

# Cabinet Meeting

## 19 July 2017

<b>Report title</b>	Reserves, Provisions and Balances 2016-2017	
<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>	Claire Nye Tel Email	Director of Finance 01902 550478 Claire.nye@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Strategic Executive Board Confident Capable Council Scrutiny Panel	20 June 2017 27 September 2017

---

### Recommendations for 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.
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 2017.
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, the Transformation Reserve, the Development Reserve, the Regional Work Reserve, the

Enterprise Zone Business Rates Reserve, the Business Rates Equalisation Reserve, the Treasury Management Equalisation Reserve and the Budget Strategy Reserve.

4. Approve the delegation of authority to the Cabinet Member for Resources, in consultation with the Director of Finance, to allocate funds from the Pension Deficit Recovery Reserve.
5. Approve the creation of seven new reserves as detailed in 5.4.

### **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 2017 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 2018-2019 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. That the positive General Fund outturn position during 2016-2017, and the resulting adjustments to reserves, will help to support the Council's short term financial position, enabling one-off investment to support transformation of the Council. However, it does not address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £20.5 million of budget reduction and income generation proposals over the two-year period to 2019-2020. Cabinet will be presented with a report at this meeting detailing the progress towards identifying £14.8 million of budget reduction and income generation proposals for 2018-19.
7. That the figures quoted in the report are still subject to statutory audit by Grant Thornton UK LLP as part of the 2016-2017 accounts closedown process.

## 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 2017, taking account of the outturn position for 2016-2017.

## 2.0 Summary

- 2.1 An analysis of the authority's general balances, specific (revenue) reserves and provisions at 31 March 2017 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 2016 and 31 March 2017**

	Further details	Balance at 31 March 2016 £000	Transfer Out £000	Transfer To £000	Balance at 31 March 2017 £000
Total General Balances	Table 2	(26,059)	10,754	(6,389)	(21,695)
Total Specific Reserves	Table 3	(61,937)	14,209	(6,880)	(54,608)
Total Provisions	Table 4	(34,505)	22,165	(20,432)	(32,772)
<b>Overall Total</b>		<b>(122,502)</b>	<b>47,128</b>	<b>(33,701)</b>	<b>(109,075)</b>

- 2.2 Overall, during 2016-2017 there has been a decrease of £13.4 million 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 £10.0 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 £10.0 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 on-going savings. These balances should however be replenished to the minimum level of £10.0 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 2016 and 31 March 2017**

	Balance at 31 March 2016 £000	Use of Balances in 2016-2017 £000	Balance at 31 March 2017 £000
Schools' Balances	(11,059)	4,365	(6,695)
General Fund Balance	(10,000)	-	(10,000)
Housing Revenue Account Balance	(5,000)	-	(5,000)
<b>Total Balances</b>	<b>(26,059)</b>	<b>4,365</b>	<b>(21,695)</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 (General Fund and Housing Revenue Account) are ring-fenced.
- 4.3 Schools' Balances (including balances held by Pupil Referral Units) are accumulated from underspends against school budgets in past years. This sum is only available to fund expenditure against schools' delegated budgets. It should be noted that the balance at 31 March 2016 included balances from school which have subsequently converted to an academy during 2016-2017 but were local authority maintained schools at 31 March 2016. In the instance that a school holds a surplus balance at the point it converts to an academy, the surplus balance is transferred to the academy.
- 4.4 The positive General Fund outturn position during 2016-2017, and the resulting adjustments to reserves, will help to support the Council's short term financial position enabling one-off investment to support transformation of the Council. It does not, however, address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £20.5 million of budget reduction and income generation proposals over the two-year period to 2019-2020. Cabinet will be presented with a report at this meeting detailing the progress towards identifying £14.8 million of budget reduction and income regeneration proposals for 2018-2019.
- 4.5 The General Fund Balance remains at £10.0 million as at 31 March 2017. This is the minimum balance as determined by the Council's policy on reserves and balances.
- 4.6 The Housing Revenue Account (HRA) Balance of £5.0 million as at 31 March 2017 has been accumulated from net surpluses 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 reserves at 31 March 2017 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 2016 and 31 March 2017**

	Balance at 31 March 2016 £000	Transfer Out £000	Transfer To £000	Balance at 31 March 2017 £000
People	(2,317)	1,131	(696)	(1,882)
Place	(5,036)	1,372	(1,516)	(5,180)
Corporate Services (including Education)	(2,844)	460	(247)	(2,631)
Corporate Budgets	(47,094)	10,773	(4,421)	(40,742)
Revenue Grants Unapplied Reserve	(4,646)	473	-	(4,173)
<b>Total Specific Reserves</b>	<b>(61,937)</b>	<b>14,209</b>	<b>(6,880)</b>	<b>(54,608)</b>

- 5.2 As part of the 2017-2018 budget process all specific reserves were once again 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 on 28 November 2016 for appropriateness. The Working Group considered and commented on the appropriateness of the specific reserves held by the Council and supported the recommendation that any reserves no longer required for their original purpose should be transferred to the Council's Efficiency or Transformation Reserve.
- 5.3 There has been a net reduction to specific reserves totalling £7.3 million, as shown in more detail at Appendix A.
- 5.4 Following a review to ensure adequacy by the Director of Finance, it is recommended that the following transfers to new specific reserves are approved by Cabinet:
1. Contribute £3.0 million from the General Fund revenue account during 2016-2017 to the Pension Deficit Recovery Reserve. This proposal follows the decision of Cabinet in October 2016, where authority was delegated to the Cabinet Member for Resources in consultation with the Director of Finance to explore the option of making further pension contributions to the West Midlands Pension Fund in 2017-2018, in order to reduce the total costs and secure on-going budget reductions to support the budget challenge that the Council would face in future years.

2. Contribute £406,000 from the General Fund revenue account during 2016-2017 to the Multi Agency Safeguarding Hub (MASH) - Assessment Team reserve. It is proposed that this reserve is created to fund the creation of social work assessments and analysis team in MASH for one year only.
3. Contribute £132,000 to the Early Intervention Programme – 4x Strengthening Family Workers Reserve. It is proposed that this reserve is created to fund the creation of four additional Strengthening Families Support Workers posts.
4. Contribute £122,000 to Local Growth Fund Transport reserve. It is proposed that this reserve is created to meet the costs that may arise should capital funded development not realise a capital asset.
5. Contribute £80,000 to catering – Trading Days reserve. It is proposed that this reserve is created to support the catering service in years of less than average trading days.
6. Contribute £85,000 to School Balances – Clawback reserve. It is proposed that this reserve is established from funds clawed back from schools with excess balances. The funds are to be redistributed to schools following a bidding process.
7. Contribute £303,000 to HRA Strategy reserve. It is proposed that this reserve is established to set aside funds to cover council tax relating to void properties in 2016-2017 which will be billed in 2017-2018.

5.5 In addition to those transfers detailed in the paragraph above, due to the positive General Fund outturn position for 2016-2017, as reported to Cabinet at this meeting in the Revenue Budget Outturn 2016-2017 report, the Council underspent by £266,000. It is therefore proposed that £266,000 is transferred into Efficiency Reserve. The specific reserves detailed in Appendix A reflect this proposal, which Cabinet is recommended to approve.

5.6 Specific reserves will be reviewed as part of the revenue budget monitoring process throughout 2017-2018, as required within the Constitution. Any proposed adjustments to specific revenue reserves will be reported to Cabinet (Resources) Panel for approval. In addition to this, a fundamental review of all specific reserves will be undertaken during 2017-2018 to rationalise specific reserves where appropriate.

5.7 Furthermore, the Confident Capable Council Scrutiny Panel will scrutinise the use of reserves as part of the 2018-2019 budget setting process, as in previous years.

## **6.0 Provisions**

6.1 An analysis of the authority's provisions, which is a liability that the Council is aware of but the amount and timing of the liability is uncertain, as at 31 March 2017 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 2016 and 31 March 2017**

	<b>Balance at 31 March 2016 £000</b>	<b>Transfer Out £000</b>	<b>Transfer To £000</b>	<b>Balance at 31 March 2017 £000</b>
Provisions for Bad & Doubtful Debts	(16,698)	8,525	(13,286)	(21,458)
Other Provisions	(17,807)	13,640	(7,147)	(11,314)
<b>Total</b>	<b>(34,505)</b>	<b>22,165</b>	<b>(20,432)</b>	<b>(32,772)</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 that many of the changes to specific reserves detailed within this report, which have arisen from the positive General Fund outturn position in 2016-2017, will help to support the Council's short term financial position. This does not, however, address the challenging financial position that the Council finds itself in over the medium term; namely identifying an additional £20.5 million of budget reductions and income generation proposals by 2019-2020.
- 7.3 Work continues to identify budget reduction and income generation proposals 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 2018-19 - 2019-20 report.

## **8.0 Financial implications**

- 8.1 The financial implications are discussed in the body of the report.  
[MH/03072017/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/05072017/W]

## **10.0 Equalities implications**

- 10.1 This report has no direct equality implications. However, any consideration given to the use of reserves, provisions or balances could have direct or indirect equality implications.



These will need to be considered as and when sums are allocated from reserves and/or balances whereby an initial screening will be conducted.

## **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, provisions or balances.

## **12.0 Schedule of background papers**

Draft Budget and Medium Term Financial Strategy 2018-2019 to 2019-2020, report to Cabinet, 19 July 2017.

Revenue Budget Outturn 2016-2017, report to Cabinet, 19 July 2017.

2017/18 Budget and Medium Term Financial Strategy 2017/18 - 2019/20, report to Cabinet, 22 February 2017.

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
<b>People</b>					
Voluntary Sector and Community Partnership Reserve	To support partnership activities approved by the Safer Wolverhampton Partnership and Wolverhampton Strategic Partnership. For example, strategic objectives around infrastructure projects, domestic violence and probation.	(115)	-	-	(115)
Mary Ellen Bequest - Oxley Training Centre Reserve	Bequest available for use at the Oxley Training Centre.	(7)	-	-	(7)
Youth Cafe Reserve	To fund running costs of the Youth Café and Youth Council rent and activities for young persons through to 2018-2019. Any remaining costs until the end of the lease and dilapidation costs will need to be met from this reserve.	(235)	-	-	(235)
Youth Offending IT Reserve	To fund the Youth Offending Team migration onto Childview - a new bespoke upgraded database.	(20)	-	-	(20)
Building Resilience Reserve	To continue activities under the Preventing Violent Extremism work stream.	(4)	-	-	(4)

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
Mediation Service	To provide a Mediation Service which is self-funded through annual contributions, mainly from Wolverhampton Homes and Cannock Chase District Council. The service provides a channel for positive conflict resolution into which a variety of agencies across Wolverhampton make referrals.	(17)	5	-	(12)
Safeguarding – Adults Board	To fund the Adults Board expenditure in future years. This reserve is made up of contributions from our partners (Police, CCG, Probation and Prospects) to support the running costs of the Adults Board in future years.	(45)	-	(28)	(74)
Safeguarding – Children’s Board	To fund Children's Board expenditure in future years. This reserve is made up of contributions from our partners (Police, CCG, Probation and Prospects) to support the running costs of the Children's Board in future years.	(36)	36	-	-
Inclusion Support Reserve	To provide a contingency should the level of schools traded service decrease in the future and allow time for reconfiguration of the service.	(100)	-	(130)	(230)
Community Safety	To assist the Safer Wolverhampton Partnership to deliver the Crime Reduction, Community Safety and Drugs Strategy 2014-17 and the Local Policing	(169)	131	-	(38)

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
	& Crime Plan 2016-17. The reserve is funded by partner contributions.				
Multi Agency Safeguarding Hub – Assessment Team	To fund the creation of a social work assessments and analysis team in the MASH for one year only. The team would both interrogate new referrals for child in need assessments and complete and resolve these and transfer cases to social work units where longer term work is identified. This would ensure referrals are dealt with quicker and area teams could concentrate on longer-term quality casework and hopefully reduce the number of re-referrals.	-	-	(406)	(406)
Early Intervention Programme – 4 x Strengthening Family Workers	To fund the creation of four additional FTE's Strengthening Families Support Workers for one year only. The posts will assist with dealing with the increased caseloads within the Locality Teams that have arisen as part of the Children's Re-design.	-	-	(132)	(132)
Public Health - Emergency Planning Contingency	To respond to public health incidents and support the establishment of the resilience team imbed robust framework.	(35)	35	-	-

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
Public Health Early Intervention Team	To support the families first programme.	(55)	55	-	-
Public Health Housing Standards	Improving health through improving private sector housing.	(400)	63	-	(337)
Public Health - Infant Mortality	Corporate action in relation to the Infant Mortality Scrutiny Review and Action Plan.	(325)	325	-	-
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 Tri Link). This reserve was established from underspends against the Public Health grant.	(121)	121	-	-
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)	10	-	(250)
Public Health - Year 2 Transformation Fund	To support the final year of two Transformational projects approved through Health & Wellbeing Board.	(383)	350	-	(33)
<b>People Total</b>		<b>(2,328)</b>	<b>1,131</b>	<b>(696)</b>	<b>(1,893)</b>

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
<b>Place</b>					
HRA Homelessness	Available to support initiatives that work to prevent homelessness. This reserve was set up due to the uncertain future of the grant.	(103)	157	(168)	(115)
Cemeteries and Crematorium Reserve	For the purposes of investment in service improvements, to contribute towards the cost of ensuring the sustainability of the City Council's cemeteries and crematorium and invest to save initiatives.	(124)	-	(400)	(524)
Energy Efficiency Reserve	To fund major repairs and/or refurbishment to supplement capital budgets targeted at energy efficiency measures. The reserve is funded from savings generated through energy efficiency interventions which are then recycled for future projects.	(706)	-	(27)	(732)
Art Gallery Touring Exhibitions Reserve	To support the costs of touring exhibitions. The reserve has been built up from net income generated in previous tours.	(9)	-	-	(9)
Building Control Service Improvements	Any surplus achieved on the Building Control Service is required to be reinvested back into the service	(216)	-	(11)	(227)

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
Kickstart Loans	Recycling of funds secured following the repayment of Kickstart Loans into assistance for private sector housing improvements.	(72)	-	-	(72)
Regeneration Reserve	To fund projects in support of corporate regeneration priorities and maintaining the city centre development.	(2,750)	1,215	-	(1,535)
Showell Road Travellers Site - Residents Deposits Reserve	Deposits from new tenants of sites managed by the City of Wolverhampton Council. The deposits are refundable when tenants leave or they are used to offset arrears or to pay for any damage.	(3)	-	(2)	(5)
Victoria Square Sinking Fund Reserve	Sums set aside for future maintenance costs at Victoria Square commercial units.	(12)	-	(3)	(14)
Library Equipment	For the purchase of equipment for libraries.	(104)	-	-	(104)
Local Growth Fund Transport	Sum set aside to meet the costs that may arise should capital funded development not realise a capital asset.	-	-	(122)	(122)
Catering - Trading Days	Available to support the Catering service in years of less than average trading days.	-	-	(80)	(80)
Magistrates Court Reserve	Sinking fund to meet future refurbishment costs for building occupied by Magistrates court.	(34)	-	-	(34)

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
Highway Management Reserve	Reinvestment of funds secured through Bus lane enforcement into Highway improvement	(891)	-	(400)	(1,291)
HRA Strategy Reserve	Sum set aside to pay for council tax relating to void properties in 2016-2017 but billed in 2017-2018.	-	-	(303)	(303)
<b>Place Total</b>		<b>(5,025)</b>	<b>1,372</b>	<b>(1,516)</b>	<b>(5,169)</b>



## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
<b>Corporate Services and Education</b>					
Insurance Reserve	The Reserve is for unexpected insurance claim events that cannot be covered by Insurance Fund budgets. Insurance claims costs vary year to year and a contribution may be made to or from the Reserve dependent on the Fund outturn position	(2,445)	460	-	(1,985)
Apprenticeship Scheme Reserve	There is a General Fund budget earmarked for apprentice posts. The Reserve is intended to provide for temporary expansions of the apprenticeship scheme beyond the budgeted level in a given year.	(203)	-	(57)	(260)
Markets Reserve	To fund periodic repairs and maintenance at the wholesale market including, for example, internal and external redecoration. The Reserve has been established from market trader contributions (part of annual service charges).	(66)	-	(13)	(79)
Licensing Reserve	The Licensing service is not permitted to make a surplus over a three-year period. Against this background the Reserve is used to minimise variations in fees imposed as costs and license volumes fluctuate between years.	(44)	-	(165)	(209)

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
Wholesale Market Sinking Fund	Established to fund specific major replacement and refurbishment projects at the wholesale market including, for example, plant and equipment replacement or a roof replacement. This Reserve has been established from market trader contributions (part of annual service charges).	(12)	-	(13)	(25)
Schools Arts Service Reserve	The reserve supports arts projects for schools. The activities are available for all schools and will generate income that will replenish the reserve for development of further activities.	(74)	-	-	(74)
<b>Corporate Services and Education Total</b>		<b>(2,844)</b>	<b>460</b>	<b>(247)</b>	<b>(2,631)</b>

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
<b>Corporate</b>					
Budget Contingency Reserve	Available to address in-year budget pressures that cannot be addressed from within existing service budgets.	(10,924)	5,290	-	(5,634)
Efficiency Reserve	Available to allow pump priming and investment in new developments, where the main aim is to generate efficiencies in the future as supported by a fully costed business case. These business cases are considered by the Strategic Executive Board and decisions are reported to Councillors as part of the quarterly financial monitoring and reporting arrangements.	(7,877)	1,837	(718)	(6,758)
Transformation Reserve	To progress the 3Cs Transformation Strategy and ultimately deliver greater efficiencies.	(2,000)	530	-	(1,470)
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.	(1,115)	500	-	(615)

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
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.	(2,525)	394	-	(2,131)
Local Strategic Partnership Reserve	The Council's unspent share of LPSA reward grant received in 2010-11. This funding is used to support the delivery of activities recommended by the Skills Commission.	(137)	126	-	(11)
Art Fund Bequest	Funds administered to support revenue expenditure against criteria defined by the bequest.	(33)	-	-	(33)
Mayors Award	Trust funds administered by the authority with specific criteria for allocation.	(2)	-	-	(2)
Grand Theatre Loop	Trust funds administered by the authority with specific criteria for allocation.	(0)	-	-	-
Combined Authorities Reserve	Established from contributions of £50,000 from each Metropolitan District Council in the West Midlands to support the Combined Authority. This has now been transferred to the Combined Authority as it is no longer managed by the City of Wolverhampton Council.	(503)	503	-	-
Development Reserve	To fund feasibility works for pipeline projects.	(500)	-	-	(500)

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
Regional Work Reserve	Available to fund and support regional initiatives.	(750)	-	(213)	(963)
Enterprise Zone Business Rates Equalisation Reserve	To equalise the fluctuation in business rates receipts within the Enterprise Zone.	(669)	-	-	(669)
Business Rates Equalisation Reserve	To equalise the impact of the fluctuation in business rates on the Council's General Fund arising as a result of revaluations and appeals.	(4,024)	1,592	(454)	(2,886)
Treasury Management Equalisation Reserve	To support the revenue costs associated with re-profiling in the Capital Programme.	(3,456)	-	-	(3,456)
Budget Strategy Reserve	Funds available to address reorganisation costs as a result of the financial challenges faced by the Council over the medium term.	(12,569)	-	-	(12,569)
Salary Sacrifice	To cover any unforeseen costs associated with the various salary sacrifice schemes.	(1)	1	-	-
Pension Deficit Recovery Reserve	This amount has been set aside to make further pension contributions towards the past service deficit in order to reduce the total costs and secure on-going budget reductions. This will support the budget	-	-	(3,037)	(3,037)

## APPENDIX A

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
	challenge that the Council will face in future years.				
<b>Corporate Total</b>		<b>(47,094)</b>	<b>10,773</b>	<b>(4,421)</b>	<b>(40,742)</b>

Specific Reserve	Description of Reserve	Balance at 31 March 2016 £000	Transfer Out £000	Transfer In £000	Balance at 31 March 2017 £000
Revenue Grants Unapplied 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.	(4,646)	473	-	(4,173)
<b>Council Total</b>		<b>(61,937)</b>	<b>14,209</b>	<b>(6,880)</b>	<b>(54,608)</b>

## APPENDIX B

Provision	Description of Provision	Balance at 31 March 2016 £000	Transfer Out £000	Transfer to £000	Balance at 31 March 2017 £000
Provisions for Bad and Doubtful Debts					
Collection Fund	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.	(7,437)	6,444	(10,738)	(11,731)
General Fund Sundry Debtors		(7,606)	1,055	(1,318)	(7,870)
Housing Revenue Account		(1,654)	1,026	(1,230)	(1,858)
Provisions for Bad and Doubtful Debts Total		(16,698)	8,525	(13,286)	(21,458)

## APPENDIX C

Balance at 31 March 2016 £000	Provision Name	Provision Details	Amounts Used in 2016-2017 £000	Provisions Made in 2016-2017 £000	Balance at 31 March 2017 £000
(8,544)	Capitalisation Risks	This provision is in respect of potential claims under equal pay legislation. An adjustment has been made to the provision to reflect information available to the Council at the 31 March 2017. It is currently uncertain when payments might need to be made, and the value of any such payments.	3,753	2,292	(2,499)
(2,303)	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.	-	-	(2,303)
(694)	Termination Benefits	During 2016-2017, 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.	694	(139)	(139)
(132)	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.	28	-	(104)



## APPENDIX C

Balance at 31 March 2016 £000	Provision Name	Provision Details	Amounts Used in 2016-2017 £000	Provisions Made in 2016-2017 £000	Balance at 31 March 2017 £000
(81)	Housing Revenue Account	There are three separate provisions: for legal disrepair claims, for tenant management organisation expenditure and for rent bonds.	62	-	(20)
(5,986)	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 2017.	9,102	(9,299)	(6,183)
(68)	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.	2	(1)	(66)
<b>(17,807)</b>	<b>Total Other Provisions</b>		<b>13,640</b>	<b>(7,147)</b>	<b>(11,314)</b>