

Specific Reserves by Directorate

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Appendix 1

Specific Reserve	Description of Reserve	Balance at 1 April 2018 £000	Forecast Balance at 31 March 2019 £000	Areas of anticipated expenditure 2018-2019	What would be the effect on services if the reserve is not utilised in this way	Other things to consider
Corporate Directorate						
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 in previous years to support risks associated with the budget, including but not limited to the delivery of challenging budget reduction targets.	(3,416)	(2,758)	This reserve addresses in-year budget pressures that cannot be met from within existing budgets. An example of this is costs arising as a result of directed conversions by the Department for Education from Schools to Academies where deficit balances are retained by the Council.	This reserve addresses in-year budget pressures that cannot be met from within existing budgets. If this contingency were not to be available, there may be significant impact on service delivery.	

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Budget Strategy Reserve	Funds available to address reorganisation costs as a result of the financial challenges faced by the Council over the medium term.	(9,069)	(9,069)	It is currently anticipated that this reserve may be called upon during 2018-2019 to fund redundancy costs. However, at this stage in the financial year, it is difficult to forecast redundancy costs. The forecast use of this reserve will be detailed in quarterly budget monitoring reports to Councillors.	This reserve addresses reorganisation costs. If the reserve to support those costs were not to be available, the Council may have difficulty in achieving on-going budget reductions required over the medium term to balance the budget.	

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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.	(2,123)	(2,123)		There would be an indirect impact in that the cost of appeals attributable to the Council would need to be accommodated within existing resources. Those resources would therefore not be available to support services.	
Development Reserve	To fund feasibility works.	(500)	(500)		If the reserve were not be used for this purpose, the Council may need to divert other resources to support feasibility works.	

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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.	(6,109)	(4,002)	Examples of approved utilisation of Efficiency Reserve funding in 2018-2019 include the transformation of the Waste & Recycling Service and promoting independence of service users within Adult Services.	If the reserve is not used to support investment, significant new developments may not be able to be undertaken and therefore future budget reductions would not be realised. Examples of key projects requiring Efficiency Reserve funding include the transformation of the Waste & Recycling Service.	

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Enterprise Zone Business Rates Equalisation Reserve	To equalise the fluctuation in business rates receipts within the Enterprise Zone. The Enterprise Zone model for i54 allows the City Council to retain business rates to fund the development costs. This reserve enables us to smooth out the timing of receipt of business rates.	(669)	(669)	The current forecast of the Enterprise Zone model indicates that the reserve will not be utilised in 2018-2019.	There would be an indirect impact in that if the receipts from business rates within the Enterprise Zone were to fall, the shortfall would need to be accommodated within existing resources. Those resources would therefore not be available to support services.	
FutureWorks Reserve	This amount has been set aside to part fund costs arising from the Council's FutureWorks Programme implementation and ongoing development of Agresso.	(351)	(156)	The funds will be drawndown in 2018-2019 to support the next Agresso system upgrade and development.	Impact on service ability to continually develop Agresso to meet organisation needs and develop more efficient ways of working.	

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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.	(1,700)	(1,700)		The Council is obliged to meet the costs of appeals arising from Job Evaluation and the professional fees associated with Equal Pay claims, meaning that it would have to fund them from elsewhere within its existing resources. In addition to this, the Council's legal advice and support with Equal Pay claims will be funded from this reserve, as the programme comes to an end.	On 11 July 2018, Cabinet approval was sought to drawdown £500,000 from this reserve in 2019-2020 as part of the budget strategy. A review of anticipated future costs of Job Evaluation indicates that this reserve can be reduced.

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Local Strategic Partnership Reserve	The Council's unspent share of LPSA reward grant received in 2010-11. This funding will be used to support the delivery of activities to CrowdFund Wolves.	(11)	-	This funding is used to support the delivery of activities to CrowdFund Wolves.	The matched contribution to CrowdFund Wolves is based on initiatives funded through the community.	
Pension Deficit Recovery Reserve	This reserve was established 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 challenge that the Council will face in future years. During 2017-2018 a further £2.4 million was transferred into this reserve to fund the £5.5 million advanced payment processed during 2017-2018. The General Fund underspend was also transferred to this reserve to ensure sufficient funds are available for future projects.	(6,281)	(781)	This reserve will support the upfront payment of pension fund past service deficit contributions.	This reserve will support the upfront payment of pension fund past service deficit contributions. As a result of this, the Council is able to generate on-going budget reductions which are built into the Council's Medium Term Financial Strategy. If this reserve was not used in this way, other budget reductions would need to be identified.	

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Regional Work Reserve	Available to fund and support regional initiatives.	(710)	(660)	The funds in this reserve are available to support regional initiatives, for example, supporting the West Midlands Growth Company in facilitating the delivery of the West Midlands Combined Authority Strategic Economic Plan, which aims to attract more investment, jobs, businesses and visitors to the West Midlands region.	If the reserve were not be used for this purpose, the Council would not benefit from regional initiatives.	

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Transformation Reserve	To progress the 3Cs Transformation Strategy and ultimately deliver greater efficiencies.	(1,649)	(1,343)	Examples of approved utilisation of Transformation Reserve funding in 2018-2019 include a Special Educational Needs Transport Review and the Business Support Programme, both of which will deliver budget reductions.	Compromise service ability to deliver efficiencies and resultant budget reductions.	Potential impact on delivery of the budget reduction and income generation programme.

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Treasury Management Equalisation Reserve	To support the revenue costs associated with re-phasing in the Capital Programme, such as interest costs arising as a result of borrowing.	(4,356)	(682)	As part of the 2018-2019 budget setting process, two proposals were approved to drawdown £1.4 million from this reserve in 2018-2019. It is currently projected that additional funds may be required to support the forecast overspend of £2.2 million against Treasury Management budgets in 2018-2019.	This reserve was established to support the revenue costs associated with re-phasing in the Capital Programme. Services may not be able to re-phase projects sufficiently.	As part of the 2018-2019 budget setting process, two proposals were approved to drawdown £1.4 million from this reserve in 2018-2019. It is currently projected that additional funds may be required to support the forecast overspend of £2.2 million against Treasury Management budgets in 2018-2019.
Corporate Directorate Total		(36,944)	(24,443)			

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People Directorate						
Adults Social Care Reserve	To ensure that the Adults Social Care council tax precept, additional social care support grant and the improved better care fund grant are transferred to Adult Social Care. Due to timing of the announcement of the additional monies in 2017-2018 not all schemes have had a full year effect and have continued to be delivered during 2018-2019. The reserve will enable these funds to support activities during 2018-2019 and also ensure they are spent in accordance with the grant conditions.	(1,299)	-	These funds will be used to support Adult Social Care expenditure in 2018-2019. This is reflected in the quarterly budget monitoring reports to Councillors.	The service would not be able to procure additional reablement activity to support services users within Adult Social Care.	
Building Resilience Reserve	To continue activities under the Preventing Violent Extremism work stream.	(4)	(4)		Potential for projects not being implemented.	

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Early Intervention Programme – 4 x Strengthening Family Workers	This reserve was established to fund the creation of four additional FTE's Strengthening Families Support Workers. 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.	(50)	-	Having reviewed the strategy for expenditure against this reserve, it has been identified that this reserve is no longer required. It is recommended that the remaining balance is transferred to the Efficiency Reserve in 2018-2019.		

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Public Health	This reserve has been established from ring fenced Public Health grant and is to fund one-off public health initiatives and including improving health through improving private sector housing.	(488)	(367)	It is anticipated that part of these funds will be used to support the Rent with Confidence project expenditure in 2018-2019.	If the reserve were not to be used for this purpose, the Council would need to consider if provision could be made from within existing resources.	Earmarked for Sexual Heath Capital Project and Rent with Confidence
Safeguarding – Adults Board	To fund the Adults Board expenditure in future years. This reserve is made up of contributions from our partners (Police, Clinical Commissioning Group, Probation and Prospects) to support the running costs of the Adults Board in future years.	(141)	(146)		Commitments have been made to partner agencies that their contributions will be carried forward to fund this service.	
People Directorate Total		(1,982)	(517)			

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Place Directorate						
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)	(6)	The reserve is used to fund the administrative costs associated with touring, which in turn generates income.	Touring exhibitions promote the Art Gallery and its collections. The reserve is used to fund the administrative costs associated with touring, which in turn generates income.	
HRA Homelessness	Available to support initiatives that work to prevent homelessness. This reserve was set up due to the uncertain future of the grant. Homelessness is on the increase and the Homelessness Reduction Act requires authorities to provide earlier intervention to prevent homelessness.	(155)	(55)	It is anticipated that part of this reserve will be used in 2018-2019 to support expenditure within the Homelessness Service Team.	If the reserve were not to be used for this purpose, the Council would need to consider if provision could be made from within existing resources.	

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Kickstart Loans	Recycling of funds secured following the repayment of Kickstart Loans into assistance for private sector housing improvements.	(72)	(72)		Reduced support for housing projects.	This fund was created from repaid kick start grants previously provided to homeowners to make home improvements. It becomes repayable as homeowners sell their properties and repayments are allocated to this reserve.

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Library Equipment	For the purchase of equipment for libraries and the library service transformation.	(19)	-	It is anticipated that this reserve would be used in full in 2018-2019 to support the Library Service Transformation.	It is anticipated that this reserve would be used in full in 2018-2019 to support the Library Service Transformation. Other funding sources would need to be identified if this reserve was not available.	
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)		If the reserve is not utilised it can result in in-year pressures if capital funding development does not realise a capital asset.	

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Regeneration Reserve	To fund projects in support of corporate regeneration priorities and maintaining the city centre development.	(1,512)	(566)	The funds in this reserve will support various regeneration projects including Bilston Urban Village, Eastern Gateway and Lighting up the City.	Regeneration of existing key sites and development of pipeline activity across the City would not be achieved.	Used to promote inward investment which will help to maintain/increase business rate and council tax base. Approximately a third of the forecast balance has been allocated to be spent on various projects in 2019-2020.

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Schools Arts Service Reserve	Pump priming funds to support arts projects in schools.	(42)	(3)	Examples of key projects requiring funding from this Reserve in 2018-2019 include family learning, new schools projects and lifelong learning classes.	Supports educational art projects in schools and the wider community. The service is renowned nationally for its museum education service.	There are proposals to utilise this funding to increase capacity in the short-term to increase the offer to schools wishing to purchase ad-hoc services not covered by service level agreements until demand levels are established.
Place Directorate Total		(1,931)	(824)			
Total		(40,857)	(25,784)			