

TRAFFORD COUNCIL

Report to: Accounts & Audit Committee
Date: 10 February 2015
Report for: Information
Report of: Director of Finance

Report Title

Reserves and Provisions

Summary

Total Council reserves at 1st April 2014 were £(81.3)m, of which £(13.4)m belonged to schools, £(27.32)m was committed to finance the capital programme, £(15.9)m of accounting adjustments largely relating to the Business Rates scheme, £(10.98)m General Reserve, leaving a balance of £(13.77)m. The majority of this balance resides in the insurance reserve £(3.4)m, Employee Rationalisation Reserve £(2.4)m to provide for the costs of reorganisation and Smoothing Reserves £(3.8)m to smooth the volatility in base budget fluctuations, such as the increase in the Waste Levy.

Reserves and provisions are reviewed throughout the year, but particularly at the time of establishing a budget and closing down the accounts at the end of the year. At the time of writing this report the revenue budget for 2015/16 is anticipated to include for £1.0m of expenditure to be financed from reserves as a result of the one off dividend of £1.0m from Manchester Airports Group (MAG). The major movement in reserves includes the writing down of the accumulated deficit on the Learning Disability Pool of £3.022m using a contribution from General Reserve.

After taking into account all other reserves and provisions, a minimum reserve level of £6m of the General Reserve is expected to be maintained, subject to formal agreement by the Council in February 2015.

The estimated reserve balance at March 2017 on non-school earmarked reserves, is £(4.447)m of which £(2.473)m relates to the insurance reserve and £(1.526)m Smoothing reserves. The remaining balance of £(0.448)m is largely made up from the service carry forward reserves of £(0.364)m.

The Council is required by law to maintain a minimum level of reserves to meet unexpected or emergency expenditure, which is currently established at £6m of the General Reserve after taking into account the existing earmarked reserves and their known commitments. Once all known commitments have been taken in to account, the General Reserve is estimated to stand at £6.3m at the end of 2015/16.

Total Council Provisions at 1st April 2014 were £(25.2)m, of which £(18.0)m related to the Council's share of business rate appeals. The projected Provisions balance as at March 2017, excluding business rates appeals is £(3.98)m which represents the estimated outstanding value of insurance liability claims.

Recommendation(s)

The report is noted.

Contact person for access to background papers and further information:

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Papers for further reference:

Accounts 2014, published October 2014

Budget Report 2015/16, 18 February 2015

2014/15 Revenue Monitoring Reports

Background Information

Implications:

Relationship to Corporate Priorities	None arising out of this report
Financial	None arising out of this report
Legal Implications	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Staffing/E-Government/Asset Management Implications	None arising out of this report
Risk Management Implications	None arising out of this report
Health and Safety Implications	None arising out of this report

1. Definitions

- 1.1 The Council has both cash-backed and non cash-backed reserves. Non cash-backed reserves are for the purposes of accounting adjustments required to state the statutory accounts according to format universally applied to both private sector and public sector bodies without actually affecting the Council's budget and therefore the amount of Council Tax that needs to be raised. For example, increases or decreases in pension fund valuations are adjusted to a non cash-backed reserve, or accounting reserve, rather than the £millions in annual variation impacting on the Council's operations. This report will deal only with cash-backed reserves and provisions.
- 1.2 The following 'layman' definitions are provided as reference to describe and place in context provisions and reserves:
- **Reserve:** an amount set aside for a possible future event that is either planned or dependent upon potential future circumstances so that the additional expense would not impact on base budget.
 - **Provision:** a liability is certain, however the value and/or timing of payment is not known and has to be professionally estimated.

2. Governorship, Reporting & Management

- 2.1 Provisions are established for a specific legal liability and monies released only to discharge that liability. Increases and decreases to provisions are charged to the revenue account in the year that change is identified. Equally, should a provision be estimated to be excessive or fully discharge the liability with funds remaining, the excess will be transferred back to the revenue account.
- 2.2 The Council's Constitution specifies that the Director of Finance executes accounting transactions, such as the creation and use of provisions, and creates and utilises reserves:
- Up to £0.5m per transaction without consultation;
 - Between £0.5m and £1.5m in consultation with the Executive Portfolio Holder for Finance;
 - Over £1.5m in consultation with the Leader, Deputy Leader and Executive Member for Finance.
- 2.3 Once a reserve has been established, authorisation to call upon the reserve can be delegated to an appropriate officer. The Director of Finance reviews all reserves regularly during the year, and specifically when closing the annual accounts and establishing the budget. Many reserves are directly managed by the Director of Finance, and all reserve transfers are handled through the accountancy function.
- 2.4 The General Reserve, Collection Fund, and Directorate Service Balance Reserves are specifically featured in the 10 monthly revenue budget monitoring reports. The overall reserve position is commented upon in the Robustness and Reserves sections of the budget report, and is specified within the statutory accounts. Capital reserves are detailed in the quarterly capital monitoring reports. Allocation of the General Reserve is by Council or Executive decision,

the Collection Fund is released according to professional estimates made by the Director of Finance, and service reserves are determined by the relevant Corporate Director.

- 2.5 External Audit also provide a high level assessment of the adequacy of reserves as part of their closedown work, and the Accounts & Audit Committee are presented with a listing and summary movement in reserves as part of the closedown and approval of statutory accounts process.

3. Balances, Characteristics & Summary of Commitments

- 3.1 Details of each reserve, its purpose, the controlling officer, value at the beginning of 2014/15 and estimated commitments until the end of 2016/17 and remaining balance is provided in the attached annex. The values in the following table provide a summary of balances by category of reserve.

Table 1 :- Cash Backed Reserves by Category

Reserve Statement (estimated as at February 2015)	Estimated Balance at 1 April 2014 (£000's)	Estimated Net Commitments 2014 to 2017 (£000's)	Estimated Balance at 31 March 2017 (£000's)
Schools General	(13,252)	?	(13,252)
Schools Synthetic Pitches	(120)	(45)	(165)
Schools Total	(13,372)	(45)	(13,417)
Non-Schools Earmarked Reserves:			
Insurance	(3,421)	948	(2,473)
Revenue Projects	(1,675)	1,591	(84)
Employee Rationalisation	(2,414)	2,414	0
Transformation Reserve (including CFW Trans Res)	(1,474)	1,474	0
Services' Reserves	(983)	619	(364)
Smoothing Reserves	(3,803)	2,277	(1,526)
Total	(13,770)	9,323	(4,447)
General Reserve	(10,980)	4,668	(6,312)
Total of non-School Revenue Reserves	(24,750)	13,991	(10,759)
Capital reserves:			
Capital Projects	(27,315)	27,315	0
Total Capital Reserves	(27,315)	27,315	0
NDR Reserves	(15,461)	15,461	0
Accounting Adjustments	(400)	0	(400)
Total Accounting Reserves	(15,861)	15,461	(400)
Total All Reserves	(81,298)	56,722	(24,576)
Collection Fund – C Tax	(385)	(142)	(527)
Collection Fund - NDR	15,388	(15,388)	0
Total Collection Fund	15,003	(15,530)	(527)
Provisions	(25,177)	21,206	(3,971)
Total Reserves and Provisions	(91,472)	62,398	(29,074)

3.2 The above table reflects planned use however, it is entirely possible that reserves and provisions may need to be accessed differently to the plan. In particular schools reserves are assessed as part of the closedown procedure for final accounts, schools may access or increase their reserves during the year according to their need and own plans.

3.3 Capital reserves - Opening balance £(27.315)m

- Capital Reserves are so called as they are committed to support capital expenditure through the approved capital programme, however, it is the original source of the money that dictates the extent of its use:
- Revenue resourced £(1.109)m; can be used to support both revenue or capital expenditure. Revenue resources have been fully allocated to support investment in new technology (CRM and Content Management) and the residue costs of the Long Term Accommodation Strategy.
- Capital resourced £(26.206)m; can only be spent on capital projects. The Council develops the capital programme so that all known resources are committed against schemes over its 3 years and is reviewed on a quarterly basis and completely overhauled and reapproved each year.

3.4 Revenue reserves - Opening Balance £(24.750)m

- **Earmarked Insurance £(3.421)m:** The Council is largely self-insured and the reserve has been created from premiums to cover future claims, including resilience to cope with major claims. The Council insurance policies contain a significant "excess" of £275k for public liability and buildings. A risk assessment has recently been carried out and £0.530m has been released to the employment rationalisation reserve as detailed below.
- **Other Earmarked - Revenue Projects £(1.675)m, Employee Rationalisation £(2.414)m, Transformation Reserve £(1.474)m :** Thirteen individual reserves, of which seven are expected to be fully committed by 2017. The main reserves are for the costs of reorganisation and change (Employment Rationalisation, Transformation and Training) which total £(4.368)m. The employment rationalisation reserve has been increased by £1.4m to provide for the on-going costs of reorganisation; this has been financed by the realignment of the insurance reserve as mentioned above and the Airport Debt Restructure Reserve held within smoothing.
- **Smoothing £(3.803)m:** liabilities for normal operating expenditure are not always similar year-on-year, a good example being the local elections budget when there are elections only three of every four years. It has been the practice to even out this variable expenditure to recognise the underlying budgetary requirements of the base budget. The largest reserve relates to the Waste Levy £(2.278)m which aims to smooth the annual increases in the levy during the construction of the PFI facilities. A reserve of £(0.921)m was established to cover the potential default on an unsecured loan of £8.7m with Manchester International Airport. The Manchester Airport Group (MAG) is now in a much stronger financial position as evidenced in their latest financial trading statement; this has

allowed the reserve to be reduced accordingly releasing £1.149m which has been redirected to the Employment Rationalisation Reserve and General Reserve. The smoothing reserves, which are all fully committed, will grow and decline according to the characteristics of the relevant expenditure, and are reviewed and monitored carefully by the Director of Finance.

- **Service carry forwards £(0.983)m:** this is the total of service accumulated over and under spends carried forward from outturns since 2005. Technically these reserves form part of the General Reserve, but it is an internal accounting convention in line with the policy of the Medium Term Financial Strategy. This flexibility was introduced for service directorates to remove the incentive to 'spend up' to budget levels and reward good financial management. Any overspends are to be made good in the next financial year, and as part of the budget process Corporate Directors are required to include in their plans adequate action to recover their balanced position. The reserve includes the accumulated deficit on the Learning Disability Pool of £3.022m. Details of the background causing the accumulated deficit have been reported to the Executive on previous occasions. As part of the review of reserves during the budget process, it is not considered prudent to continue to carry forward the deficit indefinitely. As such, the total Learning Disability Pool deficit will be written down before the 2014/15 year end to a zero balance, using a contribution from the General Reserve.
- **General £(10.980)m:** the General Reserve is made up of previous budget underspends, and is primarily increased by Council-Wide budget outturns as Directorate Service Balance Reserves now accommodate service under and over spends in accordance with the Medium Term Financial Strategy policies. The largest planned movements are a £3.022m contribution to write down the LD Pool deficit as mentioned above and £2.007m to support the base budget in 2014/15, plus £1.582m as part of the in-year budget realignment agreed by Council on 17th September 2014. In addition an amount of £(1.0)m will be used to support the Council's revenue budget in 2015/16 as a result of the one off airport dividend received in 2014/15 from MAG. There is a legal requirement (section 26 of the LG Act 2003) for the Council to have minimum available reserves to deal with unexpected or emergency expenditure. The Director of Finance makes an assessment, for Council, of a minimum General Reserve level having taken into account other reserves and potential areas of risk in each Budget. The current minimum level is £6.0m (the details that support the calculation can be found in the 2015/16 Budget Report of 18th February 2015).
- **Collection Fund - Council Tax (£(0.385)m surplus, NDR (£15.388m) deficit** - The Collection Fund is the local taxation pool for Council Tax and Business Rates upon which the Government, GM Police and Crime Commissioner, GM Fire & Rescue Authority, Partington Town Council and the Council all precept upon. The Fund is managed on behalf of stakeholders by the Council. Any year-end balance on the Collection Fund is transferred to this reserve. A deficit must be corrected in the following year, which could cause a Council Tax rise all in itself. Any surplus arising is shared between the stakeholders and they utilise this within their budget estimates. The Council has anticipated a contribution of £0.300m in 2015/16 from the Council Tax Collection Fund surplus. The NDR deficit

balance will be cleared down during 2015/16 using money set aside by the Council from the safety net grant paid by the Government in 2013/14 held within the NDR Deficit Reserve.

3.5 Provisions - Opening Balance £(25.177)m:

- All provisions have been deemed by the relevant expert to be required.
- The largest balance within provisions £(18.043)m, relates to the Council's share of the provision for outstanding business rates appeals. The level of this provision is reviewed regularly throughout the year using the latest details of settlements provided by the Valuation Office Agency. Details of any changes are reported as part of the overall business rates outturn forecast within the monthly budget monitoring reports.
- The main movement that is expected are the costs in discharging the remaining outstanding Equal Pay claims during 2014/15 of £1.856m. The balance on the Equal Pay provision £(1.0)m was released during 2014/15 to support the budget realignment as agreed by Council on 17th September 2014.
- There are also projected movements in insurance provisions (Third Party and Employers Liability) based on the assessment of outstanding liabilities as assessed by our actuary and also actual claims settled.

3.6 Schools Reserves £(13.387)m

- **Schools:** these balances relate to the net underspends in individual school budgets accumulated over the years under the general policy of delegated responsibility. These monies are the sole responsibilities of the Governors and Head Teachers, to be used at their discretion. Supportive action is provided to schools should they be in deficit, and the overall surplus provides for a loan support scheme. Excessive funds are a matter of Government policy. Should schools move to academy status any reserves are also transferred.

4. Conclusions

- 4.1 Total Council reserves at 1st April 2014 were £(81.3)m, of which £(13.4)m belonged to schools, £(27.32)m was committed to finance the capital programme, £(15.9)m of accounting adjustments largely relating to the Business Rates scheme, £(10.98)m General Reserve, leaving a balance of £(13.77)m. The majority of this balance resides in the insurance reserve £(3.4)m, Employee Rationalisation Reserve £(2.4)m to provide for the costs of reorganisation and Smoothing Reserves £(3.8)m to smooth the volatility in base budget fluctuations, such as the increase in the Waste Levy.
- 4.2 The estimated balance at March 2017 on non-school earmarked reserves, is £(4.447)m of which £(2.473)m relates to the insurance reserve and £(1.526)m Smoothing reserves. The remaining balance of £(0.448)m is largely made up from the service carry forward reserves of £(0.364)m.

- 4.3 The Council is required by law to maintain a minimum level of reserves to meet unexpected or emergency expenditure, which is currently established at £6m of the General Reserve after taking into account the existing earmarked reserves and their known commitments. Once all known commitments have been taken in to account, the General Reserve is estimated to stand at £6.3m at the end of 2015/16.
- 4.4 Total Council Provisions at 1st April 2014 were £(25.2)m, of which £(18.0)m related to the Council's share of business rate appeals. The projected Provisions balance as at March 2017, excluding business rates appeals is £(3.98)m which represents the estimated outstanding value of insurance liability claims.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
Capital Reserves						
Earmark - ICT Development	Investment in new ICT to improve efficiency Council-wide.	CD T&R	(777)	777	0	Expenditure relates to support new CRM and Content Management System as part of capital programme.
Capital - LTA Decant	To cover the cost of accommodation changes arising from the Long Term Accommodation Project	CD T&R	(332)	332	0	Reserve is fully committed to the LTA programme and to cover residual running costs on admin buildings to be disposed of.
Capital Reserves : Revenue Resourced			(1,109)	1,109	0	
Capital Receipts - VAT Shelter	Income received from THT under a VAT sharing agreement. VAT is recovered by THT on work undertaken and shared with the Council	DoF	(7,452)	7,452	0	Capital receipts can only be used to support the Capital Programme or alternatively pay off the Council's debt. All capital receipts have been assumed to support Capital Programme

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
Capital Receipts - Other	Income derived from sale of surplus assets to support the capital programme	DoF	(75)	75	0	Capital receipts can only be used to support the Capital Programme or alternatively pay off the Council's debt. All capital receipts have been assumed to support Capital Programme
Capital Related Grants	Capital Grants to support the capital programme	DoF	(17,008)	17,008	0	Fully committed to support the capital programme. Grants mainly relate to those from DfE to support the schools capital programme eg primary capital strategy and basic need
Capital Reserve	Reserve to support the capital programme	DoF	(1,671)	1,671	0	Full balance used against the draft capital programme 2015/17
Capital Reserves : Capital Resourced			(26,206)	26,206	0	
Sub-Total Capital Reserves			(27,315)	27,315	0	

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
Earmarked Reserves						
Insurance Reserve	Funds earmarked for future claims and to carry out risk management initiatives.	DoF	(3,421)	948	(2,473)	The Council is largely self-insured and the fund (reserve) has been created from premiums to cover future claims, including resilience to cope with major claims. The Council insurance policies contain a significant "excess" of £275k for public liability and buildings. In any year the Council has stop-loss cover so that the annual maximum exposure to claims is £1.5m. The reserve is also used to offset any increases in provision for liability claims identified by the actuary. A review of the level of reserve has enabled £530k to be released to increase the employment rationalisation reserve
Library Book Fund	Funds earmarked for new library management system	DoCS	(60)	60	0	Will be utilised on Self Service Machine upgrade (£27k), Upgrading PC's used for Peoples Network (£14k) balance (£39k) will be utilised on wider roll out of e-books/e-readers.
Training	To undertake corporate training across the Council.	DoHR	(481)	481	0	Reserve in place to fund training and development interventions identified in respect to the Reshaping Trafford activity.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
Transformation	Money set aside to pump prime the achievement of the next stage of efficiencies through the Transformation Programme.	CD T&R	(1,474)	1,474	0	In order to maximise savings at the time of delivery, the costs of Transformation are now supported from the reserve rather than being charged to the saving. An additional team has been established specifically to manage the delivery of the savings targets with Adults Social Care and the identification of further savings opportunities..
Civic vehicle reserve	Replacement of mayoral vehicle	DoL	(24)	8	(8)	Annual sum set aside as depreciation from revenue budget
Voluntary Sector Grants Reserve	Carry forward of prior year spend due to slippage on projects	CD T&R	(108)	108	0	Created from past underspending on the approved budget. Expected to be drawn down over next three years..
Community Safety	Investment in Community Safety initiatives.	CD T&R	(22)	22	0	Fully committed in 14/15
Earmark Gen - Employment Rationalisation	To cover the cost of rationalising the employment of staff by the Council (i.e. severance pay)	DoF	(2,413)	2.413	0	To provide for severance and related costs above revenue budget provision. Reserve should cover approximately 3 more years of severance costs and has been increased by £1.4m from transfers from Insurance Reserve and MIA Debt Restructure Reserve

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
LAA Performance Reward Grant	Grant awarded in 2010/11, to be utilised in conjunction with partners	CD T&R for Leader	(666)	666	0	Leader has delegated authority to approve, based on views of Trafford Partnership. Reserve is fully committed over next two years.
Altrincham Forward	Support for Altrincham Forward and their improvement plans	CD T&R	(20)	0	(20)	Residue of reserve available to cover costs of Altrincham Forward
Coroner's Service Fees Reserve			(37)	0	(37)	Reserve set aside to smooth potential impact of higher than expected mortality rates in any year
Car Leasing Reserve			(3)	0	(3)	Reserve available to support unforeseen costs associated with early termination of individual car lease contracts
Community Rights to Challenge Reserve	Smoothing reserve established from prior year under commitments of Community Rights to Challenge Grant ring fenced to meet future costs.		(9)	0	(9)	Community Right to Challenge is the right for community organisations to submit an expression of interest in running services. Reserve is available to support peaks in additional administration associated with administering these rights.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
Assets of Community Value Reserve	Smoothing reserve established from prior year under commitments of Assets of Community Value Reserve ring fenced to meet future costs.		(8)	0	(8)	Assets of Community Value is the right for community organisations to submit an expression of interest in running a community asset. Reserve is available to support peaks in additional administration associated with administering these rights.
Local Welfare Assist Reserve	Smoothing reserve established from prior year under commitments of Local Welfare Assistance grant ring fenced to meet future costs.		(238)	238	0	Available to support one off unforeseen costs of individual cases of hardship.
Sub-Total Other Earmarked Reserves			(5,563)	5,478	(85)	

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
Smoothing Reserves						
Legal Expenses	Smoothing reserve for external legal expenses and also contingency for potential back claims regarding changes in land charges	DoL	(142)	20	(122)	Exact amount of commitment on land charges is unknown and is dependent on level of potential claims.
MIA Debt restructure	Smoothing of airport debt restructure costs over the medium term	DoF	(921)	662	(259)	The Council agreed to an unsecured loan of £8.7m with MIA in return for an annual yield of 12%. The loan is not due for repayment until 2055. As it is unsecured there is a risk of default. A proportion of the interest earned is used as a provision for default. The MAG is now in a much stronger financial position as evidenced in their latest financial trading statement. This has allowed the reserve to be reduced accordingly releasing £1.149m which has been redirected to the Employment Rationalisation Reserve and General Reserve.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
Waste Levy	To smooth the effects on the Council's budget of movements in the waste levy over the medium term	CD ETO	(2,278)	1,370	(908)	Annual increases in the levy are volatile during the construction phase of the PFI facilities. We have opted for a smoother levy to build the base budget gradually. The reserve has also been used to finance late adjustments in the levy. It should be fully utilised by 2018/19.
Winter Maintenance	To smooth the effects on the Council's maintenance budget as a result of adverse weather conditions	CD ETO	(120)	0	(120)	This reserve was established in 2013 to provide emergency funds to cover the costs of highways & footpath maintenance during periods of adverse weather conditions
Elections	To smooth the elections budget across the 4 year Municipal cycle.	DoL	(187)	187	0	Used to smooth the costs of Elections cycle.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
Interest Rates	To smooth the effect on the Council's budget of volatile movements in interest rates.	DoF	(155)	38	(117)	"There are four main components: (i) a stepped interest loan will move into its secondary period in 2015 and will revert to a variable interest rate estimated a 6.5%, therefore this reserve will utilised as a cushion to cope if rates exceed the assumption : (ii) new borrowings have been postponed in the recent past and some of the financial benefit from this decision is being set aside to smooth the impact when borrowing does reoccur. (iii). for time when investment rates are lower than forecast (iv) provision for potential defaults on LAMS. Reserve adjusted to accommodate a 0.5% variation in interest rates on RBS loan of £100k and £17k set aside for potential default on LAMS cases. "
Sub-Total Smoothing Reserves			(3,803)	2,277	(1,526)	

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
Delegated Service Budgets	LD Pool Reserve deficit carried forward	CD's	3,022	(3,022)	0	Commitments are updated monthly in budget monitoring report. Accumulated deficit on Learning Disability Pool has been written down in 2014/15 utilising a contribution from General Reserve.
	Revenue budget under/overspends to be carried forward as part of the Council's Medium Term Financial Plans.		(4,005)	3,641	(364)	
Sub-Total Delegated Service Reserves			(983)	619	(364)	
General Reserve	Collation of previous underspends on the General Fund	DoF for Council or Executive	(10,980)	4,668	(6,312)	Commitments are updated monthly in budget monitoring report
Collection Fund						
Collection Fund (TMBC share) Council Tax Collection Fund Accumulated (Surplus)/ Deficit	Collation of previous underspends on the Collection Fund (Trafford Council Share)	DoF	(385)	(142)	(527)	Trafford's share of accumulated Council Tax Collection Fund balance. Used to support base budget.
NDR Collection Fund Accumulated (Surplus)/Deficit			15,388	(15,388)	0	Trafford's share of accumulated NDR Collection Fund balance. Deficit in 13/14 is off set by the NDR Deficit Reserve
Sub-Total Collection Fund			15,003	15,530	(527)	

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
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Provisions						
VAT on Car Parking	Monies held pending outcome of litigation affecting all LA's re VAT on off-street parking	DoF	(172)	0	(172)	If the VAT tribunal/ court decision is not in our favour this money will be paid over to HMRC.
Employment Rationalisation	Severance agreements with staff which may or may not be taken up	DoF	(347)	347	0	An accounting requirement for redundancy payments to be made in 14/15.
Equal Pay	Liabilities under Equal Pay legislation.	DoF	(2,856)	2,856	0	The Council is actively trying to settle all remaining claims during 14/15 at an estimated cost of £1.856m, the remaining balance was released to support the budget realignment in 2014/15.
Third Party Insurance	Provision for self-insurance for Public Liability claims	DoF	(3,078)	(97)	(3,175)	This provision represents the estimated value of outstanding insurance liability claims. It is assessed annual by an actuary and will be drawn down as and when claims are settled.
Employers Liability Insurance	Provision for self-insurance for Employers Liability claims	DoF	(981)	57	(624)	This is assessed annually by an actuary and represents the estimated value of outstanding insurance liability claims.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2014 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2017 (£000's)	Note on commitment
NDR Provision for Appeals	Provision for back dated NDR appeals		(18,043)	18,043	0	This is assessed on a regular basis using information available from the VOA.
Total Provisions			(25,177)	21,206	(3,971)	

Key: Responsible Officers

DoF	Director of Finance
DoCS	Director of Customer Services
DoHR	Director of Human Resources
DoL	Director of Legal & Democratic Services
CD C&WB	Corporate Director for Communities & Well-Being
CD T&R	Corporate Director for Transformation & Resources
CD ETO	Corporate Director for Environment, Transport & Operations
CD EGP	Corporate Director for Economic Growth & Prosperity
CD's	Each respective Corporate Director