

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE COMMITTEE
DATE:	1 MARCH 2016
SUBJECT:	USE OF RESERVES AND BALANCES
PORTFOLIO HOLDER(S):	COUNCILLOR H E JONES
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 2016/17 and make recommendations as to the allocation of general balances for use during 2016/17.

2. Recommendations

- To adopt the general policy on reserves and balances as noted in Appendix A;
- To set the minimum level of general balances for 2016/17 as £5m in accordance with the Section 151 Officer's assessment;
- To authorise the release of £1m from general balances for the creation of an Improvement Reserve;
- That the Executive delegate to the Chief Executive and the Section 151 Officer the power to release funds from the Investment Fund to meet the cost of projects to be funded. The decision as to which projects receive funding to be taken jointly by the Executive and the SLT at the strategic meetings of the Executive;
- To confirm the continuation of the existing earmarked reserves;
- To authorise the return of £35,176 from the two unrequired earmarked reserves back to the Council's general balances.

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:		
Appendix A - Proposed general policy on Reserves and Balances		
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 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 2016/17 and make recommendations as to the allocation of general balances for use during 2016/17.

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 2015, the level of general balances stood at £7.193m an increase of £1.516m on the previous year.
- 3.2. During 2015/16, £500k of these general reserves has been allocated to fund budget pressures within Children's Services. The current projections show that in overall terms the revenue budget will remain within budget, after allowing for the release of £500k from general balances, although the situation may change during the final quarter of the financial year and as the 2015/16 accounts are finalised. However based on the current information the balance of general reserves as at 31 March 2016 will be £6.693m.
- 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 are currently facing budget pressures during 2015/16, notably in Children's and Adult Services. The better than expected settlement has allowed the Council to fund these cost pressures in the 2016/17 budget which reduces the risk of a further call being made on general balances. This is a situation that requires frequent review.
 - Savings – The 2016/17 budget includes a package of £3.4m in savings. The savings proposals have been subject to challenge and this resulted in over £900k of proposed savings not being included in the 2016/17 budget proposals as it was considered that they were not achievable during 2016/17. 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 2016/17 budget has assumed very low levels of inflation and interest rates. Known pay awards and contractual inflation have been allowed for within the budget. No inflation was allowed for on other budget headings. The current level of inflation is only slightly above zero and is not expected to increase significantly by March 2017. Base interest rates are currently 0.5% 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 2016/17.
- 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 2016/17 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 2010/11 the Council has underspent its net revenue budget in 3 of the 5 years and has seen the general balance rise from £6.7m in 2011 to £7.2m in 2015. 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.
- Strength of the Financial Information Systems – A recent report on Financial Resilience issued by the Welsh Audit Office reports improvements in the areas of financial planning, financial control and financial governance and has assessed rated the Council as being low risk in all three areas. This gives comfort that the Council's processes in respect of budgeting and budget monitoring are robust and as a result this minimises the risk of significant overspending occurring which would have to be funded from general balances.
- 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 £25m lower than the operational boundary and £30m 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. Based on the proposed 2016/17 budget this would require the balance of general reserves to be in the region of £4.5m, which is £2m lower than the projected balance as at 31 March 2016.
- 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 £5m and that £1m can be released from general balances to deliver future efficiency savings. A further assessment should be made later in the 2016/17 financial year as to whether it is possible to release any further sums from general balances once the 2015/16 accounts have been finalised and budget monitoring reports for 2016/17 have been prepared.
- 3.6.** The allocation of the £1m fund to individual projects should be made after assessing the business case for each proposed project along with the savings each project will deliver.

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 2015 and the projected balance as at the 31 March 2016 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 2015 £	Movement During 2015/16 £	Projected Balance as at 31 March 2016 £
Capital	770,233	54,110	824,343
Restricted	7,901,379	(2,610,439)	5,290,940
HRA	1,016,880	-	1,016,880
Insurance	2,160,620	(600,000)	1,560,620
Grant Holding	1,875,340	(141,500)	1,733,840
Earmarked	3,073,494	(550,227)	2,523,267
TOTAL	16,797,946	(3,848,056)	12,949,890

4.3 The capital reserve will increase by £54k due to lower requirement for revenue contributions to capital in the year.

4.4 The restricted reserve includes a number of significant individual reserves, notable the Pay & Grading reserve £2.5m, North Wales Waste Treatment Plant reserve £1.3m, Penhesgyn Site Management Reserve £2.0m, Education schools reserve £0.9m. Full use of the Job Evaluation reserve will be made during 2016/17 and the North Wales Waste Treatment Plant reserve and the Education Schools Reserve will be partly used in 2016/17. It is not expected that the Penhesgyn Site Management Reserve will be used in 2016/17 but it is necessary to maintain this reserve to fund any potential future costs.

- 4.5** During 2015/16, £600,000 of the insurance reserve has been released to fund the cost of roofing repairs at 3 leisure centres and to fund the additional cost relating to flood damage which is not covered by Welsh Government Grants. This leaves a balance of £1.56m in the reserve. 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 has been informed that an additional levy may be charged on the Council as a contribution to the cost of future claims relating to Municipal Mutual Insurance. The Scheme Administrator will be presenting his recommendations on the additional levy to the Scheme Creditors Committee on the 15 March 2016. It is therefore necessary to maintain the remaining balance of the reserve to meet this potential additional cost.
- 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 2016/17.
- 4.7** The main grant holding reserves relate to the Supporting People Grant £1.5m and the Waste Recycling Grants £0.26m. Both reserves will be utilised during 2016/17 as grant funding is released to the revenue account.
- 4.8** The earmarked reserves relate to particular projects and the progress on the projects can vary from project to project. A review has been undertaken with services on the progress made and work has commenced and will be completed during 2015/16 or 2016/17. The review has identified two reserves where it is possible to return the reserve back to the general balances:-
- Bwrdd Adfer Reserve – Education - £30,176 – This work has been completed and the balance of the reserve can be returned to the general balances;
 - Leisure Golf Reserve - £5,000 – final costs were lower than estimated when the reserve was set up.

5. RECOMMENDATIONS

- 5.1** The Executive are requested to approve the following recommendations:-
1. To adopt the general policy on reserves and balances as noted in Appendix A.
 2. To set the minimum level of general balances for 2016/17 as £5m in accordance with the Section 151 Officer's assessment.
 3. To authorise the release of £1m from general balances for the creation of an Improvement Reserve.
 4. That the Executive delegate to the Chief Executive and the Section 151 Officer the power to release funds from the Investment Fund to meet the cost of projects to be funded. The decision as to which projects receive funding to be taken jointly by the Executive and the SLT at the strategic meetings of the Executive.
 5. To confirm the continuation of the existing earmarked reserves.
 6. To authorise the return of £35,176 from the two unrequired earmarked reserves back to the Council's general balances.

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 in 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 be 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 2015/16 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 financing 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 insurance 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.

Reserves Balances to date

	Directorate	Reserve	Category	Total b/f	Is this reserve likely to be spent in full during 2015/16	Is a request to carry forward to 16/17 likely, if so for what value?
1	Corporate	Revenue Contributions Unappl'd	CAPITAL EXPENDITURE	770,232.77		
2	Corporate & Democratic - Resources Risk & Insurance	Insurance (Catastrophe) Res	INSURANCE FUND	2,160,620.40		YES - ongoing rolling reserve
3	Corporate - HR	Job Evaluation	RESTRICTED	2,527,929.34	Spend on the JE team in 14/15 was £245k, however 15/16 likely to be higher.	YES - Spend on the JE team likely to be in region of £250k - £300k. Remaining value to be carried over to fund Single Status effect in 16/17 (see budget setting for value). 15/16 to use provision for back pay. Query will the JE contingency be transferred in to addition to this?
4	Community Services - Housing Services HRA	HRA Major Repairs Reserve	HRA	860,410.00	Ringfenced to HRA - Reserve will need to be moved to main HRA reserve ZQ002 as this reserve was set up following the English HRA funding model that is not used in Wales.	YES - under ZQ002
5	Education – Lifelong Learning	School Days Reserve	RESTRICTED	-66,860.00	Deficit will not be cleared in 2015/16	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 15/16.

6	Social Services - Adult Services Mental Health	Section 117 Res	RESTRICTED	150,000.00		YES - as this is based on claims received from M.H clients
7	Lifelong Learning - Culture	Museum Purchase Fund	RESTRICTED	12,610.12	This reserve is likely to be requested to next financial year along with 2015/16 contributions, increasing this reserve	YES - full balance. This is ring fenced funding from donations and cannot be used for any other purpose.
8	Economic & Community Regeneration - Leisure	Leisure Improvement Reserve	EARMARKED	173,600.24	Gareth Roberts to advise as this relates to capital expenditure e-mail has been sent querying the progress of this reserve	
9	Sustainable Development - Waste Management	Penhesgyn Site Mngmt Reserve	RESTRICTED	2,000,000.00	NO	YES
10	Sustainable Development Waste Management	Waste Res/Recycling	GRANT HOLDING	263,981.40	No, as the intended use stated in the notes will not be continuing. This however does not change the fact that these funds are restricted by WG and therefore not available to claim back to the centre. May be used in 2016/17 to purchase trolley boxes/additional recycling boxes.	YES - WG restrictions on these funds
11	Corporate	Cost Of Change	EARMARKED	596,877.18	NO	YES - projects as noted to be funded through this reserve
12	Education - Lifelong Learning	R&M Scheme Primary	RESTRICTED	81,011.60	No	YES - full balance - this is a delegated budget
13	Education - Lifelong Learning	Sick/Ads Scheme-Primary	RESTRICTED	134,046.56	No	YES - full balance - this is a delegated budget
14	Planning and Public Protection	Licence Reserve	EARMARKED	23,000.00	NO	YES - Service has requested that this be carried forward to 16-17 as it may be needed to fund the transition from Flare database to all Wales database (Tascomi)

15	Environmental & Technical Transportation	Highway Airport 0607 Earmarked	RESTRICTED	14,742.91	NO	YES - Marketing costs for the airport to be used as needed, Rolled over from year to year.
16	Sustainable Development Waste Management	NWW Treatment Plant	RESTRICTED	1,306,249.82	NO	YES - see notes, this is not council controlled funds
17	Economic & Community Regeneration - Energy Island	Energy Island Economic Dev Res	EARMARKED	218,359.85	Not likely to be spent during 2015/16 Residual Balance to be carried forward as no funding to continue the programme	YES - full value at this stage and any residual balances from BH600.
18	Sustainable Development - Property Services - Estates & Valuation	Property Restricted Res 2011-12	RESTRICTED	121,314.05	Dependant on Assert Rationalisation programme being completed within the financial year but highly unlikely.	YES - Dependant on whether any further assets are sold. Unknown quantity at this stage.
19	Social Services	Wellington St - SS	RESTRICTED	66,466.68		YES - as this is client money not that of the authority
20	Education -Lifelong Learning	Schools Rationalisation	RESTRICTED	912,926.00	No	YES - full balance - this is a delegated budget
21	Sustainable Development	Developer Contribution Highways	RESTRICTED	149,550.00	YES	NO
22	Corporate	New Ledger Team Civica Re-Launch	EARMARKED	120,217.52	YES	NO
23	Community Services - Housing Services	Supporting People	GRANT HOLDING	1,524,027.94	NO	YES - This grant is WG funded and approved therefore will need to be carried forward and unable to be clawed back to the centre.
24	Community Services - Housing services HRA	HRA Earmarked Reserves	HRA	156,469.55	Ringfenced to HRA - Reserve will need to be moved to main HRA reserve ZQ002 as this reserve was set up following the English HRA funding model that is not used in Wales.	YES - under ZQ002
25	Education - Lifelong Learning	ELWA Post 16 Funding Reserve	RESTRICTED	66,414.48	NO	YES - full balance - this is a delegated budget

26	Education - Lifelong Learning	Bwrdd Adfer Reserve	EARMARKED	30,176.32	NO	Request submitted to transfer the remaining balance back to general balances as expenditure has ceased.
27	Economic & Community Regeneration - GRANTS	Economic Development Restricted Res	EARMARKED	32,356.92	Had been recorded as storm damage grant - NOT CORRECT. This actually relates to SETS contingency for Match funding claw back purposes. Spends dependant on WEFO audit not yet confirmed. Highly un likely to be spent in 2015/16.	YES - for full value
28	Corporate	Webcasting	GRANT HOLDING	9,434.00	NO	YES - in full
29	Community Services /HR	SCWDP HR	GRANT HOLDING	65,026.17	NO	YES
30	Economic & Community	HOS - Economic Development	EARMARKED	93,500.00	Not in full as this bid is for a longer term project	YES - part of this will be as this project is for a longer term project
31	Economic & Community Regeneration Leisure	Holyhead Leisure Centre	EARMARKED	20,000.00		NO
32	Children Services - Child Placement Service	Invest to save Child Placement Service	EARMARKED	45,420.00		
33	Social Services - Adults and Children Services	Transformation	EARMARKED	467,510.00	Part of this will be spent as this reserve is to fund a two year transformation	YES - this reserve is to cover a two year period, this may increase as £80k also for this purpose in contingencies

34	Housing	Homeless Provision	EARMARKED	92,700.00	Plans in place to spend the reserves during 2015/16, but a possibility that some may not come to full fruition until 2016/17, unable to quantify this at this stage, as involve homelessness which is traditionally more of a problem over the Winter months, to be reviewed during Q3 monitoring in a few weeks an fed back then.	YES
35	Housing	Landlord Tenant Improvements	EARMARKED	20,000.00	Plans in place to spend the reserves during 2015/16, but a possibility that some may not come to full fruition until 2016/17, unable to quantify this at this stage, as involve homelessness which is traditionally more of a problem over the Winter months, to be reviewed during Q3 monitoring in a few weeks an fed back then.	YES
36	Housing	Affordable housing	EARMARKED	117,500.00	Plans in place to spend the reserves during 2015/16, but a possibility that some may not come to full fruition until 2016/17, unable to quantify this at this stage, as involve homelessness which is traditionally more of a problem over the Winter months, to be reviewed during Q3 monitoring in a few weeks an fed back then.	YES

37	Housing	Housing Management	EARMARKED	110,000.00	Plans in place to spend the reserves during 2015/16, but a possibility that some may not come to full fruition until 2016/17, unable to quantify this at this stage, as involve homelessness which is traditionally more of a problem over the Winter months, to be reviewed during Q3 monitoring in a few weeks an fed back then.	YES
38	Sustainable Development Planning and Public Protection	Forestry Commission	RESTRICTED	11,528.00	Part of this may be used in 2015/16	YES - these funds are Forestry Commission money with restrictions on the authority on their use.
39	Economic & Community Regeneration	EU Projects Reserve	EARMARKED	50,000.00	Dependant on WEFO audit yet to be confirmed, not likely to be completed during 2015/16.	YES, full value at this stage
40	Economic & Community Regeneration	Major Developments	EARMARKED	217,397.19	fully expect anticipate that this will reserve (project balance) will need to be retained.	YES, Full Value and any residual balances from 2015-16 close down
41	Property Services - Repairs and Maintenance	Building Risk R & M	RESTRICTED	100,000.00	Yes	NO likely under spends at this stage
42	Council Business - Land charges	Land Charges computer system	EARMARKED	16,850.00	Arcus Global has been selected as system provider. System implementation is currently estimated to be March/April. Depending on the timing of the implementation there may be slippage into 16/17.	If system is not implemented in March then the funds will need to be carried forward into the new financial year.

43	Council Business - Legal Section	Purchase of new Legal Case Management System (regional)	EARMARKED	30,000.00	There is some dispute as to the effectiveness of the new regional system. The department have decided to wait until the system is implemented at another authority before committing fully to expenditure.	A decision will be made before the end of the financial years to whether to join the regional system. If the decision is yes then the funds will need to be carried forward to 16/17. If no then the funds can be clawed back to the centre less any cost already incurred.
44	Deputy Chief Exec - ICT	Anglesey Connected	EARMARKED	38,266.74	No	Full amount in reserve for Anglesey Connected should be £56k. This is required to support the Anglesey Connected network while users migrate to the new PSBA. The full £56k will need to be carried forward if nothing is spent on Anglesey Connected
45	Lifelong Learning - Education	Invest to save - automated online payment system for schools re meal payments	EARMARKED	50,000.00	Possibly will be spent in March but not certain as this may slip into 2016/17	YES - at present will either be used in March or a request for funds to be carried into 2016/17 for use early in the year.
46	Resources	Revenues and Benefits	EARMARKED	210,000.00	No. There is some confusion as to when this reserve was approved. The department were unaware that it had been approved therefore no action has been taken to implement projects	Yes. The full amount will be requested to be carried forward.
47	Lifelong Learning - Culture	Estyn Allan y Gogledd	EARMARKED	3,448.00	This money is not council money, consequently this means any balance in the pot at the end of the financial year must be carried forward	YES
48	Corporate HR	Smarter Working Training	EARMARKED	30,000.00	Not likely to be spent due to a delay in the smarter working projects	YES - full amount
49	Lifelong Learning - Culture	Museums General (was orig 78)	EARMARKED	16,314.00	This reserve has no expenditure to date, however the intention is to spend this value in full by the end of March.	

50	Corporate - Finance	Development of the Civica System and associated Financial Activities	EARMARKED	250,000.00	187,000 to be drawn down in P13.	£63k likely to be carried forward in order to fund agency staff until end of contracts in June 2016
51	Waste Management	Recycling Process Income	RESTRICTED	178,248.59	NO	YES - see notes on restrictions issues by WG
52	Sustainable Development - Planning	PIF Grant	GRANT HOLDING	12,870.64	NO	YES - WG grant funds to be used for grant purposes only, to be used when required
53	Sustainable Development - Highways	Highways Restricted Grants Res Forestry comm	RESTRICTED	11,528.00		There should only be one reserve for £11,528. This one is possibly a duplication of no 77 above - look into historic reserves and bid forms
54	Sustainable Development - Highways	Highways Restricted Grants Res Flood Grant	RESTRICTED	50,000.00	NO	YES - These funds are WG grant funds which have been allocated for a specific purpose of working with Conwy on flood mitigation projects, WG will claw back if not used as in conditions.
55	Sustainable Development - Highways	Highways Restricted Grants Res coastal Pat	RESTRICTED	7,552.68	NO	YES - WG grant related funds with restrictions
56	Sustainable Development - Highways	Highways Restricted Grants Res Airport CP Income	RESTRICTED	4,861.21	NO	YES - WG grant related funds with restrictions
57	Sustainable Development - Property Services	Property Restricted Res Small Holdings	RESTRICTED	11,259.11		YES - ongoing ringfenced reserve for small holdings
58	Economic & Community Regeneration - Leisure	Leisure - Golf	RESTRICTED	50,000.00	No, £5,000 to be transferred back to the centre as verbally requested	NO
LEDGER TOTALS				16,797,945.98		