntary redundancy exercise. As a result of this initiative, there were a number of employees and former employees to whom termination benefits were due, but had not yet been made, at the end of the year.	1,818	(243)	(243)

Balance at 31 March 2014 £000	Provision Name	Provision Details	Amounts Used in 2014/15 £000	Provisions Made in 2014/15 £000	Balance at 31 March 2015 £000
(186)	Midlands Housing Consortium (MHC)	MHC was previously a member of the West Midlands Pension Fund. It paid a lump sum to the Council to support pension payments to fund members. This provision will reduce gradually over time as pension payments are made.	-	-	(186)
(557)	Carbon Reduction Commitment	This provision is in respect of the council's liability under the national, compulsory Carbon Reduction Commitment scheme. It represents the council's estimate of the amount it will have to pay to purchase allowances for its use of carbon in 2014/15.	557	-	-
(105)	Housing Revenue Account	There are three separate provisions: for legal disrepair claims, for tenant management organisation expenditure and for rent bonds.	-	-	(105)
(1,746)	Outstanding NNDR appeals	The Collection Fund account requires a provision for appeals against the rateable valuation set by the Valuation Office Agency (VOA) not settled as at 31 March 2014.	663	(1,071)	(2,154)
(88)	Other	These are small amounts relating to ex-members of the pension fund and refunds of aftercare payments made by residents subsequently falling within Section 117 of the Mental Health Act 1983 and from whom charges are not due.	-	-	(88)
<b>(25,529)</b>	<b>Total Other Provisions</b>		<b>9,382</b>	<b>(1,314)</b>	<b>(17,461)</b>