

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE COMMITTEE
DATE:	14 FEBRUARY 2017
SUBJECT:	USE OF RESERVES AND BALANCES
PORTFOLIO HOLDER(S):	COUNCILLOR H E JONES
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LOCAL MEMBERS:	n/a

A - Recommendation/s and reason/s

1. PURPOSE OF THE REPORT

1.1 The report will set out the Section 151 Officer's assessment on the level of general balances and reserves for 2017/18 and make recommendations as to the allocation of general balances for use during 2017/18.

2. RECOMMENDATIONS

- To note the general policy on reserves and balances adopted 1 March 2016, in Appendix A;
- To set the minimum level of general balances for 2017/18 as £6m in accordance with the Section 151 Officer's assessment;
- To confirm the continuation of the existing earmarked reserves.

B - What other options did you consider and why did you reject them and/or opt for this option?

No other options considered – not appropriate in this case.

C - Why is this decision for the Executive?

The Constitution requires the Executive to publish its final budget proposal prior to its consideration by the Council

CH - Is this decision consistent with policy approved by the full Council?

N/A

D - Is this decision within the budget approved by the Council?

N/A

DD - Who did you consult?

What did they say?

1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer's report
3	Legal / Monitoring Officer (mandatory)	No comments
4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
<p>Appendix A - Proposed general policy on Reserves and Balances Appendix B – Balances to date</p>		
FF - Background papers (please contact the author of the Report for any further information):		

USE OF GENERAL BALANCES AND RESERVES

1. PURPOSE OF THE REPORT

- 1.1. Sections 32 and 43 of the Local Government Finance Act 1992 require Local Authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report formally on the robustness of estimates and the adequacy of proposed reserves when setting a budget requirement and to ensure that there are key protocols for their establishment and use.
- 1.2. The report will set out the Section 151 Officer's assessment on the level of general balances and reserves for 2017/18 and make recommendations as to the allocation of general balances for use during 2017/18.

2. POLICY ON RESERVES AND BALANCES

- 2.1. In addition to the general balances, the Council holds a number of reserves on its balance sheet. The purpose of these reserves is to meet the cost of planned projects or to fund specific items of expenditure as and when they fall due.
- 2.2. The document attached as Appendix A sets out the overall principles and policy relating to determining the level of adequate reserves and balances and how reserves are utilised.

3. GENERAL BALANCES

- 3.1. As at 31 March 2016, the level of general balances stood at £8.886m, an increase of £1.693m on the previous year.
- 3.2. In the 2016/17 budget, a £1m fund was created from general balances in order to fund individual projects that could generate efficiency savings for the Authority. 29 business cases were received from departments and, after assessment by a panel, senior leadership team and the Executive members, 9 of the business cases were approved to the value of £937,800.
- 3.3. As stated in Appendix A, paragraph 5, it is for the Section 151 Officer to assess a number of risks in determining the level of general balances required. These risks are considered below:-
 - **Future Cost Pressures** – As budgets are reduced, the ability of individual services to utilise any spare capacity within their existing budgets to fund unexpected cost pressures is much more difficult and, when cost pressures occur, the funding of these pressures then falls on the general balances. The Council is currently facing budget pressures during 2016/17, notably in Children's, Adult Services and Education. The better than expected settlement has allowed the Council to fund some of these cost pressures in the 2017/18 budget, which reduces the risk of a further call being made on general balances. This is a situation that requires frequent review.
 - **Savings** – The 2017/18 budget includes a package of £2.44m in savings. The savings proposals have been subject to challenge and this resulted in over £456k of proposed savings not being included in the 2017/18 budget proposals as it was considered that they were not achievable during 2017/18. Although there is a risk that not all savings will be achieved, the challenge process that has taken place should ensure that the risk is minimised and that any subsequent call on general balances is not significant.

- **Inflation and Interest Rates** – The 2017/18 budget has assumed low levels of inflation and interest rates. Known pay awards 1% and contractual inflation have been allowed for within the budget. Inflation of 1% was applied on all other heading apart from income, where 3% increase was applied. The current level of inflation is 1.6% and it is anticipated that it will rise further during 2017/18 but forecasts vary and will depend on the performance of the economy post Brexit. Base interest rates are currently 0.25% and, again, are not expected to increase in the foreseeable future. It is, therefore, assessed that the risk of significant increases in inflation or interest rates are low and that the current budgets will be sufficient to meet any increases that arise during 2017/18.
- **Income** – Ensuring that income budgets are achieved is always difficult to guarantee, particularly in discretionary services where customers can choose whether to purchase the service or not. The 2017/18 budget process has reviewed actual income trends and income budgets have been realigned where it was considered that actual income would be significantly lower than the budget. The risk that income targets will not be achieved cannot be ignored and may result in net expenditure exceeding the overall budget, with the shortfall then having to be funded from general balances.
- **Track Record** – Since 2011/12 the Council has underspent its net revenue budget in 3 of the 5 years and has seen the general balance rise from £5.796m in 2012 to £8.886m in 2016. This confirms that overall budgetary control arrangements are sound and that the risk of significant overspending against budgets is low, although it is recognised that this risk is increasing as budgets are reduced.
- **Overall Financial Standing of the Council** – The overall financial standing of the Council is currently good with a healthy level of general balances and earmarked reserves. The future capital programme is funded and the Council's Capital Financing Requirement around £28m lower than the operational boundary, and £33m lower than the statutory authorised limit.

- 3.4** There is no hard and fast rule as to the level of general balances that a Council, should maintain, although a rule of thumb exists which indicates that the level of general balances should be 5% of the net revenue budget, excluding the delegated schools budget. However, due to the depleting School Balances, the calculation for the 2017/18 level includes the delegated schools budget. Based on the proposed 2017/18 budget, this would require the balance of general reserves to be in the region of £6m, which is £2m lower than the projected balance as at 31 March 2017.
- 3.5** Holding general balances does provide financial security for the Council, but holding balances unnecessarily results in financial resources not being utilised effectively. Having assessed the underlying financial risks faced by the Council, the limited flexibility that budget holders now have in managing their budgets and the need to release funding to deliver future efficiency savings, it is my assessment that the minimum level of general balances should be set at £6m. A further assessment should be made later in the 2017/18 financial year as to whether it is possible to release any further sums from general balances once the 2016/17 accounts have been finalised.
- 3.6** The final budget proposal includes a reduction in the level of general contingency to £280k. Although it is not expected that the unforeseen costs that arise during the year will exceed this figure, there is still a risk that this will happen. As part of the budget proposal, the Executive are requesting the delegated power to draw down an additional £200k from general balances.

4. EARMARKED RESERVES

4.1 Earmarked Reserves fall into distinct categories which are as follows:-

- Capital Reserves – reserves required to fund the capital programme;
- Restricted Reserves – reserves which are required to fund potential future costs, their use is restricted to a specific purpose and cannot be released for any other purpose, funds that are held by the Client on behalf of a third party or the reserve is linked to the delegated schools budget and cannot be reallocated;
- HRA Reserve – reserves that are ring fenced to the HRA;
- Insurance Reserve – a reserve required to fund the cost of any uninsured losses and policy excesses incurred by the Council;
- Grant Holding Reserves – reserves holding the amount of any unapplied grant received;
- Earmarked Reserves – Reserves that have been allocated to services to undertake particular projects.

4.2 The balance of the earmarked reserves as at 31 March 2016 and the projected balance as at the 31 March 2017 for each of the categories is shown in Table 1 below (a full breakdown of each category is attached as Appendix B).

Table 1

Summary of Earmarked Reserve Balances

Reserve Category	Balance as at 31 March 2016 £	Movement During 2015/16 £	Projected Balance as at 31 March 2017 £
Capital	899,000	46,934	945,934
Restricted	5,133,817	-377,583	4,756,234
Job Evaluation & Equal Pay	3,635,000	-2,948,088	686,912
Insurance	1,250,000	0	1,250,000
Grant Holding	1,997,679	-1,625,134	372,545
Earmarked	3,076,293	522,404	3,598,697
TOTAL	15,991,789	-4,381,466	11,610,323

4.3 The capital reserve will increase by £46k due to two payments of £30k and £16k, internal loans for new gritters.

4.4 The restricted reserve includes a number of significant individual reserves, notably the Penhesgyn Site reserve £2m, North Wales Waste Treatment Plant reserve £1.3m, Education schools reserve £1.2m. The North Wales Waste Treatment Plant reserve will be utilised in the coming years following the signing of the Treatment Plant agreement. The Education reserves will be partly used based on academic year and it is not expected that the Penhesgyn Site Management Reserve will be used in 2017/18 but it is necessary to maintain this reserve to fund any potential future costs.

- 4.5** The Risk and Insurance Manager has assessed that £1.25m is required to adequately cover the potential uninsured losses and excess payments. However, the Council was informed in 2015/16 that an additional levy may be charged on the Council as a contribution to the cost of future claims relating to Municipal Mutual Insurance, this has still not been raised.
- 4.6** The HRA Reserve is ring fenced and can only be used to fund expenditure relating to the HRA. It is not anticipated that the reserves will be utilised in 2017/18.

5. RECOMMENDATIONS

- 5.1** The Executive are requested to approve the following recommendations:-
- 1.** To note the general policy on reserves and balances as noted in Appendix A;
 - 2.** To set the minimum level of general balances for 2017/18 as £6m in accordance with the Section 151 Officer's assessment;
 - 3.** To confirm the continuation of the existing earmarked reserves, Appendix B.

GENERAL POLICY ON RESERVES AND BALANCES

1. Purpose

The Isle of Anglesey is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this policy is to set out the governance arrangements for the Use of Reserves and Balances to ensure they provide the Council with the flexibility it needs and also to ensure they are used to add value to the organisation.

2. Regulatory Context

Sections 32 and 43 of the Local Government Finance Act 1992 require Local Authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

There is no specified minimum level of reserves that an authority should hold and Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report formally on the adequacy of proposed reserves when setting a budget requirement and to ensure that there are key protocols for their establishment and use.

This policy sets out the framework for the use and management of useable reserves, in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed in accounting policies.

3. Types of Reserves.

Useable revenue reserves can be categorised in two ways:-

General reserves, which are contingency to cushion the impact of unexpected events or emergencies; and

Earmarked reserves, which are generally built up to meet known or predicted liabilities.

Earmarked Revenue Reserves are usually created and held for one of the five main reasons below:-

- i.** Renewals – to enable services to plan and finance an effective programme of vehicle and equipment replacement and planned property maintenance. These reserves are mechanisms to smooth expenditure so that a sensible replacement programme can be achieved without the need to vary budgets.
- ii.** Carry forward of underspend – some services commit expenditure to projects, but cannot spend the budget in year. Reserves are used as a mechanism to carry forward these resources.
- iii.** Trading accounts - in some instances, surpluses are retained for future investment.
- iv.** Insurance Reserve - to meet the estimate of future claims to enable the Council to meet the excesses not covered by insurance.
- v.** Other earmarked reserves will be set up from time to time to meet known or predicted liabilities, for example future predicted budget demand pressures.

Whilst earmarked reserves are set against a specific purpose, general reserves are funds which do not have any restrictions as to their use. Such reserves can be used to smooth the impact of significant pressures across years, offset the budget requirement in year, and to mitigate the risks of unexpected events or emergencies.

General reserves can also be used to support investments designed to secure greater base budget savings.

4. Managing Reserves

The Council recognises the need to hold and maintain reserves but also recognises that, by choosing to hold or increase reserves, the Council is allocating resources away from other potential uses and, as such, there is an 'opportunity cost' of holding balances as reserves. For this reason, it is important to set out clearly, and regularly review, the framework through which such reserves are managed.

The management of financial reserves is a key tool of the Council's overall financial strategy, which has two key objectives:-

- Achieving stable and sustainable budgets throughout the medium term; and
- Ensuring resources are effectively focused on priorities.

Underpinning the achievement of these objectives is the recognition of the need to manage risk. This could be increased risks of volatility in planning assumptions as we continue to go through uncertain economic times or the risks to Welsh Government funding as a result of significant future funding reviews. However, it could be that the business seeks to take greater business risks through innovative service delivery to achieve difficult savings targets. The greater the risks, the greater the reserves the Council are likely to need to hold to mitigate against this. It is the appreciation of such risks that must be at the forefront of the Section 151 Officer's mind.

5. Quantifying the Reserves Requirement

Setting the level of general reserves is one of several related decisions in the formulation of the Medium Term Financial Plan (MTFP) and the annual budget. This decision requires account to be taken of the strategic, operational and financial risks facing the Authority. Specifically, the MTFP requires the Council to build up and then maintain general reserves sufficient to cover the key financial risks that it faces.

The Section 151 Officer will need to consider many factors in determining the precise level of reserves, many of which involve an assessment of the risk of assumptions included in the budget and MTFP, together with the Council's financial standing and management.

The key factors are set out below:-

Budget Assumptions;
Financial standing and management;
General cash flow requirements, the outlook for inflation and interest rates;
The overall financial standing of the Council (level of borrowing, debt outstanding etc.);
Estimates of the level and timing of capital receipts;
The Council's track record in budget and financial management, including the robustness of its medium term plans;
The potential range of costs of demand led services;
The Council's capacity to manage in year budget pressures;
Planned efficiency savings/ productivity gains;
The strength of the financial information and reporting arrangements;
The financial risks inherent in any significant new funding partnerships;
Major outsourcing arrangements or major capital developments;
The Council's virement and end of year procedures in relation to budget under/overspends;
The availability of other funds to deal with major contingencies and the adequacy of provisions;
The adequacy of the Council's insurance arrangements to cover major unforeseen risks.

An objective evaluation of these factors will be undertaken each year to determine a prudent level of general reserves cover based on an assessment of the above factors. However, the final level of reserves is ultimately subject to the Section 151 Officer's judgement, taking all relevant factors into consideration.

As part of the annual budget recommendation to the Council, the Section 151 Officer will highlight the amounts that are being set aside for reserves.

6. Building Reserves

Should the Section 151 Officer consider that the level of General Reserves requires increasing, this will be achieved as part of the budget setting process, establishing an allocation from the annual budget to achieve the desired level of balances. Contributions to and from General Reserves should be reviewed annually. This will be additional to any amounts needed to replenish reserves that have been consumed in the previous year, to maintain the minimum level of reserves.

Earmarked reserves will be established on a 'needs basis' in line with the planned or anticipated requirements, and will be subject to Committee approval, usually as part of an annual reserves report that goes as part of the year end.

For each such reserve, the Council will define:-

The purpose of the reserve;

How and when the reserve can be used;

Procedures for management and control of the reserve;

A process and timescale for review of the reserve to ensure continuing relevance and adequacy. This will generally take place at year end.

7. Use of Reserves

Reserves can only be used once, and so should not normally be used to finance recurring planned spending – for example they would not, except under exceptional circumstances, be used to 'balance the budget'.

Where reserves are used to support the delivery of the budget in any one year, for example to smooth funding fluctuations or pressures across years, the Council should ensure the reserves are replenished in the following year if necessary.

Where the Council has used general reserves for investment purposes to generate savings, these would also generally be paid back by the end of the following financial year. In exceptional cases, such as minimising the impact upon services to customers and citizens, more time would be allowed for replenishment, up to a maximum of four years, in line with the medium term planning cycle.

Use of General Reserves will be subject to the Section 151 Officer and, in some cases, the Executive Committee approval. The creation of earmarked reserves will also be subject to the approval of the Section 151 Officer, once this level of approval has been given, drawdowns against the reserve can be made subject to the criteria being met.

In extreme circumstances, where general reserves have been exhausted due to unforeseen spending pressures within a given financial year, the Council would be able to draw down from its earmarked reserves to provide short term resources, but this would not be sustainable, and balances would need to be restored.

Earmarked reserves that have been used to meet a specific liability would not be replenished, having served the purpose for which they were originally established.

8. Service Reserves

Individual service reserves were combined to create one Corporate Service Reserve, individual services at year end are now able to put in proposals / bid for the use of the funds held within the Reserve.

The use of this Corporate Service Reserve will be subject to the approval of the Section 151 Officer and, in some cases, the Portfolio Holder for Finance or the Executive. Once this approval has been given, the draw down against the reserve can be made.

9. Capital Reserves

The capital programme for 2016/17 fully utilises all available reserves down to the minimum level. The future expectation of capital receipts for strategic asset sales has not yet been built into the capital programme.

Good asset management strategies have included in them the replenishment of assets following on from strategic asset sales, so that there will be assets of a strategic value on the balance sheet for future years.

The capital receipts from such strategic assets sales are a valuable source of capital financing but, equally, a proportion of these proceeds needs to be reinvested for either revenue return or for investment in other assets that, over time, will increase in value and form part of future years' capital financing.

A proportion of all strategic asset capital receipts should be ear-marked for reinvestment, either for investment to produce future financing sources or to create a revenue income stream.

A Capital Investment reserve will be created and, on receipt of proceeds of sales, a proportion will be added to this reserve. Capital schemes that either propose reinvestment in assets or revenue income streams will be considered for funding from this earmarked reserve, to complement the current capital programme schemes funded by general capital receipts reserves.

Similarly, the capital funds allocated to Compulsory Purchase Orders will be replenished from the capital receipts on the sale of the acquired properties. This will then form the basis of a rolling fund for the compulsory purchase orders issued.

10. Insurance Reserve

The insurance reserve figure was historically built up over time in order to cover the stop losses under the larger insurance policies. The level of the Insurance Reserve will be reviewed at least annually by the Risk and Insurance Manager and agreed with the Section 151 Officer.

BALANCES TO DATE

APPENDIX B

Directorate	Reserve	Category	Total To Date	Is this reserve likely to be spent in full during 2016/17	Is a request to carry forward to 2017/18 likely, if so for what value?	Projected Total
Children Services - Child Placement Service	Invest to Save Child Placement Service	EARMARKED	45,420.00	YES	NOT APPLICABLE	0.00
Community Services - Housing Services	Corporate Vulnerable Persons	EARMARKED	700,000.00	NO	YES	700,000.00
Community Services - Housing Services	Housing – Adult Services Reserve	EARMARKED	911,944.50	NO	YES - The balance will be used to fund SP projects and pay for scheme administration	911,944.50
Corporate	Revenue Contributions Unapplied	CAPITAL EXPENDITURE	1,071,415.87	NO	Project plans span more than one financial year.	945,934.31
Corporate	Cost Of Change	EARMARKED	502,156.22	NO	Further work is required on this reserve to identify the sum, if any, that can be taken back to General Reserves. This will be noted in the Statement of Accounts reserves paper in June/July 2017	462,156.22
Corporate	New Ledger Team Civica Re-Launch	EARMARKED	685.14	YES	NOT APPLICABLE	0.00
Corporate	Job Evaluation	JOB EVALUATION & EQUAL PAY	686,912.00	NO	Forms Part of the Equal Pay Claims Reserve	686,911.87
Corporate - Resources	Development of the Civica System and associated Financial Activities	EARMARKED	21,592.23	YES	NOT APPLICABLE	21,592.23
Corporate - Resources	Insurance (Catastrophe) Reserve	INSURANCE FUND	1,250,000.00	NO	YES - the level of reserves is deemed acceptable for this size of Authority by the Insurance Manager	1,250,000.00

Directorate	Reserve	Category	Total To Date	Is this reserve likely to be spent in full during 2016/17	Is a request to carry forward to 2017/18 likely, if so for what value?	Projected Total
Corporate	Service Reserve Contingency	EARMARKED	93,500.00	NO	YES	93,500.00
Council Business - Legal	Purchase of new Legal Case Management System (regional)	EARMARKED	30,000.00	NO - . ICT plans for starting on the upgrade will be in mid-March 2017 at the earliest therefore it will span more than 1 financial year.	At least £25k, but allow for contingency	25,000.00
Council Business - Legal	Land Charges computer system	EARMARKED	8,100.00	No. Testing of system may take until April 2017	Carry forward what remains at end of financial year	8,100.00
Council Business - Policy	Policy Management System	EARMARKED	32,600.00	No. Up to £4k will be invoiced during 2016/17.	YES - the balance up to £32,600	32,600.00
Council Business - Policy	Webcasting	GRANT HOLDING	8,434.00	Will be used to pay for the service in 2016/17	Carry forward what remains - and it will be utilised in 2017/18	8,434.00
Highways Property Waste - Highways	Highways Restricted Grants Res Flood Grant	RESTRICTED	36,473.34	NO	Carry over of £36,473.34 due to delays in completing the FLWMA works - working in partnership with Conwy.	36,473.34
Highways Property Waste - Highways	Highways Restricted Grants Reserve Coastal Path	RESTRICTED	7,552.68	NO	Carry over of £7,552.68, funding held to print next version of the Ynys Môn Coastal Path Guide and various pamphlets.	7,552.68

Directorate	Reserve	Category	Total To Date	Is this reserve likely to be spent in full during 2016/17	Is a request to carry forward to 2017/18 likely, if so for what value?	Projected Total
Highways Property Waste - Highways	Highways Restricted Grants Reserve Airport Car Park Income	RESTRICTED	6,406.21	NO	Carry over £6,406.21 - Funds owned by WG and used for various works at Maes Awyr Môn.	6,406.21
Highways Property Waste - Waste Management	Property Restricted Reserve Small Holdings	RESTRICTED	1,927.51	NO	Carry over £1,927.51 - balance of Smallholdings income, which will be used to fund further improvements.	1,927.51
Highways Property Waste - Waste Management	Penhesgyn Site	RESTRICTED	2,000,000.00	NO	Carry over £2m - kept in case of collapse of culvert beneath the Penhesgyn Tip or if NRW change their policy.	2,000,000.00
Highways Property Waste - Waste Management	Spend to Save Public Conveniences	EARMARKED	72,600.00	Work due to start soon, should all be spent.	NO - unless there are unexpected delays	0.00
Highways Property Waste - Waste Management	Waste Reserve/Recycling	GRANT HOLDING	323,681.14	NO	Carry over the whole sum - This is funding received from WG for recycling purposes. It is expected that most of this sum will be spent during 2017/18 to purchase more recycling trolley boxes.	323,681.14
Highways Property Waste - Waste Management	NWW Treatment Plant	RESTRICTED	1,306,249.82	NO -, but there will be further spend this year (£80k).	Carry Over the whole sum - there will be considerable spend during the next 3 years as the Energy From Waste plant is constructed.	1,306,249.82

Directorate	Reserve	Category	Total To Date	Is this reserve likely to be spent in full during 2016/17	Is a request to carry forward to 2017/18 likely, if so for what value?	Projected Total
Highways Property Waste - Waste Management	Recycling Process Income	RESTRICTED	382,738.60	NO - but £100k will be used to cover the likely overspend during 2016/17.	Carry over the whole sum - Single Environment Grant for 2017/18 cut by 6.7% after budget was set which means a deficit of £120k. This reserve should be kept to cover the deficiencies in the SEG which will continue to be cut in further years. Any surplus should be used to buy more recycling trolleys.	382,738.60
Highways, Property & Waste Management	Highway Airport	RESTRICTED	93,990.02	NO	Carry over £6,406.21 - Funds owned by WG and used for various works at Maes Awyr Môn.	6,406.21
Highways, Property & Waste - Property	Building Risk R & M	EARMARKED	3,337.22	NO	Carry over the whole sum	3,337.22
Highways, Property & Waste - Property	Asset Management Rationalisation	EARMARKED	99,516.86	NO	Carry over anything that is unspent as projects span more than one financial year	99,516.86
Housing	Homeless Provision	EARMARKED	92,700.00	NO	Projected sum to be carried over £67,750	67,750.00
Housing	Landlord Tenant Improvements	EARMARKED	15,000.00	NO	Projected sum to be carried over £5,000	5,000.00
Housing	Affordable Housing	EARMARKED	117,500.00	NO	Projected sum to be carried over £94,000	94,000.00

Directorate	Reserve	Category	Total To Date	Is this reserve likely to be spent in full during 2016/17	Is a request to carry forward to 2017/18 likely, if so for what value?	Projected Total
Housing	Housing Management	EARMARKED	56,300.00	NO	Projected sum to be carried over £49,000	49,000.00
Learning – Education	School Days Reserve	RESTRICTED	-66,860.00	These must be carried forward as they are delegated to schools.	YES - full balance. This is a delegated fund to all schools which is utilised to compensate for the fluctuations between the school year dependent on when Easter falls within the calendar. The reserve is in deficit and will not be used to compensate for additional days, but will be topped up in years when school days reduce until reserve is cleared, following that a reserve will no longer be required. The deficit balance will continue beyond 2016/17.	-66,860.00
Learning - Education	R&M Scheme Primary	RESTRICTED	51,547.26	Unknown. These must be carried forward as they are delegated to schools.	YES - full balance - this is a delegated budget	51,547.26
Learning - Education	Sick/Ads Scheme-Primary	RESTRICTED	61,739.57	Unknown. These must be carried forward as they are delegated to schools.	YES - full balance - this is a delegated budget	61,739.57
Learning - Education	ELWA Post 16 Funding Reserve	RESTRICTED	0.00		YES - full balance - this is a delegated budget	0.00

Directorate	Reserve	Category	Total To Date	Is this reserve likely to be spent in full during 2016/17	Is a request to carry forward to 2017/18 likely, if so for what value?	Projected Total
Learning - Education	Schools Rationalisation	RESTRICTED	1,082,885.64	It is expected that this reserve will decrease by £290k by the end of the financial year.	YES - full balance - this is a delegated budget	792,885.64
Lifelong Learning - Culture	Estyn Allan y Gogledd	EARMARKED	2,643.11	There will be a need to carry this forward as this is allocated for specified and timetabled activities	YES	2,643.11
Lifelong Learning - Culture	Museum Purchase Fund	RESTRICTED	19,167.12	This is monies raised through contributions made to the Oriel and cannot be used for any other purpose.	YES - full balance. This is ring fenced funding from donations and cannot be used for any other purpose.	19,167.12
Lifelong Learning - Education	Invest to save - automated online payment system for schools re meal payments	EARMARKED	50,000.00	Will either be spent in full this financial year or if not, will be spent by the end of the academic year	Any remaining funding will need to be carried over until the end of the academic year.	50,000.00

Directorate	Reserve	Category	Total To Date	Is this reserve likely to be spent in full during 2016/17	Is a request to carry forward to 2017/18 likely, if so for what value?	Projected Total
Regulation - Planning and Public Protection	Licence Reserve	EARMARKED	23,000.00	NO - £0	£23,000 - Reserves earmarked for IT project to take place in 2017/18. Public Protection need to modernise and update its database in order to fully adopt the Smarter Working philosophy. To upgrade or change the current database requires additional resources and, although some funding has been made available, this reserve had been earmarked for upgrading the Licencing database previously and this new proposed upgrade will help achieve the original purpose. The project officer will begin post April 2017.	23,000.00
Regulation - Planning	PIF Grant	GRANT HOLDING	12,870.64	YES - reserve will all be utilised during the 2016/17 financial year	NOT APPLICABLE	0.00
Regulation - Planning & Public Protection	Local Development Plan	EARMARKED	208,190.00	Unlikely to be spent in full as the Local Development Plan process will be ongoing until spring 2017	The majority of the stated reserve will need to be carried over to the 2017/18 financial year. It is required for ongoing work.	208,190.00

Directorate	Reserve	Category	Total To Date	Is this reserve likely to be spent in full during 2016/17	Is a request to carry forward to 2017/18 likely, if so for what value?	Projected Total
Regulation - Planning & Public Protection	Buy with Confidence Reserve	EARMARKED	6,240.00	It needs to be retained by the Public Protection function.	The majority of the stated reserve will need to be carried over to the 2017/18 financial year. It is required for ongoing work.	6,240.00
Regulation - Planning & Public Protection	Planning	EARMARKED	25,000.00	YES - reserve will all be utilised during the 2016/17 financial year to balance staffing budgets following JE Regrades.	NOT APPLICABLE	0.00
Regulation & Economic Development – Economic	EU Projects Reserve	EARMARKED	50,000.00	NO - £0	YES - the whole amount (£50,000) will be required to be carried over to the 2017/18 financial year. It has been allocated as a provision in case of European Projects Audit, which could take place between now and 2024.	50,000.00
Regulation & Economic Development – Economic	Major Developments	EARMARKED	198,387.10	NO - £0	YES - the whole amount (£198,387.10) will need to be retained. The reserve has already been allocated for the DCO Consents process that will be taking place during the 2017/18 financial year.	198,387.10

Directorate	Reserve	Category	Total To Date	Is this reserve likely to be spent in full during 2016/17	Is a request to carry forward to 2017/18 likely, if so for what value?	Projected Total
Regulation & Economic Development - Economic	Energy Island Economic Development Reserve	EARMARKED	213,132.85	Not in full, currently c. £60k (dependant on invoices that are yet to be received)	YES - £60,000 will need to be retained for the 2017/2018 financial year. All unspent budget from 2016/17 will need to be carried over.	60,000.00
Regulation & Economic Development – Economic	Economic Development Restricted Reserve	EARMARKED	37,115.78	NO - £0	YES -the whole reserve (£37,115.78) will need to be carried over to the 2017/18 financial year. It has been allocated as a provision in case of SETS Audit, which could take place between now and 2024.	37,115.78
Regulation & Economic Development – Leisure	Leisure Improvement Reserve	EARMARKED	173,600.24	Yes, it will be used to pay for Capital Improvements at Plas Arthur and Amlwch Leisure Centres that have already taken place	NOT APPLICABLE	0.00
Regulation & Economic Development - Leisure	Leisure Centre Maintenance Scheme	EARMARKED	2,941.00	Used towards R&M of Heritage Sites, Museums and Galleries. This is likely to be fully utilised before the end of the financial year.	Carry over anything that is unspent as projects span more than one financial year	2,941.00

Directorate	Reserve	Category	Total To Date	Is this reserve likely to be spent in full during 2016/17	Is a request to carry forward to 2017/18 likely, if so for what value?	Projected Total
Resources	Revenues and Benefits	EARMARKED	90,870.00	NO - Work has started and some expenditure will be incurred, however, the main bulk of expenditure will be in 2017/18	YES	90,870.00
Resources - Procurement	Temporary Procurement Officer	EARMARKED	33,620.44	NO	Part Year effect, therefore, will need to be carried into 2017/18	20,000.00
Resources - Revs & Bens	Revenues & Benefits Staff	EARMARKED	27,000.00	NO	YES - Work spans more than 1 financial year	27,000.00
Social Services - Adult Services Mental Health	Section 117 Reserve	RESTRICTED	150,000.00	NO	£150,000.00	150,000.00
Social Services - Adults and Children Services	Transformation	EARMARKED	228,134.10	NO	£195,546.46	195,546.46
Transformation - HR	Social Substance Misuse	EARMARKED	54,000.00	NO	To be reviewed	0.00
Transformation - HR	SCWDP	GRANT HOLDING	40,430.17	YES	YES - full value	40,430.17
Transformation – HR	Smarter Working Training	EARMARKED	30,000.00	Part of this is funding the E learning postholder up to 31.3.17 and the remainder needs to be transferred to 2017/18 for the same purpose	YES - the remaining monies to be transferred to 2017/18 staffing budget for HR to enable the E learning co-ordinator post to be funded.	15,000.00
Transformation - ICT	PSBA Conversion costs	EARMARKED	38,266.74			38,266.74
			12,822,655.00			11,610,322.67

