

1 FINANCIAL OUT-TURN REPORT TO CABINET 26 JUNE 2017

EARMARKED RESERVES STATEMENT 2016/17

Earmarked Reserves	Balance	Movement	Balance
	31 Mar 16	2016/17	31 Mar 17
	£000	£000	£000
Schools Balances	11,738	(1,238)	10,500
Insurance Fund	10,867	(998)	9,869
Business Rates Equalisation	10,304	(4,012)	6,292
Housing Benefit	5,204	(487)	4,717
Waste Development Fund	6,018	(1,444)	4,574
Transformation Fund	10,973	(8,095)	2,878
Public Health Outcomes	247	1,480	1,727
One Stop Shop/Libraries IT Networks	1,483	(251)	1,232
Dedicated Schools Grant	1,272	(199)	1,073
Support & Assistance to Public in Need	770	-	770
Wirral Ways to Work	-	740	740
IT Development	681	(8)	673
School Harmonisation	656	-	656
Stay, Work, Learn Wise	676	(21)	655
Community Assets Transfer	836	(183)	653
Flood Prevention	555	(5)	550
Selective Licensing	537	-	537
Champs Innovation Fund	380	133	513
Human Resources Reserve	410	77	487
Major Infrastructure Project Development	652	(205)	447
Discretionary Housing Payments	297	127	424
Section 106 Bloor Homes	-	389	389
Intensive Family Intervention Project	549	(174)	375
Schools Capital Projects	603	(44)	559
Community Safety Initiatives	231	52	283
Home Improvements	309	(85)	224
Home Adaptations	295	(145)	150
Early Years - 2 Year Olds Funding	461	(331)	130
Children's Workforce Development Council	222	(148)	74
Property Development Framework	700	(700)	-
Future School Redundancy Costs	367	(367)	-
Public Health Allocations	348	(348)	-
Parks & Countryside	311	(311)	-
Public Health - Information & Performance	184	(184)	-
Other Reserves	4,779	(1,866)	2,913
Total Earmarked Reserves	73,915	(18,851)	55,064

SUMMARY OF EARMARKED RESERVES

Generic Purpose of Earmarked Reserves	Balance 31 Mar 2016 £ million	Balance 31 Mar 2017 £ million
Mitigation of Future Risks: Insurance and Taxation	26.4	20.9
To Support the Transformation Programme	11.6	3.5
Schools Related	15.1	12.8
To Support Service Activities and Projects	20.8	17.9
Total Earmarked Reserves	73.9	55.1

2 STATEMENT OF ACCOUNTS 2016/17

The Accounts include the preceding Statement and the following narrative:

EARMARKED RESERVES

The Council keeps a number of reserves in the Balance Sheet that have been set up to earmark funding for future spending plans. These are held for costs which are likely to be incurred but their timing is not certain and they cannot be met from annual budgets. A review of reserves was carried out as part of the 2017/18 budget setting process.

The purposes for the individual earmarked reserves

Schools Balances

These are earmarked for use purely by the schools. The balance consists of: -

	2016/17	2015/16
	£'000	£'000
Schools underspending	11,351	12,317
Schools overspending	(851)	(579)
Net Schools balances	10,500	11,738

	Number of schools with in hand balances	Number of schools with overdrawn balances
Nursery	3	-
Primary	79	9
Secondary	2	3
Special	11	1

Insurance Fund

This is primarily required to cover possible liability insurance claims. The overall estimate of the amount required to cover these is based on an actuarial investigation which seeks to estimate the ultimate claims arising in respect of each risk period, adjusted to allow for any subsequent deterioration in the Council's claims experience. The basis for calculation of the provision is claims not yet reported but anticipated.

Business Rates Equalisation

This reserve is held to meet fluctuations in the income received from business rates.

Housing Benefit

The reserve is held to meet an ongoing issue relating to the previous Housing Benefit Supporting People arrangements and the potential claw-back of subsidy. Sums have also been set aside for the further development of integrating supporting IT systems.

Waste Development Fund

This reserve has been set up from a contribution from Merseyside Waste and Recycling Authority to support the delivery of the Joint Recycling and Waste Management Strategy.

Transformation Fund

This reserve was originally established in 2013/14 and has been used to fund the costs of changes to Council services over the last 4 years. Further changes to Council services are expected during 2017/18 and this reserve will continue to be utilised in order to support these changes. Over the past 4 years this reserve has been used to fund expenditure including employee related payments and investment in services to enable transformation.

Public Health Outcomes

This reserve was set up to meet future commitments in relation to Public Health in accordance with the terms of the Public Health Grant provided by the Department of Health.

One Stop Shop / Libraries IT Network

To develop the Information Technology systems within the One Stop Shops and libraries as part of the provision of a more integrated service.

Dedicated Schools Grant

Department for Education regulations require that any unspent Dedicated Schools Grant (DSG) balances are either redistributed to schools or carried forward to future years. The Schools Forum have agreed that any balances arising following the final DSG announcement in June (or at the year-end) are carried forward until the end of the funding period. After this time, balances are to be redistributed.

Support and Assistance to the Public in Need

The reserve provides Local Welfare Assistance to Wirral residents in cases of disaster or emergency, where financial support is needed to meet one-off costs as opposed to funding ongoing expenses. The balance on the reserve represents the balance of the grant which was not distributed in 2016/17 and will be used in future years.

Wirral Ways to Work

This is a new reserve established in 2016/17 to hold match funding for ESF grant project.

IT Development

For the expansion and development of IT services in the implementation of the programme agreed as part of the IT Strategy.

Schools Harmonisation

To fund the potential costs associated with implementing Phase 2 of the Local Pay Review which relates to those employees within schools.

Stay, Work, Learn Wise

This reserve has been provided to fund the possible future repayment of the Stay, Work, Learn Wise grant awarded to the Council.

Community Asset Transfer

The Community Fund grant has been allocated by Magenta Living and this is the balance of the grant to implement the Community Asset Transfer programme.

Flood Prevention

This funding was provided to cater for the LA's new responsibilities and burdens under the Flood and Water Management Act. This reserve is also earmarked as the partnership contribution to the West Kirby Flood Alleviation Scheme.

Selective Licensing

To fund the costs of the implementation of the Selective Licensing scheme.

Champs Innovation Fund

This is collective funding from the 9 Local Authorities for the Champs-Public Health team whom Wirral host. The objective is to pool funding for collective Public Health investments.

Human Resources (HR) Reserve

This reserve was created from underspends and will be utilised to future commitments related to HR in 2017/18.

Major Infrastructure Project Development

To fund the research and development of major development projects in line with Corporate and Regeneration priorities.

Discretionary Housing Payments

The reserve is held to supplement the Government's annual allocation of Discretionary Housing Payment Grant. Discretionary Housing Payment is a payment made at the discretion of the Council to help towards housing costs.

Section 106 Bloor Homes

Monies set aside for Section 106 planning agreement relating to land at Bridle Road Eastham.

Intensive Family Intervention Project

Funding was allocated from the Department for Communities and Local Government for the Intensive Families Intervention Programme which is a 3 year programme.

Schools Capital Schemes

This is for the delivery and completion of capital schemes within schools.

Community Safety Initiatives

This reserve was set up to hold funds relating to Community Safety Partnership (CSP). Any underspends relating to CSP at the end of the year are transferred to this reserve to be utilised in future years as this grant relates to the Partnership and is not the authority's money.

Home Improvements

Payments made back to the Council against charges for Housing Renovation loans.

Home Adaptations

This reserve will facilitate a programme of minor adaptations to improve standards of living.

Early Years – 2 Year Olds Funding

Early Years reserve created to fund the expansion of the free Early Education for two year olds.

Children's Workforce Development Council

The reserve will be used to fund the cost of training and supervising newly qualified social workers and to pay for agency cover if social workers are absent to go on training courses.

Property Development Framework

This reserve was set up to meet potential budget pressures arising from the use of a head lease delivery model. This reserve has been released to General Fund balances in 2016/17.

Future School Redundancy Costs

Reserve to help support any redundancy costs incurred within Schools. This reserve has been fully utilised in 2016/17.

Public Health 2015/16 Allocations

The reserve included 2015/16 funding from the national ring fenced Public Health grant that was meet targeted future public health needs as per the department's 5 year financial plan. This reserve has been fully utilised in 2016/17.

Parks and Countryside – Planned Preventative Maintenance

This reserve funded a programme of work that enabled maintenance issues to be addressed. This reserve has been fully utilised in 2016/17.

Public Health – Information and Performance

This reserve was to meet future commitments within Public Health. This reserve has been fully utilised in 2016/17.

Other

This line adds together smaller individual reserves, each with a value of less than £0.2 million.

3 DETAILS OF OTHER EARMARKED RESERVES WITH BALANCE AT 31 MARCH 2017

DETAILS OF OTHER EARMARKED RESERVES

Other Earmarked Reserves	Balance 31 March 2016	Net Movement 2016/17	Balance 31 March 2017
Local Develop F/Work (Planning Delivery Grant)	192,266	0	192,266
<i>Required to fund ongoing expenditure on the preparation and adoption of the Council's statutory Development Plan including research, evidence and public examination and the preparation and examination of the Council's Community Infrastructure Charging Schedule.</i>			
Enterprise Zone Investment	9,353	167,722	177,075
<i>Authorities are able to retain growth in business rates income in designated areas outside the Business Rates Retention scheme, which includes Wirral's area of the 'Mersey Waters' Enterprise Zone. The growth element retained by Wirral is to be used for future investment in the Enterprise Zone to improve the area, attract further businesses and investment, and increase income. 2015/16 was the first year the Enterprise Zone generated Business Rates Income, with Wirral Met College becoming chargeable from September 2015 (the Contact Centre also opened, but the VOA did not provide the Rateable Value in time to bill before the end of 15/16).</i>			
CYP - School Traded Service	173,279	0	173,279
<i>To help support revenue budgets in 17-18 relating to school trading services.</i>			
Litter Enforcement (Development of Initiatives)	116,000	33,929	149,929
<i>To develop waste initiatives</i>			
HMO Licence Fees	122,508	22,972	145,480
<i>Ring-fenced by Statute. Income from licensing fees which goes back into service for enforcement action</i>			
Wirral South Constituency Com.	131,702	(8,791)	122,911
<i>In 2013/14 Constituency Committee were established as part of a new Neighbourhood Working agenda, to enable local people to have a greater influence over how the Council spends its funding at a local level. Each Constituency Committee was allocated £50k in reserve until</i>			

<i>spent the following year</i>			
CYP - YOS - Multi Systemic Therapy	163,982	(43,693)	120,289
<i>The Multi Systemic Therapy team was set up within YOS - This programme is part funded by Wirral NHS. However the MST budget is forecast to underspend in the year and the original 48,000 of reserve contribution will remain unused due to staff being recruited after the start of the financial year. Therefore the unspent part of the NHS income should be placed into a reserve for future use.</i>			
CYP - Care Placements	0	103,000	103,000
<i>This provision has been made for unpaid invoices from Forum Housing which are subject to further review.</i>			
Beechwood Community Spaces S106	100,000	0	100,000
<i>Section 106 monies</i>			
Challenge Fund Properties	205,418	(105,418)	100,000
<i>Income from rents to fund future void and repair costs on the buildings.</i>			
Housing Priority Panel	98,580	0	98,580
<i>To provide furniture and bonds for vulnerable and homeless clients, to assist access to housing; increase demand expected as a result of Welfare Reforms.</i>			
Heritage Fund	95,195	0	95,195
<i>To fund works across borough & in particular repairs to historic Baxter bike collection.</i>			
Fuel Poverty & Energy Efficiency Programme	79,785	0	79,785
<i>Residual amount set aside to cover any balance for final invoices. Any remaining amount needed to fund NHB Empty Homes Cluster.</i>			
Taxi Demand Survey	40,000	37,800	77,800
<i>To fund Taxi Demand Surveys.</i>			
CYP - YPLA / LSC Funding Balance	74,862	0	74,862
<i>Balance of 6th Form Funding from YPLA / LSC to be kept in a reserve in the event that funding needs to be returned.</i>			
Wallasey Constituency Com.	120,557	(55,035)	65,522
<i>In 2013/14 Constituency Committee were established as part of a new Neighbourhood Working agenda, to enable local people to have a greater influence over how the Council spends its funding at a local level. Each Constituency Committee was allocated £50k in reserve until spent the following year</i>			

Sports Development Reserve	147,572	(84,132)	63,440
<i>Reserve created from grants and used to continue to fund sport development projects.</i>			
Beechwood Park Play Area - Sec 106	61,152	0	61,152
<i>Section 106 monies</i>			
Grounds Maintenance and Utilities	124,658	(67,793)	56,865
<i>Reserve for commitments for HMRI programme including maintenance contract for HMRI sites.</i>			
Trading Standards	59,111	(2,799)	56,312
<i>The reserves fund has been accumulated from the National Trading Standards Board and from the proceeds of Crime Monies. Respectively these funds are ring fenced and can only be spent against projects or areas of work that are directly related to Trading Standards Activities linked to Prevention of Crime Schemes or associated court costs.</i>			
Birkenhead Constituency Com.	55,258	(2,253)	53,005
<i>In 2013/14 Constituency Committee were established as part of a new Neighbourhood Working agenda, to enable local people to have a greater influence over how the Council spends its funding at a local level. Each Constituency Committee was allocated £50k in reserve until spent the following year</i>			
Borough Road CPO Landscaping	0	53,000	53,000
<i>Monies set aside for Borough Road CPO landscaping estimated to be carried out in 17-18 at a total cost of approximately £106K.</i>			
CYP - Help for Young People	48,241	(899)	47,342
<i>To help support revenue budgets in 17-18 relating to help for young people.</i>			
SCHOOLS DSG - CLC Contingency	129,129	(84,129)	45,000
<i>This reserve will meet the final closure costs of the three City Learning Centres.</i>			
DCLG Empty Shops Grant	44,212	(2,827)	41,385
<i>Reserve created to fund the on-going Empty shops' project</i>			
West Wirral Constituency Com.	99,318	(60,763)	38,555
<i>In 2013/14 Constituency Committee were established as part of a new Neighbourhood Working agenda, to enable local people to have a greater influence over how the Council spends its funding at a local level. Each Constituency Committee was allocated £50k in reserve until spent the following year</i>			

WNF Balance	117,055	(78,947)	38,108
<i>Balance of WNF required to fund on-going commitments arising from the current programme and to provide match funding for the City Region Broadband UK proposal.</i>			
Birkenhead & Tranmere Children's Centre - Outdoor Play	0	36,000	36,000
<i>Children centre contributions towards outdoor play works</i>			
Puddydale Car Park	0	35,000	35,000
<i>This is for urgent works to repair a retaining wall at the Puddydale Car Park in Heswall.</i>			
Seacombe Children's Centre - Outdoor Play	0	33,070	33,070
<i>Children centre contributions towards outdoor play works</i>			
Waste Apprentices	30,000	0	30,000
<i>Set aside to match fund the employment of waste apprentices in conjunction with MRWA.</i>			
Intelligence & Policy	0	29,865	29,865
<i>This reserve was set up as a result of one off underspends in both the Intelligence and Policy Budgets. This will fund commitments in 2017/18 as a result of work agreed and commenced in 2016/17 in relation to Leadership Academy and JSNA Website.</i>			
Enterprise Zone Contingency Fund	0	29,397	29,397
<i>2016-17 actual disregarded Business Rates amount retained in respect of designated Enterprise Zone</i>			
Apprentices	69,489	(42,138)	27,351
<i>To fund 3 x Apprentices within Leisure. Two have now finished their 18 month Apprenticeships at the end of June 2017 and the latter is due to finish at the end of April 2018. Therefore, with the exception of 1 month's salary it is anticipated that all of this reserve will be used in 2017-18.</i>			
Discover Wirral Marketing Campaigns	76,346	(52,460)	23,886
<i>This reserve has been used for spend on Wirral Visitor Research Study and Wirral Tourism Strategy development in 2016/17. The remainder of the reserve will be spent in 2017/18</i>			
Sports Centre Contingency	23,982	(249)	23,734
<i>Committed to fund fixed term tennis post.</i>			

Private Sector Tenancy Deposits	23,280	0	23,280
<i>This reserve helps to guarantee a tenancy deposit by the Council to a private landlord on behalf of a tenant who is unable to raise the cash deposit requested by a landlord.</i>			
CYP - Shared Services Contingency	20,854	1,039	21,893
<i>To help support revenue budgets in 17-18 relating to shared services.</i>			
Hilbre Island - Legacy	21,172	0	21,172
<i>A reserve held for Hilbre Island, which was left as a legacy. The executors of the Estate have agreed that this legacy can be used to attract match funding.</i>			
ERDF 4.2 Match Funding	74,712	(54,375)	20,337
<i>Match funding (WBC budget) for ERDF MSBSP eligible and non eligible spend.</i>			
Pensby Children's Centre - Outdoor Play	0	20,003	20,003
<i>Children centre contributions towards outdoor play works</i>			
Tollemache Road MBE Construction S106	0	20,000	20,000
<i>Section 106 monies</i>			
Wirral Emergency Volunteers	29,490	(14,490)	15,000
<i>The Reserve can be used to fund any expenditure in relation to Wirral Emergency Volunteers</i>			
Armed Forces - Welfare Pathway	17,400	(3,415)	13,985
<i>Retention of £20,000.00 to assist Wirral Veterans/AMMO with establishing a veterans one stop shop and also provide small budget for administrative costs of Wirral Armed Forces Forum. This was always intended as "one off" funding to establish an Armed Forces Community Pathway.</i>			
End of Life Care	13,164	0	13,164
<i>Expected to help fund revenue budgets in 17-18</i>			
Public Health (Environmental Health - 2)	0	10,375	10,375
<i>Carry forward monies to backfill officers who are delivering on going Public Health Projects.</i>			
CYP - Staying Put	82,724	(74,208)	8,516
<i>Carried forward staying put grant to be used in 17-18.</i>			
LAMPS to Concerto	0	8,459	8,459
<i>To set aside part of underspend to fund the continuing work to transfer engineering charges Lamps system to Concerto</i>			

BikeSafe	6,760	863	7,623
<i>Monies to improve road safety, joint initiative with Merseyside Police.</i>			
Balls Road/North Road Supported Living	10,033	(2,560)	7,472
<i>To help support revenue budgets in 17-18 relating to Balls Road/North Road Supported Living.</i>			
Transformation Challenge Award	3,667	0	3,667
<i>In March 2013-14 Wirral received 75K Grant from DCLG. This funding was available to support English local authorities transform their operation, make changes to their business processes and work with the wider public sector to improve services for local people. The majority of the reserve was used during 2015/16 to fund the Health Related Worklessness project but a small amount remains which was unspent in 2016/17.</i>			
Mapleholme Donation	264	0	264
<i>Donation expected to help fund revenue in 17-18</i>			
Public Health	206,620	(206,620)	0
Neptune S.106 Works	18,333	(18,333)	0
Worklessness Programme	188,274	(188,274)	0
Apprentice Programme Phases 2 & 3	32,897	(32,897)	0
Property Pool Plus	31,300	(31,300)	0
Housing Stock Surveys	17,900	(17,900)	0
Coroners Office	38,177	(38,177)	0
A/MGMT - Asset Review	210,629	(210,629)	0
A/MGMT – PPM	113,704	(113,704)	0
Environmental Health	21,601	(21,601)	0
River of Light	26,049	(26,049)	0
A/MGMT – PPM	105,651	(105,651)	0
CYP - Children's LCL safeguarding	2,736	(2,736)	0
CYP - Children's Centre Income Reserve	6,548	(6,548)	0
CYP - Adoption Reform Grant	78,981	(78,981)	0
Art Fund	30,333	(30,333)	0
Rangers Activities	38,531	(38,531)	0
Apprentices	82,691	(82,691)	0
Reeds Lane Play - Sec 106	18,930	(18,930)	0
Insurance Contribution - Highway Safety	29,646	(29,646)	0
Asset Management	139,234	(139,234)	0
Public Health (Environmental Health - 1)	46,000	(46,000)	0
Public Health (Trading Standards)	17,000	(17,000)	0
Street Lighting (Programme Of Backlog	165,000	(165,000)	0

Works)			
Total	4,779,296	(1,865,645)	2,913,651