

# Confident, Capable Council Scrutiny Panel

16 November 2016

<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 550478 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 2017/18 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 on 28 November 2016 in order that any comments can be considered for the final 2017/18 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.  
[MH/02112016/E]

## **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.  
[RB/03112016/S]

## **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**

Specific Reserves Working Group 14 November 2016

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.