

Reserves Strategy

1.0 What Are Reserves?

1.1 Reserves are resources that the Council has accumulated over time. They are an integral element of our budget setting process, medium-term financial plan and financial management. We use reserves to help mitigate the risks that we face as well as to fund specific planned expenditure.

2.0 What the Law and the Chartered Institute of Public Finance and Accountancy (CIPFA) say:

2.1 The Local Government Act 2003 (section 25) requires local authorities, when setting their budgets and the level of Council tax, to have regard to the advice of the Chief Financial Officer, namely the officer appointed under s.151 of the Local Government Act 1972 (“the CFO”), on the adequacy of the proposed financial reserves.

2.2 The CIPFA Financial Management (FM) Code states that

- Local authorities are directed to have regard to the level of reserves when considering their budget requirement. Consequently, reserves are a recognised and intrinsic part of financial planning and budget setting. The assessment of ‘adequate’ and ‘necessary’ levels of reserves is a matter for local authorities to determine. It is the responsibility (with statutory backing in England and Wales) of the CFO to advise the local authority on the appropriate level of reserves and the robustness of the estimates.
- A well-managed authority, with a prudent approach to budgeting, should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed.
- These should be maintained at a level appropriate for the profile of the authority’s cash flow and the prospect of having to meet unexpected events from within its own resources.
- The budget report should include details of the earmarked reserves held, and explain the purpose of each reserve, together with the estimated opening balances for the year, details of planned additions/withdrawals and the estimated closing balances
- The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves

3.0 Usable and Unusable Reserves

3.1 In accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the Code) our reserves are categorised in the Statement of Accounts as either usable or unusable.

3.2 The Code describes usable reserves as those that represent resources that the authority might use to support service delivery at the reporting date. Some usable reserves may have restrictions upon their use dependent upon the relevant legislative requirements.

3.3 Unusable reserves are not available to use to support service delivery at the reporting date. These reserves arise from either:

- a) statutory adjustments required to reconcile balances to the amounts chargeable to council tax (or rents) for the year, in order to comply with legislation, or
- b) accounting gains or losses recognised in other comprehensive income and expenditure in accordance with accounting standards adopted by the Code, rather than in the surplus or deficit on the provision of services

3.4 This strategy relates to usable reserves only.

4.0 Capital Reserves

4.1 The Council has the following capital usable reserves:

- **Major Repairs Reserve:** The council is required to maintain the major repairs reserve, which controls the application of the Major Repairs Allowance (MRA). The MRA is restricted to being applied to new capital investment in HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the MRA that has yet to be applied at the year end
- **Capital Receipts Reserve:** This reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.
- **Capital Grants unapplied Account:** This reserve holds the grants and contributions received towards capital projects for which the council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

4.2 The use of these reserves is subject to the Capital Programme Funding Strategy and Treasury Management Strategy. These reserves do not form part of this strategy.

5.0 Housing Revenue Account (HRA)

5.1 The HRA balance acts as a corporate contingency for unexpected events and emergencies. The level of HRA balance is considered and approved as part of the annual HRA Business Plan report.

6.0 Types of Revenue Usable Reserves

6.1 We hold revenue reserves for different purposes:

- **Managing risks:** Our annual budget and MTF5 is based on robust estimates of the resources available to us and the cost of delivering services and council priorities. However, like any large complex organisation we face risks and uncertainty. Inevitably there will be changes facing us including levels of demand, costs, funding streams, government policy. Therefore, we hold a number of reserves specifically to protect us against unforeseen expenditure or loss of income as a result of such risks materialising.
- **Investment Reserves:** Funds held to pump prime investment and activity to support the delivery of Our City: Our Plan and transformation.
- **Smoothing Reserves:** To manage areas where the expenditure or income is variable and unpredictable but where the annual fluctuations are averaged out over the medium term.
- **Restricted Reserves:** To manage external funding received for specific purposes where the decisions on how the funding is used is not wholly within the control of the Council. Restricted reserves include balances held on behalf of schools.

7.0 Governance

7.1 All reserves will be reviewed at year end as part of the preparation of the statement of accounts. A report on reserves will be presented to Cabinet following year end outlining the purpose of each reserve, any proposals for new reserves, the balance and any commitments against the reserve and plans for their use where appropriate. Governance arrangements for each reserve will be specified in this report.

7.2 In accordance with The Code, the Statement of Accounts provides a full breakdown of reserve balances on 31 March and the annual movement in reserves (usable and unusable, capital and revenue). The Statement of Accounts is subject to external audit.

7.3 The use of reserves during the year will be reported as part of quarterly Performance, Finance and Risk Reports to Cabinet.

7.4 As part of the budget setting process a scrutiny working group will review the Reserves Strategy and the use of reserves.

7.5 This reserves strategy will then be refreshed and presented to Cabinet as part of the suite of documents underpinning the budget and MTFs.

8.0 Our Strategy

8.1 The Council has the following set aside in usable revenue reserves:

	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Commitments already approved for future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
General Fund Balance	(13,651)	(15,321)	-	-	(15,321)
Risk Management	(19,814)	(14,337)	2,200	-	(12,137)
Investment	(20,826)	(12,834)	2,962	497	(9,375)
Smoothing	(18,543)	(7,210)	5,800	-	(1,410)
Sub Total	(72,834)	(49,702)	10,962	497	(38,243)
Restricted	(37,803)	(18,242)	4,620	1,936	(11,686)
Restricted (Schools)	(15,232)	(15,326)	-	-	(15,326)
Grand Total	(125,869)	(83,270)	15,582	2,433	(65,255)

8.2 General Fund Balance Reserve

8.3 The General Fund Balance Reserve acts as a corporate contingency to cushion the impact of unexpected events or emergencies. It also provides a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.

8.4 There is no statutory minimum for the level of General Fund Balance to be held although it is widely accepted that a minimum of 5% of net budget is best practice. In making a recommendation as to the level of General Fund Balance Reserve which should be maintained, the Section 151 Officer considers:

- **The overall financial position of the Council:** The budget proposed for 2023-2024 is balanced without the need to draw on the General Fund Balance Reserve and growth has been provided in response to significant increases in costs and demand. The budget does not include significant savings programmes at service level but there are a number of corporate efficiency targets that must be delivered. It is projected that the medium term forecast budget deficit could be in the region of £23.1 million by 2025-2026.

- **The Council's financial management arrangements and track record:** The Council has a good track record of managing finances well, setting robust budgets aligned to Our City: Our Plan. There is rigorous budget monitoring aligned to performance and risk management and a track record of delivering within budget despite emerging in year pressures.
 - **The level of risk and uncertainty facing the council:** There are a number of significant risks and uncertainty including high levels of inflation, the impact of cost of living on residents and businesses, increasing interest costs, unknown pay award for 2023-2024 and uncertain government funding beyond 2023-2024.
 - **The level of other risk management reserves:** There are a number of other reserves to manage risks: Budget Contingency Reserve, Budget Strategy Reserve, Insurance Reserve and Job Evaluation Reserve. The total of these reserves, after approved commitments, is £12 million.
 - **The level of specific contingencies within the annual budget to manage in year pressures.** The budget includes contingencies for inflationary pressures, and increase in demand. These are held corporately to mitigate against cost pressures and will be passed out to services subject to business cases.
- 8.5 In summary, the Council faces significant financial challenges over the medium term and high levels of uncertainty over the next 12 months and over the medium term. However, the Council has robust financial management arrangements, a strong track record of managing in year pressures and a number of reserves to mitigate against specific risks. It is therefore recommended that a minimum level of 5% of net budget is currently sufficient as a General Fund Balance Reserve.
- 8.6 In order to maintain a General Fund Balance of 5% of the 2023-2024 net budget, it is proposed that £1.7 million is transferred from the Budget Strategy Reserve into the General Fund Reserve.

Managing Risks: The following reserves have been created to manage risks.

At year-end the Section 151 Officer will consider if it is necessary to increase any of these reserves.

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
Adults Social Care Reserve for Growth and Demand Pressures	This reserve is to support increases in growth and demand across adult social care.	(1,000)	(2,000)	The Draft Budget and MTFS 2023-2024 to 2025-2026 reported to Cabinet on 19 October 2022, incorporated the use of this reserve in 2023-2024.	2,000	-	-
Budget Contingency Reserve	Available to address in-year budget pressures that cannot be addressed from within existing service budgets.	(7,073)	(3,266)	Examples of approved use of this reserves in 2022-2023 include the commonwealth games, and environmental works.	200	-	(3,066)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £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.	(1,000)	-	On 23 February 2022, the Council approved the drawdown of £1.0 million from this reserve in 2022-2023, as part of the 2022-2023 budget strategy.	-	-	-
Budget Strategy Reserve	Funds in this reserve are available to address reorganisation costs as a result of the financial challenges faced by the Council over the medium term.	(7,569)	(5,899)	Any requirements to use this reserve will be reviewed at year end. It is proposed to transfer £1.7 million to the General Fund Reserve in order to maintain the reserve at 5% of the 2023-2024 net budget.	-	-	(5,899)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
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.	(3,063)	(3,063)		-	-	(3,063)
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	(109)	(109)	This reserve funding will support Housing Homelessness Services. It is expected that this reserve will be used in 2022-2023 and approval will be sought in the			(109)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
	authorities to provide earlier interventions to prevent homelessness.			Performance and Budget Monitoring Reports to Cabinet in March 2023.			

Investment Reserves: These reserves have been created to enable investment to support Our City: Our Plan

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance – Future £000
Climate Change Reserve	Funds in this reserve are available for climate change feasibility works and will enable the Council to tackle climate change with a shift to net carbon zero by 2028.	(730)	(385)	This reserve will support projects and resources to support the Climate Change agenda.	260	67	(58)
Transformation Reserve	To progress the Our Council Transformation Strategy and ultimately deliver greater efficiencies.	(2,631)	(891)	Examples of approved utilisation of the Transformation Reserve in 2022-2023 include resources to support the scanning programme, and transformation programmes	17	-	(874)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance – Future £000
				within Governance and Human Resources.			
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.	(5,411)	(5,137)	Examples of approved utilisation of the Efficiency Reserve in 2022-2023, include supporting development work in Finance, and the deliver activities in maximising the collaboration with the Voluntary and Community Sector	-	-	(5,137)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance – Future £000
Development Reserve	To fund feasibility works.	(294)	(77)	This reserve is available to deliver feasibility works.	-	-	(77)
Community Initiatives	For a programme of positive community-based activities to engage and develop young people.	(697)	(697)	There is no planned use of this reserve in 2022-2023.	-	305	(392)
Our City Our Plan Reserve	This reserve is to support Our City, Our Plan priorities.	(6,058)	(4,163)	Examples of approved utilisation include resources to support the Wolves at Work 18-24 – Youth Employment project.	2,414	-	(1,749)
Ward Funds Reserve	The Reserve is to carry forward unspent Ward Funds for future use to be	(124)	-	Expenditure plans determined by Councillors in compliance with Ward Fund	-	-	-

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance – Future £000
	determined in conjunction with Councillors.			scheme governance. Any underspend funds at year end will be reviewed.			
Regeneration Reserve	To fund projects in support of corporate regeneration priorities and maintaining the city centre development.	(2,114)	(754)	Reserve will support various regeneration projects.	-	125	(629)
Digital Inclusion	To support the rollout of future proofed digital infrastructure	(95)	-	There is no planned use of this reserve in 2022-2023.	-	-	-

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance – Future £000
Adult Services Transformation Reserve	Over the next few years the Adult Service Transformation Programme will be refreshed and will prioritise a number of key projects, including the redesign of the operating model, associate structures, and review of the practice model. This reserve will be used to support this transformation work and deal with the growing demand within Adult Social Care.	(2,478)	(655)	This reserve will be used to support the redesign of Adult services.	268	-	(387)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance – Future £000
Our Technology Reserve	This amount has been set aside to part fund costs arising from the ongoing development of Agresso.	(116)	-	Funds in this reserve will support the ongoing development of Agresso.	-	-	-
Kickstart Loans	Recycling of funds secured following the repayment of Kickstart Loans into assistance for private sector housing improvements.	(72)	(72)	It is expected that this reserve will be used in 2022-2023 and approval will be sought in the Performance and Budget Monitoring Reports to Cabinet in March 2023.	-	-	(72)
Schools Arts Service Reserve	This reserve is made up of funds to support educational art projects in schools and the	(6)	(3)	It is currently anticipated that this reserve will be used in full in 2022-2023.	3	-	-

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance – Future £000
	wider community, which may lead to increased future income streams.						

Smoothing Reserves: The following reserves have been created to manage fluctuations which are balanced over the medium term.

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
Future Years Budget Strategy Reserve	Funds have been transferred into this reserve to support the budget strategy in future years.	(13,307)	(5,800)	On 23 February 2022, Cabinet approved the budget strategy and MTFS for 2022-2023 to 2025-2026 includes the use of this reserves of the medium term.	5,800	-	-
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.	(22)	(22)	It is expected that this reserve will be used in 2022-2023 and approval will be sought in the Performance and Budget Monitoring Reports to	-	-	(22)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
				Cabinet in March 2023.			
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.	(1,651)	-	On 23 February 2022, the Council approved the drawdown of £1.7 million from this reserve in 2022-2023, as part of the 2022-2023 budget strategy.	-	-	-
Revenues and Benefits Strategy Reserve	Funds available to address changes in benefit distribution.	(3,380)	(1,205)	On 23 February 2022, the Council approved the drawdown of £2.2 million from this reserve in 2022-2023, as part of the 2022-	-	-	(1,205)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for 2023-2024 & future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
				2023 budget strategy.			
Elections Reserve	The cost of running local elections to the Council in any year is dependent on whether they are standalone or combined elections. Combined elections costs are effectively shared, resulting in efficiencies enabling contribution to be made to this reserve. Standalone election costs are conversely expected to exceed the local elections budget. In these years the additional costs are to be funded from the Elections Reserve.	(183)	(183)	There is currently no planned use of this reserve in 2022-2023.	-	-	(183)

Restricted Reserves: These reserves have been created to manage ring-fenced funding.

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
Safeguarding Partnership Board	To fund the Safeguarding Partnership Board expenditure in future years. This reserve is made up of contributions from our partners to support the running costs of the Safeguarding Partnership Board.	(191)	(191)	It is not currently anticipated that this reserve will be utilised in 2022-2023.	-	-	(191)
Building Resilience Reserve	To continue activities under the preventing violent extremism work stream.	(4)	(4)	It is not currently anticipated that this reserve will be utilised in 2022-2023.	-	-	(4)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
The Education (Penalty Notices) Regulations 2007	This reserve is made up fines levied to parents where their children are taken out of school on holidays during term time. The fund can only be spent on issuing and enforcing penalty notices, and prosecuting recipients who do not pay.	(89)	(89)	It is not currently anticipated that this reserve will be utilised in 2022-2023.	-	-	(89)
Regional Adoption Agency (RAA)	As part of the funding agreement with partner Authorities in the Regional Adoption Agency it has been agreed that an overspend up to 5% of the approved budget will be held	(443)	(343)	This reserve will be used to support the regional adoption agency- 'Adoption at Heart'.	-	150	(193)

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	in a reserve to be utilised in future years.						
PFI surplus reserve	A reserve to allow in year PFI contract efficiencies to be utilised to meet future years expenditure.	(2,217)	(2,217)	There is no planned use of this reserve in 2022-2023.	-	-	(2,217)
Victoria Square Sinking Fund Reserve	Contributions made by tenants and set aside by the Council to meet future maintenance costs at Victoria Square commercial units.	(27)	(27)	It is not currently anticipated that this reserve will be utilised in 2022-2023.	-	-	(27)
Magistrates Court Reserve	Sinking fund to meet non recoverable refurbishment costs for buildings occupied by Magistrates Courts' staff.	(34)	(34)	There is no planned use of this reserve in 2022-2023.	-	-	(34)

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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).	(92)	(92)	There is no planned use of this reserve in 2022-2023.	-	-	(92)
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	(2,048)	(2,048)	It is not currently anticipated that this reserve will be utilised in 2022-2023.	-	-	(2,048)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
	costs and license volumes fluctuate between years.						
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).	(21)	(21)	There is no planned use of this reserve in 2022-2022.	-	-	(21)
Highway Management Reserve	Reinvestment of funds secured through Bus Lane	(988)	(738)	Funds will be reinvested into	-	-	(738)

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	enforcement into Highway improvement.			Transportation projects and Highway Improvement works.			
Private Sector Housing - Civil Penalties	This reserve is made up of fines levied on private sector landlords under the Housing Planning Act 2016. As an alternative to prosecution landlords can be fined for breaches of the act for example breaches of an improvement notice or overcrowding in a property. Fines can be up to £30,000 and are ringfenced to provision of the service.	(169)	(137)	It is not currently anticipated that this reserve will be utilised in 2022-2023.	32	35	(70)

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Private Sector Housing - Licencing Fees	Licencing fees are levied on all private sector properties that offer multiple occupancy. Each property is charged a set fee at the point of registration. Properties are then assessed against pre-defined criteria and are awarded a star rating. Depending upon the star rating awarded an amount of the licence fee is refunded up to a total of the original fee. This reserve is required in order to fund these refunds in future years.	(60)	(60)	It is not currently anticipated that this reserve will be utilised in 2022-2023.	-	-	(60)

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Funds and Bequests Reserve (including Mary Ellen Bequest)	Trust funds administered by the authority with specific criteria for allocation.	(16)	(16)	It is not currently anticipated that this reserve will be utilised in 2022-2023.	-	-	(16)
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.	(3,599)	(3,599)		-	-	(3,599)
Art Fund	Funds administered to support revenue expenditure against	(33)	(33)	There is no planned use	-	-	(33)

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	criteria defined by the bequest.			of this reserve in 2022-2023.			
Mayors Award	Trust funds administered by the authority with specific criteria for allocation.	(2)	(2)	There is no planned use of this reserve in 2022-2023.	-	-	(2)
Collection Fund business rates section 31 Covid-19 relief reserve	This reserve has been established to hold the funds provided via a section 31 grant to the Council for the cost of Covid-19 business rates reliefs. Due to Collection Fund accounting treatment, the deficit on the Collection Fund in 2021-2022, to be offset in part by this funding, will	(16,349)	-	There was a deficit on the Collection Fund in 2021-2022, which due to Collection Fund accounting treatment will not be realised until 2022-2023. This reserve will be used in full in 2022-2023 to offset	-	-	-

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
	not be realised until 2022-2023.			this element of the deficit.			
Covid Collection Fund tax income guarantee scheme reserve	In the Spending Review 2020, the Government announced funding to compensate 75% irrecoverable losses from council tax and business rates revenues in 2020-2021, that would otherwise need to be funded through local authority budgets in 2021-2022 and later years. The reserve has been established to hold the funds. Due to Collection Fund accounting	(3,273)	(2,458)	There was a deficit on the Collection Fund in 2020-2021, which due to Collection Fund accounting treatment will not be realised until 2021-2022 and later years. This reserve will be used in part in 2022-2023 to offset one third of the deficit.	2,458	-	-

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
	treatment, the deficit on the Collection Fund in 2020-2021, to be offset in part by this funding, will not be realised until 2021-2022 and later years.						
Mediation Service	To provide a Mediation Service which is self-funded through annual contributions, mainly from Wolverhampton Homes and Cannock Chase District Council.	(1)	(1)	There is no planned use of this reserve in 2022-2023.	-	-	(1)
Community Safety	To assist the Safer Wolverhampton Partnership to deliver the Community Safety	(22)	(22)	There is no planned use of this reserve in 2022-2022.	-	-	(22)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
	and Harm Reduction Strategy and its annual Delivery Plan, as authorised by the Office of the Police and Crime Commissioner.						
Public Health	This reserve has been established from ring fenced Public Health grant and is to fund one-off public health initiatives.	(7,936)	(5,921)	Plans for use in 2022-2023 are currently being reviewed and approval will be sought in the Performance and Budget Monitoring Reports to Cabinet.	2,130	1,751	(2,040)
Building Control Service Improvements	Any surplus achieved on the Building Control	(189)	(189)	It is not currently anticipated	-	-	(189)

Specific Reserve	Description of Reserve	Balance at 1 April 2022 £000	Forecast Balance at 31 March 2023 £000	Areas of anticipated expenditure 2022-2023	Commitments already approved for future years £000	Approvals sought as part of this budget report for 2023-2024 £000	Forecast Balance - Future £000
	Service is required to be reinvested back into the service.			that this reserve will be utilised in 2022-2023.			
Schools Balances		(15,232)	(15,326)		-	-	(15,326)