



Cabinet Meeting

23 July 2014

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|--|--|--|
| Report title | Reserves, Provisions and Balances 2013/14 | |
| Decision designation | AMBER | |
| Cabinet member with lead responsibility | Councillor Roger Lawrence Leader of the Council | Councillor Andrew Johnson Resources |
| Key decision | Yes | |
| In forward plan | Yes | |
| Wards affected | All | |
| Accountable director | Simon Warren, Chief Executive Sarah Norman, Community Keith Ireland, Delivery Tim Johnson, Education and Enterprise | |
| Originating service | Strategic Finance | |
| Accountable employee(s) | Mark Taylor Tel Email | Assistant Director Finance 01902 556609 mark.taylor@wolverhampton.gov.uk |
| Report to be/has been considered by | Confident Capable Council Scrutiny Panel | 10 September 2014 |

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 1, 2 and 3.
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 2014.
3. Approve the continuation of delegation of authority to the Cabinet Member for Resources, in consultation with the Assistant Director Finance, to allocate funds from the Budget Contingency Reserve, the Professional Support and Advice Reserve, the

Regeneration Reserve, the Southside Reserve (previously termed the City Centre Reserve) and the Efficiency Reserve during 2014/15.

4. Approve the delegation of authority to the Cabinet Member for Resources, in consultation with the Assistant Director Finance, to allocate funds from the Looked After Children Transformation Reserve and the Transformation Reserve during 2014/15.

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 2014 and the purposes for which they are being held, as detailed in Appendix A.
2. That relevance and adequacy of specific reserves and general balances will be reviewed as required by the Constitution during the 2015/16 budget setting process.
3. That allocation of funding from the Budget Contingency Reserve, the Professional Support and Advice Reserve, the Regeneration Reserve, the Southside Reserve, the Efficiency Reserve, the Looked After Children Reserve and the Transformation 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 Assistant Director 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. 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 This report provides Cabinet with details of the resources currently held as specific reserves, provisions and general balances by the council as at 31 March 2014, taking account of the outturn position for 2013/14.

2.0 Background

- 2.1 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.
- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 A policy on the use of reserves was established during the 2013/14 budget setting process and was subsequently revised during the 2014/15 budget process, and approved by 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 2 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.

3.0 Specific revenue reserves

- 3.1 An analysis of the authority's specific revenue reserves at 31 March 2014 is provided in table 1 below and is shown in more detail by individual reserve in Appendix A.

Table 1 – Specific Revenue Reserves as at 31 March 2013 and 31 March 2014

| | Balance at 31 March 2013 £000 | Net Movement 2013/14 £000 | Balance at 31 March 2014 £000 |
|--|--|------------------------------------|--|
| Community | 2,626 | 1,150 | 3,776 |
| Education and Enterprise (non Schools) | 7,489 | (2,853) | 4,636 |
| Office of the Chief Executive and Delivery | 4,893 | 178 | 5,071 |
| Corporate | 28,520 | (14,374) | 14,147 |
| Total Reserves | 43,528 | (15,899) | 27,629 |

- 3.2 As part of the 2014/15 budget process all specific reserves were reviewed for relevance and adequacy. As a result of this review, Full Council approved the transfer of £7.1 million from specific revenue reserves to general fund reserves, as detailed in the 5 Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19 report. This transfer has been included in the Net Movement above.
- 3.3 Further to this, there have been additions to and drawdowns from specific reserves as detailed in Appendix A. Following a review to ensure adequacy by the Assistant Director Finance, it is recommended that the following transfers between specific reserves are approved by Cabinet:
 - a. Transfer of £721,000 from the Job Evaluation Reserve to the Efficiency Reserve;

- b. Transfer of £500,000 from the Job Evaluation Reserve to the Budget Contingency Reserve;

- 3.4 Specific reserves will be reviewed as part of the revenue budget monitoring process throughout 2014/15, as required within the Constitution. Any proposed adjustments to specific revenue reserves will be reported to Cabinet (Resources) Panel for approval.
- 3.5 Further to this, the Confident, Capable Council Scrutiny Panel will scrutinise the use of reserves as part of the 2015/16 budget setting process as in previous years.

4.0 Provisions

- 4.1 An analysis of the authority's provisions at 31 March 2014 is provided in table 2 below and is shown in more detail by individual provision in Appendix B.

Table 2 – Provisions as at 31 March 2013 and 31 March 2014

| | Balance at 31 March 2013 £000 | Net Movement 2013/14 £000 | Balance at 31 March 2014 £000 |
|---------------------------------------|--|------------------------------------|--|
| Provisions for Bad and Doubtful Debts | 13,419 | 105 | 13,524 |
| Other Provisions | 30,581 | (5,052) | 25,529 |
| Total | 44,000 | (4,947) | 39,053 |

5.0 General Balances

- 5.1 In addition to the specific reserves, the Council maintains a number of general balances created by retained surpluses in this year and past years, as detailed in table 3 below.

Table 3 – General Balances at 31 March 2013 and 31 March 2014

| | Balance at 31 March 2013 £000 | Net Movement 2013/14 £000 | Balance at 31 March 2014 £000 |
|---------------------------------|--|------------------------------------|--|
| Collection Fund Balance | (533) | (11) | (544) |
| Schools' Balances | 17,602 | (1,611) | 15,991 |
| General Fund Balance | 15,928 | 11,072 | 27,000 |
| Housing Revenue Account Balance | 5,000 | - | 5,000 |
| Total | 37,997 | 9,450 | 47,447 |

- 5.2 Unlike specific reserves, general balances are funds that are generally available and not earmarked for a specific purpose although the individual funds are ring-fenced.
- 5.3 The Collection Fund Balance is the council's share of the balance on the Collection Fund account. This account records all transactions relating to Council Tax and Business

Rates for all preceptors in Wolverhampton. Any outstanding debit balances are required to be the first call on the revenue budget in the following year, and similarly any accumulated surpluses, as is the case at the end of 2013/14, are required to be used to support the following year's revenue budget.

- 5.4 Schools' Balances are accumulated from savings against school budgets in past years. This sum is only available to fund expenditure against schools' delegated budgets.
- 5.5 The General Fund Balance has been accumulated from savings against general fund budgets in previous years. Due to the projected financial challenges facing the council over the medium term, £17.1 million was transferred into the General Fund balance as can be seen in table 4 below.

Table 4 – General Fund Balance 2013/14

| | £000 | £000 |
|--|----------|-----------------|
| Balance at 1 April 2013 | | (15,928) |
| Transfers Approved During 2013/14 From: | | |
| Specific Reserves | (7,120) | |
| Minimum Revenue Provision | (10,000) | (17,120) |
| Movements During the Year: | | |
| Budgeted Use in 2013/14 | 3,716 | |
| 2013/14 Deficit | 2,332 | 6,048 |
| Balance at 31 March 2014 | | (27,000) |

- 5.6 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.
- 5.7 In accordance with the provisions of the Local Government Act 2003 (section 25); the Assistant Director Finance is required to report on the adequacy of the proposed reserves. The Assistant Director 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. Work continues to identify budget savings to address the projected budget deficit faced by the council over the medium term.

6.0 Financial implications

- 6.1 The financial implications are discussed in the body of the report.
[MH/14072014/I]

7.0 Legal implications

- 7.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.
[TS/11072014/X]

8.0 Equalities implications

- 8.1 Under the Equality Act 2010, the council has a statutory duty to pay due regard to the impact of how it carries out its business on different groups of people. This is designed to help the council identify the particular needs of different groups and reduce the likelihood of discrimination, the nine protected characteristics covered in the legislation are:

- Age;
- Disability;
- Gender reassignment;
- Pregnancy and Maternity;
- Religion or Belief;
- Sexual Orientation;
- Race;
- Sex,
- Marriage and Civil Partnership

- 8.2 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.

9.0 Environmental implications

- 9.1 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.

10.0 Schedule of background papers

- 10.1 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 2013 £000 | Approved Transfer to General Fund Balance 23 October 2013 £000 | Other Movements 2013/14 £000 | Balance at 31 March 2014 £000 |
|--|--|--|--|---------------------------------------|--|
| Community | | | | | |
| Adult Services Market Plaza Reserve | Fund for payments associated with the movement of Market services from the Plaza. | 89 | (89) | - | - |
| Adult Services Residential & Nursing Reserve | Available as a contingency to meet expected cost increases in residential and nursing care. | 1,041 | - | (1,041) | - |
| Building Resilience Reserve - Community | To continue activities under the Preventing Violent Extremism work stream. | 23 | (23) | 23 | 23 |
| HRA Homelessness | Available to support initiatives that work to prevent homelessness. | 146 | - | (24) | 122 |
| Library Equipment | For the purchase of equipment for libraries. | 242 | - | (84) | 157 |
| Looked After Children Transformation Reserve | One-off project management costs arising from the Looked After Children (LAC) Transformation programme. | - | - | 250 | 250 |
| Leisure Centre Reserve | Set aside for the purchase of new equipment for Leisure centres. | 10 | (10) | - | - |
| Mary Ellen Bequest - Oxley Training Centre Reserve | Bequest available for use at the Oxley Training Centre. | 7 | - | - | 7 |
| Public Health Early Intervention Team | To support the families first programme. | - | - | 100 | 100 |
| Public Health Emergency Planning | To respond to public health incidents and support the establishment of the resilience team imbed robust framework. | - | - | 50 | 50 |

APPENDIX A

| Specific Reserve | Description of Reserve | Balance at | Approved | Other | Balance at |
|---|---|------------|--------------|-----------|------------|
| | | 31 March | Transfer to | Movements | 31 March |
| | | 2013 | General Fund | 2013/14 | 2014 |
| | | | Balance | | |
| | | | 23 October | | |
| | | £000 | 2013 | £000 | £000 |
| | | | £000 | £000 | £000 |
| 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 Services | To fund door to door local community research. | - | - | 3 | 3 |
| Public Health Housing Standards | Improving health through improving privat. | - | - | 400 | 400 |
| Public Health Interventions | To fund public health interventions across the wider determinates in health. | - | - | 65 | 65 |
| 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 | To fund public health services. | - | - | 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 | 100 |
| Public Health Transformation Fund | To fund transformational projects approved through Health & Wellbeing Board. | - | - | 700 | 700 |
| Public Health Workforce | To support adoption leave cover and pharmacy lead. | - | - | 100 | 100 |
| Sam Sharpe Memorial | Funds to support Youth Events | 4 | - | - | 4 |
| Social Inclusion IT Reserve | To procure and implement an electronic Common Assessment Framework (eCAF) IT system to enable practitioners to record and store assessments of children, young people and families. | 50 | - | (50) | - |

| Specific Reserve | Description of Reserve | Balance at | Approved | Other | Balance at |
|--|--|--------------|--------------|--------------|--------------|
| | | 31 March | Transfer to | Movements | 31 March |
| | | 2013 | General Fund | 2013/14 | 2014 |
| | | | Balance | | |
| | | | 23 October | | |
| | | | 2013 | | |
| | | £000 | £000 | £000 | £000 |
| Sport and Recreation Leisure Trust Reserve | To support costs of establishing a Leisure Trust. | 61 | (52) | (9) | - |
| Third Sector Development | Supporting development of Voluntary and Community groups. | 60 | (60) | - | - |
| Troubled Families | To support programme costs. | 100 | (100) | - | - |
| Troubled Families Programme | Funding for the Troubled Families Programme. | 50 | - | (11) | 39 |
| Voluntary Sector Employment Support | Support for local voluntary and community groups to deliver outcomes that help young people overcome barriers to their gaining employment. | 64 | - | (64) | - |
| Winter Pressures Reserve | PCT funding to support the seasonal winter pressures on social care costs. | 80 | (80) | - | - |
| Youth Cafe Reserve | Fund the Youth Café. | 264 | (14) | (58) | 193 |
| Youth Offending IT Reserve | To fund the Youth Offending Team migration onto Childview - a new bespoke upgraded database. | 50 | - | - | 50 |
| Youth Zone | For the development of the Youth Zone. | 285 | - | (74) | 211 |
| Community Sub Total | | 2,626 | (428) | 1,578 | 3,776 |

| Specific Reserve | Description of Reserve | Balance at | Approved | Other | Balance at |
|---|--|------------|--------------|-----------|------------|
| | | 31 March | Transfer to | Movements | 31 March |
| | | 2013 | General Fund | 2013/14 | 2014 |
| | | | Balance | | |
| | | | 23 October | | |
| | | £000 | 2013 | £000 | £000 |
| | | | £000 | £000 | £000 |
| Education and Enterprise | | | | | |
| Apprenticeship Scheme Reserve | To support the apprenticeship scheme. | 83 | - | 18 | 101 |
| Art Gallery Touring Exhibitions Reserve | To support the costs of touring exhibitions. | 9 | - | - | 9 |
| Building Control Account | Balance of Building Regulation Fees to cover costs of services over a three year timeframe in accordance with the Building (LA Charges) Regulations 2010. | - | - | - | - |
| Building Control Service Improvements | Prior to the Building Control Account reserve being established there was a legal requirement to have a Building Regulations Fees Reserve. The surplus is to be reinvested in the Building Control Service. | 146 | - | 23 | 169 |
| Building Schools for the Future Reserve (BSF) | Set aside for the BSF Programme. | 580 | - | (580) | - |
| Economic Development Reserve | Reserve to continue the momentum of business support in the city, with specific focus on assisting business relocations. | 100 | - | 65 | 165 |
| Leisure Funds and Bequests Reserve | Funds administered to support revenue expenditure against criteria defined by the bequest. | 48 | - | (16) | 33 |
| Licensing Reserve | Licensing Fee income. The surplus is to be reinvested in the Licensing Service. | - | - | 83 | 83 |
| Kickstart Loans | Repayment of Kickstart Loans. | - | - | 47 | 47 |
| 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. | 28 | - | (4) | 24 |

| Specific Reserve | Description of Reserve | Balance at | Approved | Other | Balance at |
|---|---|------------|--------------|-----------|------------|
| | | 31 March | Transfer to | Movements | 31 March |
| | | 2013 | General Fund | 2013/14 | 2014 |
| | | | Balance | | |
| | | | 23 October | | |
| | | | 2013 | | |
| | | £000 | £000 | £000 | £000 |
| Outdoor Events | Reserve was created to support outdoor events in Wolverhampton in summer 2012. This reserve was reviewed during 2013/14 and was transferred to the General Fund as no call upon funding was made. | 11 | (11) | - | - |
| Pupil Referral Units Reserve | Held in accordance with the Scheme of Delegation for Pupil Referral Units (PRUs). | 675 | - | 239 | 914 |
| Regeneration Reserve | To fund projects in support of corporate regeneration priorities and maintaining the city centre development. | 973 | 1,502 | (567) | 1,908 |
| School Service Level Agreements Reserve (SLA) | For schools buy back of SLA services. | 304 | - | (304) | (0) |
| Schools Arts Service Reserve | Funds to support arts projects in schools. | 61 | - | 13 | 74 |
| 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. | 224 | - | 2 | 227 |
| 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 |
| Southside Reserve | To fund the estimated treasury costs associated with the regeneration of the city centre. | 3,982 | (2,502) | (745) | 735 |
| Surface Water Management Plan Reserve | To fund activities required to produce the management plan. | 112 | (112) | - | - |

| Specific Reserve | Description of Reserve | Balance at 31 March 2013 | Approved Transfer to General Fund Balance 23 October 2013 | Other Movements 2013/14 | Balance at 31 March 2014 |
|--|--|--------------------------------|--|-------------------------------|--------------------------------|
| | | £000 | £000 | £000 | £000 |
| Voluntary Sector and Community Partnership Reserve | To support partnership activities approved by the Safer Wolverhampton Partnership and Wolverhampton Strategic Partnership. | 150 | - | (35) | 115 |
| Victoria Square Sinking Fund Reserve | Sums set aside for future maintenance costs at Victoria Square commercial units. | - | - | 31 | 31 |
| Education and Enterprise Sub Total | | 7,489 | (1,123) | (1,730) | 4,636 |

| Specific Reserve | Description of Reserve | Balance at 31 March 2013 £000 | Approved Transfer to General Fund Balance 23 October 2013 £000 | Other Movements 2013/14 £000 | Balance at 31 March 2014 £000 |
|---|--|--|--|---------------------------------------|--|
| Office of the Chief Executive and Delivery | | | | | |
| Bulbs and Shrubs - Cemeteries and Crematorium Reserve | Donations received from members of the public for five additional planting schemes within the city. This reserve has now been merged with the Cemeteries and Crematorium Reserve. | 4 | - | (4) | - |
| Cemeteries and Crematorium Reserve | To fund the replacement and repair of memorials. | 147 | - | 63 | 210 |
| Cemeteries Surplus Reserve | To fund improvements to cemeteries and crematorium which would otherwise be funded via the capital programme. This reserve has now been merged with the Cemeteries and Crematorium Reserve. | 57 | - | (57) | - |
| Corporate Advertising Reserve | Funding for the promotion and advertising of the city. | 82 | - | (76) | 6 |
| Crematorium Environmental Reserve | Balance of environmental levy suggested by the Federation of Burial and Cremations Authority to part fund installation of mercury abatement equipment at Bushbury Crematorium. This reserve has now been merged with the Cemeteries and Crematorium Reserve. | 2 | - | (2) | - |

| Specific Reserve | Description of Reserve | Balance at | Approved | Other | Balance at |
|---|---|--------------|--------------|------------|--------------|
| | | 31 March | Transfer to | Movements | 31 March |
| | | 2013 | General Fund | 2013/14 | 2014 |
| | | | Balance | | |
| | | | 23 October | | |
| | | | 2013 | | |
| | | £000 | £000 | £000 | £000 |
| Energy Efficiency Reserve | To fund major repairs and/or refurbishment to supplement capital budgets targeted at energy efficiency measures. | 325 | - | 151 | 476 |
| Feasibility Study Civic Centre Car Park Reserve | To fund a feasibility study into the condition of the Civic Centre car park. | 50 | (50) | - | - |
| Furniture Reserve | To fund projects identified by the accelerated asset review where spatial reorganisation of working areas can deliver efficiency savings. | 105 | - | - | 105 |
| 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. | 4,067 | - | (747) | 3,320 |
| Markets Reserve | To meet predicted costs of wholesale market maintenance. | 54 | - | - | 54 |
| Transformation Reserve | To progress the 3Cs Transformation Strategy and ultimately deliver greater efficiencies. | - | - | 900 | 900 |
| OCE and Delivery Sub Total | | 4,893 | (50) | 228 | 5,071 |

| Specific Reserve | Description of Reserve | Balance at 31 March 2013 £000 | Approved Transfer to General Fund Balance 23 October 2013 £000 | Other Movements 2013/14 £000 | Balance at 31 March 2014 £000 |
|--|---|--|--|---------------------------------------|--|
| Corporate | | | | | |
| Blocks 10 & 11 Treasury Management Reserve | Funding to support the treasury management costs associated with Blocks 10 and 11 capital expenditure. | - | - | 766 | 766 |
| Budget Contingency Reserve | Available to address in-year budget pressures that cannot be addressed from within existing service budgets. | 3,000 | (1,948) | (552) | 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. | 6,367 | (2,980) | 2,091 | 5,478 |
| Fuel Tank Reserve | To update and future proof the existing fuel management system which will involve the replacement of out-dated and worn out hardware and software. | 32 | - | (32) | - |
| Funds and Bequests Reserve | Trust funds administered by the authority with specific criteria for allocation. | 20 | - | - | 20 |
| Jennie Lee Centre Disposal Reserve | Created to fund the disposal and relocation costs resulting from the disposal of the Jennie Lee Centre. | 357 | - | (225) | 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. | 7,340 | - | (4,740) | 2,600 |

| Specific Reserve | Description of Reserve | Balance at | Approved | Other | Balance at |
|---|--|---------------|----------------|----------------|---------------|
| | | 31 March | Transfer to | Movements | 31 March |
| | | 2013 | General Fund | 2013/14 | 2014 |
| | | | Balance | | |
| | | | 23 October | | |
| | | | 2013 | | |
| | | £000 | £000 | £000 | £000 |
| 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. | 325 | - | (167) | 159 |
| 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. | 490 | (365) | (59) | 66 |
| 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. | 3,748 | - | (1,762) | 1,986 |
| FutureWorks Reserve | This amount has been set aside to part fund costs arising from the council's FutureWorks Programme. | 6,591 | - | (4,151) | 2,440 |
| Systems Thinking and Lean Interventions | Established to fund Systems Thinking interventions across the council. | 250 | (250) | - | - |
| Corporate Sub Total | | 28,520 | (5,543) | (8,831) | 14,147 |
| TOTAL RESERVES | | 43,528 | (7,144) | (8,755) | 27,629 |

| Provision | Description of Provision | Balance at 31 March 2013 £000 | Net Movement 2013/14 £000 | Balance at 31 March 2014 £000 |
|---|---|--|------------------------------------|--|
| Provisions for Bad and Doubtful Debts | | | | |
| 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 | | 3,518 | 866 | 4,384 |
| Costs | | | | |
| Council Tax | | 566 | - | 566 |
| General Fund | | 7,542 | (703) | 6,839 |
| Housing Revenue Account | | | | |
| Rents | | 1,555 | 4 | 1,559 |
| Other | | 238 | (62) | 176 |
| Provision for Bad and Doubtful Debts Sub Total | | 13,419 | 105 | 13,524 |

| Provision | Description of Provision | Balance at 31 March 2013 £000 | Net Movement 2013/14 £000 | Balance at 31 March 2014 £000 |
|--|--|--|------------------------------------|--|
| Other Provisions | | | | |
| Insurances | The Council self-insures risks to property and assets up to a total aggregate limit of £1 million and its liability exposures up to a limit of £250,000 on any one occurrence, above which limits the external insurance cover operates. | 2,609 | (305) | 2,304 |
| Section 117 Mental Health Act | Section 117 of the Mental Health Act 1983 places a duty on the council to provide after-care services for certain patients discharged from detention under the Act. This is an estimate of the potential liability relating to back-dated claims for charges made prior to April 2000. | 76 | (47) | 29 |
| Capitalisation Risks | This provision is in respect of potential claims under equal pay legislation. The Council has had approval from central government to capitalise payments it may need to make in respect of Equal Pay Back Pay claims. | 26,469 | (7,744) | 18,725 |
| Pension Liabilities | | | | |
| Midland Housing Consortium | Available to support payments to pensioners of former members of the West Midlands Pension Fund. | 212 | (26) | 186 |
| West Midlands Children's Regional Planning Committee | Available to support payments to pensioners of former members of the West Midlands Pension Fund. | 64 | (7) | 57 |

| Provision | Description of Provision | Balance at 31 March 2013 £000 | Net Movement 2013/14 £000 | Balance at 31 March 2014 £000 |
|---|---|--|------------------------------------|--|
| Termination Benefits | During 2013/14, the council undertook restructurings, and a voluntary redundancy exercise. As a result, 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. These sums have been provided for within this provision, in accordance with proper accounting practice. | 514 | 1,304 | 1,818 |
| Wolverhampton Ring Road | A bond relating to work which has been completed on the ring road. Subject to all conditions relating to the bond being met it will be repaid in a future financial period. | 2 | - | 2 |
| 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. | 525 | 32 | 557 |
| Collection Fund - Provision For Future Losses | The Collection Fund account requires a provision for appeals against the rateable valuation set by the Valuation Office Agency (VOA) not settled as at 31st March 2014. This is the first year of this provision, as required by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2014. | - | 1,746 | 1,746 |

| Provision | Description of Provision | Balance at 31 March 2013 £000 | Net Movement 2013/14 £000 | Balance at 31 March 2014 £000 |
|---------------------------------------|---|--|------------------------------------|--|
| Housing Revenue Account | | | | |
| Housing Disrepair Claims | Provides for outstanding claims against the council in respect of its dwellings. | 81 | 1 | 82 |
| Former Tenant Management Organisation | The balance of reserves following the closure of the former Crescent Tenant Management Organisation (TMO). The funds have been set aside for works on the area formerly managed by the TMO. | 17 | (6) | 11 |
| Rent Bond Provision for default | Established during 2008/09, this is in respect of rent bonds given by the council to other landlords to help avoid homelessness. | 12 | - | 12 |
| Other Provisions Sub Total | | 30,581 | (5,052) | 25,529 |
| Total Provisions | | 44,000 | (4,947) | 39,053 |