

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE COMMITTEE
DATE:	19 FEBRUARY 2018
SUBJECT:	USE OF RESERVES AND BALANCES
PORTFOLIO HOLDER(S):	COUNCILLOR JOHN GRIFFITH
HEAD OF SERVICE:	MARC JONES (EXT. 2601)
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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 2018/19 and make recommendations as to the allocation of general balances for use during 2018/19.

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 2018/19 as £6.5m 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 2018/19 and make recommendations as to the allocation of general balances for use during 2018/19.

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 2017, the level of general balances stood at £8.355m, a decrease of £0.531m 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. From the 29 business cases that were received from departments, 9 business cases were approved to the value of £937,800, to date the projects are progressing well and the balance remaining to be spent is £900,000 (projected). A report on the position of each project is provided to the Executive each quarter.
- 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 utilize 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 2017/18, notably in Children's and Education Services. The better than expected settlement has allowed the Council to fund some of these cost pressures in the 2018/19 budget, however, there are risks of further calls being made on general balances and frequent reviews will be undertaken during the year.
 - **Savings** – The 2018/19 budget includes a package of £3.315m in savings. The savings proposals have been subject to challenge and this resulted in £81k of proposed savings not being included in the 2018/19 budget proposals as it was considered that they were not achievable during 2018/19. 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 2018/19 budget has assumed an inflation rise of 2.6% across all non-pay expenses. The unions are currently considering a 2% pay increase for all staff on salary point 20 and above, but higher pay awards for staff on points 6 – 19, ranging from 9.19% for staff on point 6, to 3.73% for staff on point 19. All known contractual inflation has been allowed for within the budget and an inflation of 3% was applied on income. It is anticipated that inflation could fall as a result of negotiations regarding Brexit.
- **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 2018/19 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 6 years and has seen the general balance rise from £5.796m in 2012 to £8.355m in 2017. 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 and during the 2017/18 financial year the demand led budgets such as Children’s Services and Education placements are overspending.
- **Overall Financial Standing of the Council** – The overall financial standing of the Council is currently good with an acceptable level of general balances and earmarked reserves. The future capital programme is funded and the Council’s Capital Financing Requirement around £24m lower than the operational boundary, and £29m 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 2018/19 budget, this would require the balance of general reserves to be in the region of £6.5m, which is in line with the minimum balance projected for 31 March 2018. For further guidance and information, please refer to the Medium Term Financial Strategy & Budget 2018/19 paper.

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 £6.5m.

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 2017 and the projected balance as at the 31 March 2018 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 2017 £	Movement During 2017/18 £	Projected Balance as at 31 March 2018 £
Capital	899,000	101,000	1,000,000
Restricted	8,659,000	-4,681,615	3,977,385
Equal Pay	1,060,000	-760,000	300,000
Insurance	1,371,000	-121,000	1,250,000
Grant Holding	397,000	-356,070	40,930
Earmarked	971,000	3,040,857	4,011,857
TOTAL	13,357,000	-2,776,828	10,580,172

4.3 The restricted reserve includes a number of significant individual reserves, notably the Penhesgyn Site reserve £2m and North Wales Waste Treatment Plant reserve £1.05m. The North Wales Waste Treatment Plant reserve will be utilised in the coming years with the construction of the plant already underway.

4.4 The Risk and Insurance Manager has assessed that £1.25m is required to adequately cover the potential uninsured losses and excess payments.

4.5 The HRA Reserve is ring fenced and can only be used to fund expenditure relating to the HRA. The new 30 Year Plan that is yet to be authorised envisages that the Reserve will be fully utilised in 2018/19, and that it is possible that funding of new homes could result in a small borrowing requirement (within the authorised debt cap).

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 2018/19 as £6.5m 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's 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 2017/18 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 2017/18	Is a request to carry forward to 2018/19 likely?	Projected Total £
Children Services - Child Placement Service	Invest to Save Child Placement Service	EARMARKED	420.00	No	No	420.00
Community Services - Housing Services	Corporate Vulnerable Persons	EARMARKED	570,000.00	No	Yes - The balance will be used to fund SP projects and pay for scheme administration	375,000.00
Corporate	Revenue Contributions Unapplied	CAPITAL EXPENDITURE	1,024,671.00	No	Yes - Project plans span more than one financial year. Balance held as contingency to fund capital expenditure	1,000,000.00
Corporate	Northgate Project	EARMARKED	126,902.00	No	Yes - Project plans span more than one financial year, the planned end date is September 2018	75,000.00
Corporate	Cost Of Change	EARMARKED	365,699.00	No	Yes - Additional cost of change projects that required funding	350,000.00
Corporate	Equal Pay	EQUAL PAY	995,707.00	No	Yes - It is anticipated the exercise will be completed in early 2018/19. With the current estimation of funds being clawed back to general reserves being £700k	300,000.00

Directorate	Reserve	Category	Total To Date £	Is this reserve likely to be spent in full during 2017/18	Is a request to carry forward to 2018/19 likely?	Projected Total £
Corporate	Invest to Save	EARMARKED	957,740.00	No	Yes - Plans span more than one year and all projects are at various stages	900,000.00
Corporate	Restricted Contingency Funded Projects	EARMARKED	14,142.00	No	Yes - Plans span more than one year	14,142.00
Corporate - Finance	Development of the Civica System and associated Financial Activities	EARMARKED	20,786.00	No	Yes - Plans span more than one year	5,000.00
Corporate - Finance	Insurance (Catastrophe) Reserve	INSURANCE FUND	1,370,713.00	No	Yes - the level of reserves is deemed acceptable for this size of Authority by the Insurance Manager	1,250,000.00
Council Business - Legal	Purchase of new Legal Case Management System (regional)	EARMARKED	30,000.00	Yes	No - Projected expected to be complete during 2017/18	0.00
Council Business - Legal Section	Land Charges computer system	EARMARKED	8,100.00	Work is on going, the expenditure may slip into the next financial year	Yes - work may span 2 financial years	8,100.00
Council Business - Policy	Policy Management System	EARMARKED	32,363.00	No	Yes - This is a part of a five year programme	32,363.00

Directorate	Reserve	Category	Total To Date £	Is this reserve likely to be spent in full during 2017/18	Is a request to carry forward to 2018/19 likely?	Projected Total £
Council Business - Policy	Webcasting	GRANT HOLDING	500.00	Yes	No	500.00
Highways, Property & Waste - Highways	Highways Restricted Grants Reserve Flood Grant	RESTRICTED	36,473.00	No	This is scheme that involves Conwy and Gwynedd Councils, any unspent finding will be returned to Welsh Government	36,473.00
Highways, Property & Waste - Highways	Highways Restricted Grants Reserve coastal Path	RESTRICTED	7,575.00	No	Yes - this is grant funding held to print next version of the Ynys Môn Coastal Path Guide and various pamphlets.	7,575.00
Highways, Property & Waste - Highways	Highways Restricted Grants Reserve Airport Car Park Income	RESTRICTED	6,406.00	No	Yes - Funds owned by WG and used for various works at Maes Awyr Môn.	6,406.00
Highways, Property & Waste - Highways	Winter Maintenance	EARMARKED	33,478.00	No	Yes - This is a reserve that is to be built up to aid winter maintenance during periods of extreme weather	33,478.00
Highways, Property & Waste - Waste Management	Penhesgyn Site	RESTRICTED	2,000,000.00	No	Yes - This reserve is deemed an acceptable amount to be 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	10,406.00	No	Yes - Work is currently underway and may span more than one financial year	10,000.00

Directorate	Reserve	Category	Total To Date £	Is this reserve likely to be spent in full during 2017/18	Is a request to carry forward to 2018/19 likely?	Projected Total £
Highways Property & Waste - Waste Management	Waste Reserve/Recycling	GRANT HOLDING	10,001.00	No	No	0.00
Highways, Property & Waste - Waste Management	North West Wales Treatment Plant	RESTRICTED	1,206,156.00	No	Yes - there will be considerable spend during the next 3 years as the new Treatment Plant is constructed.	1,050,000.00
Highways, Property & Waste - Waste Management	Recycling Process Income	RESTRICTED	389,372.00	No	Yes - This is to aid the reduction in the single environment grant	389,372.00
Highways, Property & Waste	Highway Airport	RESTRICTED	93,990.00	No	Yes - Funds owned by WG and used for various works at Maes Awyr Môn.	93,990.00
Highways, Property & Waste - Property	Asset Management Rationalisation	EARMARKED	56,796.00	No	Yes - Work generally spans more than one financial year	30,000.00
Highways, Property & Waste - Highways	Flintshire - Bus Routes Reimbursements	RESTRICTED	54,480.00	Yes	No	0.00
Housing	Homeless Provision	EARMARKED	87,950.00	No	Yes - This is a project which spans more than one financial year	50,000.00

Directorate	Reserve	Category	Total To Date £	Is this reserve likely to be spent in full during 2017/18	Is a request to carry forward to 2018/19 likely?	Projected Total £
Housing	Landlord Tenant Improvements	EARMARKED	5,000.00	No	Yes - This is a project which spans more than one financial year	5,000.00
Housing	Affordable housing	EARMARKED	99,000.00	No	Yes - This is a project which spans more than one financial year	99,000.00
Housing	Housing Management	EARMARKED	56,300.00	No	Yes - This is a project which spans more than one financial year	50,000.00
Housing	Supporting People	EARMARKED	734,010.00	No	Yes - Plans span more than one financial year	610,000.00
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 2017/18.	66,130.00

Directorate	Reserve	Category	Total To Date £	Is this reserve likely to be spent in full during 2017/18	Is a request to carry forward to 2018/19 likely?	Projected Total £
Learning - Education	Sick/Ads Scheme-Primary	RESTRICTED	48,272.00	Unknown. These must be carried forward as they are delegated to schools.	Yes - full balance - this is a delegated budget	48,272.00
Learning - Education	Schools Rationalisation	RESTRICTED	465,941.00	No	Yes - full balance - this is a delegated budget	60,000.00
Lifelong Learning - Culture	Estyn Allan y Gogledd	EARMARKED	2,643.00	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	19,167.00	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.	19,167.00
Lifelong Learning - Education	Invest to save - automated online payment system for schools re meal payments	EARMARKED	25,542.00	Will either be spent in full this financial year and, if not, will be spent by the end of the academic year	Yes - Any remaining funding will need to be carried over until the end of the academic year.	25,542.00

Directorate	Reserve	Category	Total To Date £	Is this reserve likely to be spent in full during 2017/18	Is a request to carry forward to 2018/19 likely?	Projected Total £
Regulation - Planning and Public Protection	Licence Reserve	EARMARKED	23,000.00	No	£23,000 - Reserves earmarked for IT project to take place in 2017/2018 and 2018/19. 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.	23,000.00
Regulation - Planning & Public Protection	Local Development Plan	EARMARKED	168,700.00	No	Yes - Following a formal review of the collaborative working arrangements, both Authorities have agreed that the JPPU should continue for a further 5 years. This reserve will be required for the length of the contract.	168,700.00
Regulation - Planning & Public Protection	Buy with Confidence Reserve	EARMARKED	3,147.00	This is not a reserve, it is a separate account created to deal with Buy With Confidence issues. It needs to be retained by the Public Protection function.	The majority of the stated reserve will need to be carried over to the 2018/2019 financial year. It is required for ongoing work.	3,147.00

Directorate	Reserve	Category	Total To Date £	Is this reserve likely to be spent in full during 2017/18	Is a request to carry forward to 2018/19 likely?	Projected Total £
Regulation - Planning & Public Protection	Planning Legal Costs	EARMARKED	22,375.00	No	Yes - The legal case is still ongoing and, therefore, the reserve will be required until the completion of the matter.	22,375.00
Regulation - Planning & Public Protection	Planning	EARMARKED	25,000.00	Reserve will be utilised during the year, however, some expenditure could fall into the next financial year.	Yes - Reserve will be utilised during the year, however some expenditure could fall into 2018/19	25,000.00
Regulation & Economic Development - Economic	EU Projects Reserve	EARMARKED	50,000.00	No	Yes, the whole amount (£50,000) will be required to be carried over to the 2018/2019 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	233,362.00	No	Yes, the whole amount will need to be retained. The reserve has already been allocated for the DCO Consents process.	233,362.00
Regulation & Economic Development - Economic	Energy Island Economic Development Reserve	EARMARKED	47,896.00	No	Yes - All unspent budget from 2017/18 will need to be carried over.	47,896.00
Regulation & Economic Development - Economic	Breakwater Country Park	EARMARKED	20,000.00	No	Yes - Project ongoing	2,950.00

Directorate	Reserve	Category	Total To Date £	Is this reserve likely to be spent in full during 2017/18	Is a request to carry forward to 2018/19 likely?	Projected Total £
Regulation & Economic Development - Economic	Economic Development Restricted Reserve	EARMARKED	37,116.00	No	Yes, the whole reserve (£37,115.78) will need to be carried over to the 2018/19 financial year. It has been allocated as a provision in case of SETS Audit, which could take place between now and 2024.	37,116.00
Regulation & Economic Development - Economic	Major Developments	EARMARKED	240,849.00	No	Yes, the whole amount will need to be retained. The reserve has already been allocated for the DCO Consents process.	590,849.00
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	0.00
Resources- Revenues & Benefits	Revenues and Benefits	EARMARKED	42,936.00	No - Work has started and some expenditure will be incurred, however, the main bulk of expenditure will be in 2017/18	Yes - the project will span more than one financial year, however, project is underway	42,936.00
Resources – Revenues & Benefits	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	Yes – but the risk of potential claims is under review.	150,000.00

Directorate	Reserve	Category	Total To Date £	Is this reserve likely to be spent in full during 2017/18	Is a request to carry forward to 2018/19 likely?	Projected Total £
Social Services - Adults and Children Services	Transformation	EARMARKED	105,498.00	No	This is an ongoing project that will span more than one financial year	61,838.00
Transformation - HR	Social Substance Misuse	RESTRICTED	50,000.00	No	Linked to Grant Funding	50,000.00
Transformation - HR	SCWDP	GRANT HOLDING	40,430.00	No	Yes - full value	40,430.00
Transformation - ICT	PSBA Conversion costs	EARMARKED	982.00	Yes	No	0.00
Total			12,191,073.00			10,580,172.11

