

Appendix 10 - Analysis of Usable Balances at 1 April 2013

		Estimated balance at 1 April 2013 £m
Total Reserves and Balances		20.97
Less Commitments/Earmarked Funds:		
School Funds	Balances held on behalf of schools; therefore not available to the Council	5.54
Funds held for other sectors/partnership working	Includes funds for the Local Safeguarding Partnership, YOS Partnership, Telford Energy Advice Centre, Arthog, PVI Early Years sector and the PCT	0.71
Building Schools for the Future Funds	Procurement, capital and lifecycle costs which are fully committed to delivering the BSF programme	0.89
Grant funding	Grant funding received and fully committed in the budget strategy	0.40
Bad Debt Reserve	Set aside to meet bad debts; level dictated by CIPFA methodology and audited by KPMG as part of the SOA.	2.74
Insurance Reserves	Required to cover policy excesses and other potential costs such as MMI liabilities and claims prior to 1998 (unitary)	1.85
Severance Fund	Funds set aside to meet one off severance costs associated with service redesign which delivers ongoing savings	1.04
Hadley PFI Sinking Fund	Based on funding model; fully committed equalisation fund	1.27
Environmental Fund	Committed to Environmental improvements	0.10
Invest to Save Fund	Available for ITS schemes which will deliver future savings	0.46
Capacity/Training Fund	Committed to initiatives to build capacity in the organisation	0.16
Other Corporate Items	For example, Collection Fund and WMS equalisation account	0.50
Specific Earmarked Service Balances	Residual balances held by services following a rigorous review of balances undertaken during 2012/13	1.65
Add:		
Uncommitted balance identified following risk assessment	An assessment of financial risks compared to balances was undertaken as part of the budget strategy.	0.01
Residual General Working Balances		3.67

Summary of Reserves & Balances Position

Telford & Wrekin Council	
Total Value of Reserves & Balances at 1 April 2013	
£20.9m	

Balances held with Specific Commitments	
£9.9m (47%)	
Capital Funding for BSF	£0.2m
School Funds	£4.4m
PFI Sinking Fund	£1.2m
Self Insurance Fund	£1.1m
Regulatory Funds (S 38)	£0.5m
Council Tax Collection Account	£0.5m
Early Retirement Fund	£1.0m
LPSA Reward Grant - LSP	£0.3m
Other	£0.7m
Total	£9.9m

Estimated Usage in 2013/14	£3.3m
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Estimated Usage in Future Years	£1.4m
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Estimated Balance at 1 April 2015	£5.2m
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General Working Balances	
£3.7m (18%)	
General / Special Fund Balances	£2.0m
Other General Balances	£1.7m
Total	£3.7m

Estimated Usage in 2013/14	£0.0m
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Estimated Usage in Future Years	£0.0m
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Estimated Balance at 1 April 2015	£3.7m
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Balances held to mitigate Specific Risks (linked to the Strategic Risk Register)	
£5.7m (27%)	
Bad Debt Provision	£2.7m
Insurance Fund	£0.7m
Environmental Fund	£0.1m
Invest to Save Fund	£0.5m
Education Risk Areas	£1.5m
Capacity	£0.2m
Total	£5.7m

Estimated Usage in 2013/14	£1.0m
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Estimated Usage in Future Years	£0.3m
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Estimated Balance at 1 April 2015	£4.4m
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Specific Earmarked Service Balances	
£1.6m (8%)	
Specific balances retained by Service Areas following the detailed review undertaken during 2010/11; including elections equalisation account, social care reserves and connexions balances	
	£1.6m
Total	£1.6m

Estimated Usage in 2013/14	£0.9m
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Estimated Usage in Future Years	£0.3m
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Estimated Balance at 1 April 2015	£0.4m
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Telford & Wrekin Council	
Total Value of Reserves & Balances at 1 April 2015	
£13.7m	

Schedule of Provisions, Reserves and Balances

Assistant Director	Balance Sheet Structure	Description	Type	April 2012 Opening	April 2013 Opening	April 2014 Opening	April 2015 Opening	Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held			
				Actual Closing Balance 31/3/12	Estimated Change during 20012/13 (additions/withdrawals)	Estimated Closing Balance 31/3/13	Estimated Change during 20013/14 (additions/withdrawals)			Estimated Closing Balance 31/3/14	Estimated Change during 20014/15 (additions/withdrawals)	Estimated Closing Balance 31/3/15
General / Special Fund Balances												
Corporate	Reserves	General Reserve	2	(629,000.00)		(629,000.00)		(629,000.00)	Supplementary reserve			
Corporate	Special Fund Bals	Special Fund Balance	2	(360,444.61)		(360,444.61)		(360,444.61)	Working balance	Sufficient Forms part of minimum level of balances required; budgeted use in the Medium Term Financial Strategy		
Corporate	General Fund Bals	General Fund Balance	2	(3,326,917.32)	1,640,000.00	(1,686,917.32)		(1,686,917.32)	General Fund Working Balance			
Corporate	Reserves	Budget Strategy Reserve	2	(823,976.60)		(823,976.60)		(823,976.60)	Available for budget strategy			
Corporate	Reserves	General Balances	2			0.00		0.00	General Balances			
Corporate	Reserves	LABGI	2	(103,099.00)	100,000.00	(3,099.00)		(3,099.00)	Local Authority Business Growth Incentive Grant	Committed to the budget strategy		
Corporate	Reserves	Additional Contingency	2	(1,130,010.30)	1,100,000.00	(30,010.30)		(30,010.30)	One Off budget contingency for 12/13			
Corporate	Reserves	Additional Contingency	2	(2,145,000.00)	2,145,000.00	0.00		0.00	One Off contingency for 12/13			
Corporate	Fund Balances	Corporate	2	(122,001.66)		(122,001.66)		(122,001.66)	Available for budget strategy			
Total General / Special Fund Balances				(8,640,449.49)	4,985,000.00	(3,655,449.49)	0.00	(3,655,449.49)	0.00			
Specific Commitments not Available												
Corporate	Collection Fund	Council Tax Coll Fund Rev Acc	1	(802,810.25)	300,000.00	(502,810.25)	300,000.00	(202,810.25)	202,810.25	0.00	Collection fund surplus	T&W element of Collection fund balance; strategy for 12/13 uses £0.3m; use also in the strategy for subsequent 2 years.
Corporate	Reserves	Capital Funding Reserve for BSF	1	(245,425.68)		(245,425.68)		(245,425.68)		(245,425.68)	Fully committed for the capital programme	
Corporate	Reserves	LPSA - Reward Grant - Revenue	1	(59,149.07)	59,149.07	0.00		0.00		0.00	LPSA PRG - balance to be passed over to third party organisation per original agreement	Fully committed
Corporate	Reserves	Severance Fund	1	(2,040,095.96)	1,000,000.00	(1,040,095.96)	1,000,000.00	(40,095.96)		(40,095.96)	Fund set up to meet the one off costs of redundancies arising from restructures in order to deliver ongoing savings	Monitored as restructures progress.
Corporate	Provision	Severance Provision	1	(3,160,695.24)	3,160,695.24	0.00		0.00		0.00	Specific provision to meet one off costs associated with the Council re-structure - relates to those who had received notification of redundancy at 31 3 12	Fully committed
Corporate	Reserves	Insurance - Self Insurance Fund	1	(1,182,308.08)	100,000.00	(1,082,308.08)		(1,082,308.08)		(1,082,308.08)	Self insurance fund to cover insurance excesses - established in 2008/09 following decision to increase excesses.	Regularly reviewed - requirement depends on claims.
Corporate	Reserves	WMS Equalisation Reserve	1	(166,109.00)	166,109.00	0.00		0.00		0.00	Residual WMS dividend committed in 12/13	
Cooperative	Reserves	LPSA Reward Grant LSP element - revenue	1	(343,726.59)	113,782.30	(229,944.29)	36,300.00	(193,644.29)	36,300.00	(157,344.29)	Committed to fund Community Engagement Team	
Corporate	Reserves	LPSA Reward Grant LSP element - capital	1	(54,732.24)		(54,732.24)		(54,732.24)		(54,732.24)	Not required for original purpose - will fund capital spend currently funded by revenue therefore releasing a saving in 12/13	
Education & Skills	School Bals	School Balances	1	(6,984,403.06)	2,100,000.00	(4,884,403.06)	1,600,000.00	(3,284,403.06)	1,000,000.00	(2,284,403.06)	This represents school balances held by the LEA only. Additional amounts are held by schools as balances in independent bank accounts. Projected movement in balances is based on schools budget plans. It should be noted that schools budget outturns, over the sector as a whole are invariably better than initial budgets (i.e. balances are higher.)	This is partly offset by the LEA's borrowing from these balances.
Education & Skills	School Bals	LEA - loan from school balances	1	600,052.00	(55,090.00)	544,962.00	(55,090.00)	489,872.00	55,090.00	544,962.00	Overdrawn balance-loan from School balances	Repayment arrangement in place-should accelerate if funding allows to reduce risk of exposure should schools call more heavily on balances.
Education & Skills	Reserves	Schools' Supply Insurance Fund	1	(415.69)	415.69	0.00	0.00	0.00	0.00	0.00	Self Insurance Fund for supply teacher cover in Schools including maternity pay.	LA administered insurance fund to limit the additional costs incurred by schools resulting from contracted staff absence due to sickness. The premiums have been reviewed for the period 2011/12 to enable the fund to become self-financing. This is a fund constantly reviewed to ensure premiums are appropriate for the level of cover and claim

Schedule of Provisions, Reserves and Balances

Assistant Director	Balance Sheet Structure	Description	Type	April 2012 Opening	April 2013 Opening	April 2014 Opening	April 2015 Opening	Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held			
				Actual Closing Balance 31/3/12	Estimated Change during 20012/13 (additions/withdrawals)	Estimated Closing Balance 31/3/13	Estimated Change during 20013/14 (additions/withdrawals)			Estimated Closing Balance 31/3/14	Estimated Change during 20014/15 (additions/withdrawals)	Estimated Closing Balance 31/3/15
Education & Skills	Reserves	Theft & Vandalism Fund	1	(19,754.40)	5,000.00	(14,754.40)	5,000.00	(9,754.40)	4,754.40	(5,000.00)	Self Insurance fund to cover schools costs re theft and vandalism - would expect to hold small variance	
Education & Skills	Reserves	Schools Workforce	1	(65,827.14)	65,827.14	0.00	0.00	0.00	0.00	0.00	Balance used to support school workforce and ongoing provision of supply agency-budgeted commitment	
Education & Skills	Reserves	Other Schools Balances	1	(140,699.37)	40,000.00	(100,699.37)	40,000.00	(60,699.37)	40,000.00	(20,699.37)	Balances held by schools for specific projects - not available for general fund use.	Balance held on behalf of schools.
Family & Cohesion	Reserves	Youth Offending	1	(139,924.96)	50,000.00	(89,924.96)	89,924.96	0.00	0.00	0.00	T&W share of Partnership reserve for YOS - this will be required initially for new Trust arrangements - part of current discussions and agreement.	
Safeguarding		Local Safeguarding Board		(60,486.26)	25,000.00	(35,486.26)	20,000.00	(15,486.26)	5,000.00	(10,486.26)	T&W Share of Partnership reserve to support the work of the Local Safeguarding Board	
Education & Skills	Reserves	SDG Balances	1	(149,898.39)	100,000.00	(49,898.39)	20,000.00	(29,898.39)	20,000.00	(9,898.39)	School Development Group Fund - monies used to support development of Learning Communities by schools	Balance held on behalf of schools.
Education & Skills	Reserves	Burton Borough Cty Use	1	(48,529.35)	10,000.00	(38,529.35)	10,000.00	(28,529.35)	10,000.00	(18,529.35)	Monies derived from schools operation of their own community use facilities (provision funded by school)	Balance held on behalf of schools.
Family & Cohesion	Specified	Early Years	1	(88,043.86)	55,000.00	(33,043.86)	25,000.00	(8,043.86)	8,043.86	0.00	ring fenced fund for PVI early years sector used to pay for refurb and r&m on early years provision - £20k subject to S256 agreement with PCT for Family Nurse Partnership	reasonable
CYP General	Reserves - grant control account	Grant Control Account General	1	(560,852.64)	450,000.00	(110,852.64)	110,852.64	0.00	0.00	0.00	combination of 3 items - 251k committed for Adults and Children's Service Review ICT Transformation , 231k Neighbourhood Nursery Initiative monies received to support Newdale Nursery (Council provided)required to ensure sustainability of the provision. The provision will be subject to further review. £23k for specific Active involvement projects relating to Children with Disabilities. £54 k for Schools Sports Partnership - Phoenix School	
Finance, Audit & IG	Reserves	Match Funding Provision	1	(159,583.24)	50,000.00	(109,583.24)	50,000.00	(59,583.24)	50,000.00	(9,583.24)	Government grant - committed for match funding	
Neigh. & Leisure	Reserves	Arthog Trading Provision	1	(196,033.75)	96,033.75	(100,000.00)	100,000.00	(100,000.00)	100,000.00	(100,000.00)	Working balance for trading operation	Trading balance
Neigh. & Leisure	Reserves	Section 38 Income	1	(649,457.85)	200,000.00	(449,457.85)	449,457.85	(449,457.85)	449,457.85	(449,457.85)	Funds from developers when roads are adopted - used to ensure roads are brought up to standard prior to adoption	Funding provided for specific road schemes and cannot be used for other purposes. Therefore, fully committed.
Dvpt. Bus & Hsg	Reserves	Hadley PFI Sinking Fund	1	(1,273,435.24)		(1,273,435.24)		(1,273,435.24)		(1,273,435.24)	Equalisation account relating to Hadley PFI	Based on the funding model - fully committed
Dvpt. Bus & Hsg	Specified	TE Energy Advice Centre Balances	1	(22,137.08)	22,137.08	0.00	0.00	0.00	0.00	0.00	Specific funding to support regional costs of energy advice service including staffing and accommodation	Committed in 12/13
Total Specific Commitments				(18,014,482.39)	8,114,059.27	(9,900,423.12)	3,251,987.60	(6,648,435.52)	1,431,998.51	(5,216,437.01)		
Specific Earmarked Balances Identified as Risks												
Corporate	Debtors	Bad Debt Provision	3	(2,742,941.28)		(2,742,941.28)		(2,742,941.28)		(2,742,941.28)	To cover bad debts	Level based on formula
Neigh. & Leisure	Reserves	Corporate Environmental Fund	3	(400,000.00)	300,000.00	(100,000.00)	100,000.00	0.00	0.00	0.00	Committed to Environmental works	
Corporate	Reserves	Invest to Save Account Balance - catering system approval	3	(1,111,853.72)	656,000.00	(455,853.72)	416,853.72	(39,000.00)	39,000.00	0.00	Committed to ITS schemes which will generated future savings	
Corporate	Reserves	Corporate Capacity & Training Fund	3	(330,000.00)	174,000.00	(156,000.00)	156,000.00	0.00	0.00	0.00	Various initiatives to build capacity. Spend agreed by cabinet on 11.07.12.	
Corporate	Reserves	Insurance Funds	3	(513,893.16)		(513,893.16)		(513,893.16)		(513,893.16)	Self Insurance Reserve (non-Education) as part of overall insurance strategy	Level seems reasonable, based on the excesses to which the council is exposed under the current arrangements
Corporate	Reserves	General - Insurance - SCC liabilities	3	(250,378.05)		(250,378.05)		(250,378.05)		(250,378.05)	This is an additional insurance reserve which was established when the County Council's balance sheet was disaggregated and is available to cover claims liabilities that arise.	If this does ever become available following the actuarial valuation the level would increase the level of self insurance available to the authority.

Schedule of Provisions, Reserves and Balances

Assistant Director	Balance Sheet Structure	Description	Type	April 2012 Opening	April 2013 Opening	April 2014 Opening	April 2015 Opening	Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held			
				Actual Closing Balance 31/3/12	Estimated Change during 20012/13 (additions/withdrawals)	Estimated Closing Balance 31/3/13	Estimated Change during 20013/14 (additions/withdrawals)			Estimated Closing Balance 31/3/14	Estimated Change during 20014/15 (additions/withdrawals)	Estimated Closing Balance 31/3/15
Education & Skills	Reserves	Stop Loss Provision	31	(1,058,143.44)	150,000.00	(908,143.44)	150,000.00	(758,143.44)	150,000.00	(608,143.44)	Stop Loss Insurance - Self insurance to cover fire policy excesses on school buildings and other adhoc costs including lead roof theft and flooding - payments already made in 12/13	Revenue budget allows for growth in provision but this contribution will be delegated to schools from 13/14 as part of new funding arrangements
Education & Skills	Reserves	BSF Lifecycle and FM		(322,353.20)		(322,353.20)		(322,353.20)		(322,353.20)	The reserve reflects the Council's agreed approach to delivering FM & Lifecycle at secondary schools in line with EFA specifications - this will be reviewed during 12/13 to establish appropriate levels. The conversion of schools to Academies may have an impact on the levels - not able to project changes at this time	
Education & Skills	Reserves	Building Schools for the Future	31	(513,864.82)	190,000.00	(323,864.82)	190,000.00	(133,864.82)	133,864.82	0.00	Reserve set aside for procurement costs associated with BSF	
Total Specific Earmarked Balances Identified as Risks				(7,243,427.67)	1,470,000.00	(5,773,427.67)	1,012,853.72	(4,760,573.95)	322,864.82	(4,437,709.13)		
Specific Earmarked Service Balances												
Law, Democ & PP	Reserves	Elections Equalisation Provision	4	(34,656.61)	(50,000.00)	(84,656.61)	(50,000.00)	(134,656.61)	134,656.61	0.00	Set aside to assist in funding future local elections as annual revenue budget may not be sufficient in any given year.	depends on the number of elections that arise; next Borough election due May 2015
Law, Democ & PP	Reserves	Single Status Project	4	(239,674.51)	71,000.00	(168,674.51)	159,000.00	(9,674.51)	9,674.51	0.00	Required to fund single status project work (including legal and consultancy costs) and preparation for implementation	
Education & Skills	Fund Balances	E&T Balance Cwfd	4	(4,213.89)	4,213.89	0.00	0.00	0.00	0.00	0.00		
Education & Skills	Reserves	Balance Control Mechanism / Residual balances from closed schools	4	(141,968.97)	50,000.00	(91,968.97)	50,000.00	(41,968.97)	41,968.97	0.00	Balances clawed back from schools through the balance control mechanism plus residual balances from closed schools	To cover possible deficits of schools which close in the future.
Care & Support	Reserves	Health Watch	4	(5,000.00)	5,000.00	0.00	0.00	0.00	0.00	0.00	Specific funding for transition to health watch	
Safeguarding	Reserves	Connexions Balance	4	(13,381.64)	13,381.64	0.00	0.00	0.00	0.00	0.00	Committed for the CATE project used to support costs in 12/13	
Safeguarding	Specified	CYP Plan Priorities	4	(90,000.00)	90,000.00	0.00	0.00	0.00	0.00	0.00	Identified as offset to current Safeguarding position including CATE project	
Family & Cohesion	Reserves	Joint Commissioning Balance	4	(26,598.59)	26,598.59	0.00	0.00	0.00	0.00	0.00	Committed into budget	
Family & Cohesion	Reserves	Safer Communities cwfd	4	(114,918.62)	114,918.62	0.00	0.00	0.00	0.00	0.00	Combination of two reserves - this money will be required to fund impact of delay in restructure in Cohesion agreed to enable all appropriate candidates to be considered. In addition some one off funding required for offset of lost grants and income within 12/13 position.	
Family & Cohesion	Reserves	SIS - One vision	4	(26,634.06)	26,634.06	0.00	0.00	0.00	0.00	0.00	Given by One Vision Charity to support children with vision impairment - committed	
Family & Cohesion	Reserves	Youth Projects Support	4	(214,941.42)	100,000.00	(114,941.42)	75,000.00	(39,941.42)	25,000.00	(14,941.42)	Balance fluctuates - to fund external projects	
Family & Cohesion	Reserves	Stafford Park Pooled Fund	4	(61,786.96)	20,000.00	(41,786.96)	20,000.00	(21,786.96)	21,786.96	0.00	Pooled budget arrangement with PCT - our proportion reflected here.	
Family & Cohesion	Reserves - from creditors	Education Welfare Balance	4	(32,449.52)	24,449.52	(8,000.00)	4,000.00	(4,000.00)	4,000.00	0.00	Income from fixed penalty notices re Truancy etc - held to fund training and resources costs associated with this process.	
Education & Skills	Reserves	SMDS Reserve	4	(31,772.61)	31,772.61	0.00	0.00	0.00	0.00	0.00	Committed in 12/13 to offset trading income target in first full year of full trading	
Care & Support	Reserves	Personalisation Reserve	4	(310,231.18)	155,000.00	(155,231.18)	155,231.18	0.00	0.00	0.00	To fund emergency respite contracts and tender work	
Care & Support	Reserves	Enablement	4	(49,756.34)	49,756.34	0.00	0.00	0.00	0.00	0.00	Committed to ICT Transformation work - Adult and Children's Project	
Care & Support	Reserves	Trainee Social Worker Reserve	4	(247,586.84)	111,663.64	(135,923.20)	111,664.78	(24,258.42)	24,258.42	0.00	To support a bursary scheme for trainee social workers	Funds committed to specific posts - reflects 4 for 3 years
Care & Support	Reserves	Access & Social Inclusion Pump Priming Fund	4	(21,036.36)	21,036.36	0.00	0.00	0.00	0.00	0.00	will be spent - already in receipt of invoices for this amount.	

Schedule of Provisions, Reserves and Balances

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Care & Support	Reserves	Supporting People Reserve	4	(52,341.64)	52,341.64	0.00		0.00		0.00		To support Extra Care schemes at Parkwood and Lightmoor	Will be required over the next 3 years to support various initiatives not covered in the base budget.
Care & Support	Reserves	Provision for Care Costs	4	(488,000.00)	488,000.00	0.00		0.00		0.00		Funding for reablement work - part of the overall transformation strategy and required to match fund PCT contribution	
Care & Support	Reserves	PCT monies	4	(290,735.47)	290,735.47	0.00		0.00		0.00		PCT Projects - monies paid to Council by PCT.	
Law, Democ & PP	Reserves	Civil Resilience	4	(19,127.00)	18,730.00	(397.00)		(397.00)		(397.00)		To purchase a new generator	
Law, Democ & PP	Reserves	Legal Reserve	4	(50,135.83)		(50,135.83)		(50,135.83)		(50,135.83)		£34k grant received for personal search fees potential liability; balance for standards investigations	Fully committed
Customer & People	Reserves	R&B General Staffing	4	(254,872.21)	204,100.00	(50,772.21)	50,772.21	0.00		0.00		To support additional staffing costs to meet Pis.	
Customer & People	Reserves	Register Office	4	(6,303.50)	6,303.50	0.00		0.00		0.00		To implement a scanning system in 2011/12. Final payments due in 2012/13.	
Neigh. & Leisure	Reserves	Leisure Sponsorship Fund	4	(39,725.06)		(39,725.06)		(39,725.06)		(39,725.06)		Sponsorship income	Third party income, so cannot be released
Customer & People	Reserves	Galaxy Software Upgrade	4	(17,273.21)	17,273.21	0.00		0.00		0.00		System implemented - awaiting charges from ICT. Balance will also fund Self Service	
Dvpt. Bus & Hsg	Reserves	Inward Investment & Marketing	4	(43,030.16)	0.00	(43,030.16)	43,030.16	0.00		0.00		To meet outstanding liabilities from Transforming Telford	This is dependent upon the timing of the wind up of TT, which is likely to be delayed until 13/14 financial year.
Education & Skills	Reserves	Student Awards	4	(18,274.34)	18,274.34	0.00		0.00		0.00		To offset shortfall of grant in Education Business Partnership	
Neigh. & Leisure	Reserves	Wheels to Work	4	(90,271.68)	90,271.68	0.00		0.00		0.00		Committed to fund costs associated with the scheme	Not aware of any commitments against this reserve
Neigh. & Leisure	Reserves	Granville House Improvements	4	(89,743.93)	40,000.00	(49,743.93)	49,743.93	0.00		0.00		For works to Granville House as part of corporate property review	Committed to refurbishment works at the depot as part of property rationalisation.
Neigh. & Leisure	Reserves	Area Based Grants	4	(143,262.70)	143,262.70	0.00		0.00		0.00			Not aware of any commitments against this reserve
Customer & People	Fund Balances	Education Catering provision	4	(136,007.93)	136,007.93	0.00		0.00		0.00		Trading Balance - will be committed to meeting the costs of school catering management	Committed in 12/13 for cashless
Dvpt. Bus & Hsg	Reserves	Feasibility, implementation and pump priming for property and land use	4	(200,000.00)	200,000.00	0.00		0.00		0.00			Committed in 12/13
Dvpt. Bus & Hsg	Reserves	Railfreight terminal - interim arrangements April - July 2012	4	(50,000.00)	50,000.00	0.00		0.00		0.00			Committed in 12/13
Dvpt. Bus & Hsg	Reserves	Development of the planning system	4	(100,000.00)	100,000.00	0.00		0.00		0.00			Committed in 12/12
Dvpt. Bus & Hsg	Reserves	R&M Leasehold properties	4	(52,421.03)	52,421.03	0.00		0.00		0.00		Repairs and Maintenance on Leasehold properties to improve standards (Telford Housing Company and Homeswap scheme)	Committed in 12/13
Dvpt. Bus & Hsg	Reserves	Home Improvement Agency	4	(3,367.84)	3,367.84	0.00		0.00		0.00		To provide small grants to individuals in relation to home improvements	Committed in 12/13
Dvpt. Bus & Hsg	Reserves	Provision for Planning Fees	4	(2,676.64)	2,676.64	0.00		0.00		0.00			Committed in 12/13
Family & Cohesion	Reserves	Preventing Repossessions	4	(74,463.00)		(74,463.00)		(74,463.00)		(74,463.00)			
Dvpt. Bus & Hsg	Reserves	Local Plan Enquiry	4	(50,000.00)	50,000.00	0.00		0.00		0.00		support for costs of development, waste, minerals and other plans as part of the LDF process	Committed to the public inquiry process.
Neigh. & Leisure	Fund Bal	Landfill Allowance Trading Scheme	4	1,626.50	(1,626.50)	0.00		0.00		0.00		Will be used in 11/12	
Neigh. & Leisure	Reserves	Waste procurement project	4	(270,000.00)	270,000.00	0.00		0.00		0.00		R9408 EWAQ - already drawn down	
Neigh. & Leisure	Reserves	Transport - routing and scheduling	4	(123,000.00)	123,000.00	0.00		0.00		0.00		R9408 ETAM - already drawn down	
Neigh. & Leisure	Reserves	Smart Card ticket machines	4	(65,000.00)	65,000.00	0.00		0.00		0.00		R9408 ETAA - already drawn down	
Neigh. & Leisure	Reserves	Car Parking Enforcement	4	(60,000.00)	30,000.00	(30,000.00)	30,000.00	0.00		0.00			Intention still to introduce parking enforcement
Neigh. & Leisure	Reserves	S 143 Highways Appeals Reserve	4	(45,860.00)	45,860.00	0.00		0.00		0.00		Commitments in 11/12 - costs of dealing with enforcement of a Highways Planning Order.	Hold for Kynnersley Barn appeal
Finance, Audit & IG	Reserves	New Technology	4	(140,009.92)	70,009.92	(70,000.00)	70,000.00	0.00		0.00		Committed to Financial Management system	
Customer & People	Reserves	PCT contribution to health hub	4	(75,000.00)	75,000.00	0.00		0.00		0.00		PCT contribution For Health Hub	
Cooperative	Reserve	Employability Project Reserve	4	(10,000.00)	10,000.00	0.00		0.00		0.00			

Schedule of Provisions, Reserves and Balances

Assistant Director	Balance Sheet Structure	Description	Type	April 2012 Opening		April 2013 Opening		April 2014 Opening		April 2015 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
				Actual Closing Balance 31/3/12	Estimated Change during 20012/13 (additions/withdrawals)	Estimated Closing Balance 31/3/13	Estimated Change during 20013/14 (additions/withdrawals)	Estimated Closing Balance 31/3/14	Estimated Change during 20014/15 (additions/withdrawals)	Estimated Closing Balance 31/3/15			
Customer & People	Creditor	Organisational Improvement Fund	4	(491,421.19)	350,421.19	(141,000.00)	141,000.00	0.00		0.00	To fund Organisational Improvement Programme; £210k non committed at present		
Cooperative	Reserves	Cooperative Council Initiatives	4	(14,553.15)	14,553.15	0.00		0.00		0.00	To support Co-Operative Council initiatives/schemes		
Cooperative	Reserves	Telford & Ironbridge Festival	4	0.00	(50,000.00)	(50,000.00)		(50,000.00)		(50,000.00)	Set up at year end by Richard Partington. Being managed by Katherine Kynaston		
Customer & People	Reserves	Mystery Shopper	4	(6,000.00)	6,000.00	0.00		0.00		0.00	Mystery Shopper Exercise due between October 2012 and March 2013.		
Customer & People	Reserves	Self Service Facility at Madeley	4	(15,000.00)	15,000.00	0.00		0.00		0.00	Funding for the implementation of the self-service facility at Madeley/Oakengates and Stirchley in 2012/13.		
Finance, Audit & IG	Reserves	Finance capacity reserve	4	(70,000.00)		(70,000.00)	18,000.00	(52,000.00)		(52,000.00)			
Neigh. & Leisure	Reserves	Leisure	4	(88,000.00)		(88,000.00)		(88,000.00)		(88,000.00)	Provision for any income shortfall at TIR arising from the refurbishment.	Requirement will be monitored through 12/13	
Customer & People	Reserves	Equality & Diversity - NEETS	4	(24,000.00)	24,000.00	0.00		0.00		0.00	No commitments for equality, however Angie has made a request to use this to cover R&B staffing - not agreed		
Law, Democ & PP	Reserves	Member Services Equipment Reserve	4	(20,618.00)	20,618.00	0.00		0.00		0.00	To provide replacement PC's for members		
Education & Skills	Reserves	T&W Leadership Conference	4	(5,855.97)		(5,855.97)		(5,855.97)	0.00	(5,855.97)	Used to offset costs of the schools annual Leadership conference		
Family & Cohesion	Reserves	J/A Special Support Services	4	(3,967.00)	3,967.00	0.00	0.00	0.00		0.00	Small reserve as a one off for services in Joint Arrangement - currently awaiting notification from Shropshire of results of their review of costs - will be used in revenue account in year.		
Family & Cohesion	Reserves	Clusters	4	(125,263.53)	96,000.00	(29,263.53)	25,000.00	(4,263.53)	4,263.53	0.00	£56k built in revenue budget as funding in 12/13 for continuation of Relateen work - further Early Intervention projects/ strategies to be funded		
Neigh. & Leisure	Reserves	Tennis Centre Sinking Fund	4	(13,022.02)		(13,022.02)		(13,022.02)		(13,022.02)			
Dvpt. Bus & Hsg	Reserves	Procurement Advice Reserve	4	(23,561.00)	23,561.00	0.00		0.00		0.00		Committed	
Family & Cohesion	Reserves	Young Persons Substance Misuse	4	(74,891.17)	45,000.00	(29,891.17)	25,000.00	(4,891.17)	4,891.17	0.00	Planned use to offset loss of Drugs funding		
Family & Cohesion	Reserves	Community Safety Fund	4	(57,245.10)	57,245.10	0.00		0.00	0.00	0.00	Funding used for projects agreed by the Community Safety Board		
Corporate	Reserves/Specified	Capacity Building/Organisational Development	3	(422,671.25)	422,671.25	0.00		0.00		0.00	To recognise capacity issues within the organisation/ in addition to capacity fund	available for intended use/no known commitments	
Total Specific Earmarked Service Balances				(6,181,954.09)	4,545,471.36	(1,636,482.73)	977,442.26	(659,040.47)	270,500.17	(388,540.30)			
Overall Total				(40,080,313.64)	19,114,530.63	(20,965,783.01)	5,242,283.58	(15,723,499.43)	2,025,363.50	(13,698,135.93)			
						(20,965,783.01)		(15,723,499.43)		(13,698,135.93)			
						0.00		(0.00)		(0.00)			

Provisions, Reserves and Balances / Major Risk Areas

Summary of Reserves and Balances		£
Total Projected Reserves and Balances at 1 April 2015		13,698,136
Less specific Commitments not available		-5,216,437
Less specific Earmarked Service Balances identified		-388,540
Less Net Financial Impact of Risks identified- see below		-4,052,941
Less Surplus Balances within the Education ring-fence		-370,497
Balance available for Medium Term Financial Strategy		3,669,720
General/Special Fund Balances		-3,655,449
Specific Earmarked Balances (after risks deducted)		-14,271
Balance Available for Strategy		-3,669,720

H	1.00
L	0.10
L/M	0.20
M	0.50
M/H	0.75

0

	1 April 2012	Estimated Use 2012/2013	1 April 2013	Estimated Use 2013/14	1 April 2014	Estimated Use 2014/15	1 April 2015
Total Reserves and Balances	-40,080,313.64	19,114,530.63	-20,965,783.01	5,242,283.58	-15,723,499.43	2,025,363.50	-13,698,135.93
Less Specific Commitments / External Funds	-18,014,482.39	8,114,059.27	-9,900,423.12	3,251,987.60	-6,648,435.52	1,431,998.51	-5,216,437.01
Balance Remaining	-22,065,831.25	11,000,471.36	-11,065,359.89	1,990,295.98	-9,075,063.91	593,364.99	-8,481,698.92

Major Risk Areas

Area of Risk	Description	Link to Key Strategic Risks	Estimated Exposure £	Risk Level - H, M, L	FACTOR	Mitigation	Financial Impact of Mitigation £	Net Exposure £
Winter Maintenance/Flooding	Based on previous years costs of gritting key principle routes and bus routes and incidence of flooding. Risk of not being able to react to adverse weather conditions	1	200,000	M/H	0.75	Additional funds included in base budget in 13/14; budget contingency	-150,000	0
Hosting Contract	If de-minimus on highways work not reached T&W in danger of losing discount included in the contract. As LTP reduces the risk is higher.	1	50,000	L	0.10	capital programme	-5,000	0
Waste Contract	Risk that procurement process is delayed/new contract is not implemented on time	1	800,000	M	0.50	One off funds included in 14/15 budget as contingency for any delays	-400,000	0
ERDF Project - possibly railfreight and AWM grant - outputs not being met	Risk of clawback on Council-led elements of the project; risk on £22m grant @ 10% = £2.2m.	1	2,200,000	L	0.10	Investment in programme management team carrying out rigorous control/review; use of prudential borrowing to fund and meet cost of servicing from revenue contingency, maximum exposure £40 k p.a.	-220,000	0
Insurance Stop Loss (Education)	Education insurance excess £0.250m. Per incident, risk of more than one major fire plus theft and vandalism	1	500,000	H	1.00			500,000
Loan from School Balances	Risk of loan being recalled sooner than budgeted repayment	1	600,000	L	0.10	is low the correct risk level with schools transferring to academies?		60,000
Building Schools for the Future	Risk of not being able to deliver all elements of the Building Schools for the Future Programme	1, 5	4,000,000	L/M	0.20	BSF programme under continual review and close monitoring is undertaken to manage spend within resources available	-800,000	0
Emergency Planning/ Health & Safety	Risk of a major disaster/health and safety incident occurring and having to meet immediate costs of incidents such as major flooding, land stability and other emergencies	1, 5, 6	2,000,000	L/M	0.20	Capital programme resources, land stability investment in the Gorge plus contingency	-400,000	0
Children in Care / Safeguarding	highly volatile area of care provision; risk based on historic information and costs (2012/13 monitoring shows a projected overspend on £2.6m).	1, 2, 3, 5	2,600,000	M/H	0.75	Revenue budget increased in 2013/14 .Action plan in place focussing on Early Intervention ; use of revenue budget contingency	-1,950,000	0

Area of Risk	Description	Link to Key Strategic Risks	Estimated Exposure £	Risk Level - H, M, L	FACTOR	Mitigation	Financial Impact of Mitigation £	Net Exposure £
Bad Debts provision		1	2,742,941	H	1.00	based on formulae		2,742,941
Treasury Management	Risk of volatile interest rates; £47m investment at 1% and £113m borrowing	1, 6	1,600,000	M/H	0.75	strategy to reduce borrowing by using maturing investments; general fund balances and contingency; monitoring credit ratings and counterparty exposure; govt. backing for key banks; advice from Treasury Advisors; current economic climate of flat interest rates	-1,200,000	0
Buildings	Immediate response needed to urgent repairs and maintenance issues in council owned buildings and major equipment	1, 7	300,000	M	0.50	comprehensive rolling programme of maintenance to tackle back-log; in line with AMP and capital programme; rationalisation of office accommodation	-150,000	0
Income	Failure of major facility due to investment needs, leading to closure and loss of income - risk of not meeting income targets in year, including PIP income, Leisure income, Car Parking, Markets - based on 1% variance from budget	1, 4, 5, 6, 8	1,100,000	H	1.00	Close monitoring giving early indication of issues and corresponding action plans to address/switch budget. This together with the AMP investment programme, use of service balances and the corporate contingency would act as mitigation.	-1,100,000	0
Insurance	Self Insurance Fund to meet potential costs arising from: increased premiums, public liability excesses, environmental warranties, property excesses, any residual costs relating to pre SCC disaggregation; MMI liability	1	1,000,000	M/H	0.75	Insurance policies and provisions for any residual financial exposure		750,000
Data Security	Abuse of sensitive data/breaking confidentiality / failure to manage public information / IT information security and confidentiality	1, 3, 6, 7	100,000	M	0.50	Corporate Contingency	-50,000	0
Partnership Working	Deterioration in partnership working impacts on the Council's ability to delivery outcomes	5		L	0.10	Working through LSP and cooperative council approach		0
Business Continuity/Systems Failure/Supplier Issues/Partner issues	Failure to have in place a robust corporate business continuity plan and related operational procedures. Including major systems failure damaging the ability to provide essential duties and the risk of a major supplier defaulting on a contract and failing to perform.	1, 3, 6, 7	1,000,000	L/M	0.20	Corporate Business Continuity Plan; new infrastructure and use of corporate contingency together with the capital programme	-200,000	0
Potential Litigation	Risk of litigation with financial consequences	1, 8	200,000	M	0.50	Effective inhouse/external legal advisors; negotiation; contingency	-100,000	0
Insufficient resources	Insufficient capacity to deal with increased workloads and significant public sector funding cuts - this is an overarching risk addressed by the Service & Financial Planning Strategy	1		M	0.50	Budget contingency available; continuous review of capital programme; service review programme; close monitoring of specific and other grant funding		0
Social Care (Adults & Childrens)	Death or serious harm of a vulnerable child or vulnerable adult (breach of duty of care)	2		L	0.10	Effective management controls and insurance policies and provision and service prioritising process for budget pressures.		0
Total Identified Risks			20,992,941					4,052,941
Balance Remaining after setting aside for Risks								-4,428,758
Less Specific Earmarked balances								388,540
Less residual balances within the Education Ring fence								370,497
Balance Remaining for Medium Term Budget								-3,669,720