

Appendix 1 – Reserves descriptions and opening balance 2025/26

		1st April 2025 £000
Council Revenue Reserves		
General Fund Balance (CORPORATE)	The General Fund is held to manage unforeseen risks to the Council's overall financial position. Any in-year overspend at the whole-Council level would normally be funded by this reserve.	(10,277)
Adult Social Care (DIRECTORATE)	These are overwhelmingly Health resources funded through ringfenced grant and rolled forward through the Better Care Fund pooled budget and Mental Health pooled budget. These pooled budget resources are managed through the Adult Joint Commissioning Group	(14,749)
Financial Risk Contingency (CORPORATE)	Budget set aside during 2023/24 and 2024/25 Outturn to provide resilience against any future financial shocks.	(13,268)
Commercial, Reset & Innovation	<p>The commercial beginnings of this reserve were agreed as part of the 2018/19 Financial Outturn Report to support the Council's commercial development projects.</p> <p>Later further resources were approved to reserve by Council in February 2021 as a fund to sustain the Council's future financial resilience. This could include internal transformation activity and strategic infrastructure in particular where these generate future quantifiable financial benefits.</p>	(12,203)
Business Rates Income Reserve (CORPORATE)	Budgeted contributions set aside as future protection against Business Rates volatility. Recent significant appeals continue to justify a significant balance being maintained as well as the unknown impact of the government's planned reset in 2025.	(9,189)
Early Retirement and Voluntary Redundancy (CORPORATE)	Funding for early retirement and voluntary redundancy established as part of Staffing Reductions Consultation Report (2015) and further contribution agreed as part of the 2018/19 Outturn Report to Cabinet.	(7,242)
Management of Capital (CORPORATE)	Resources earmarked to support approved corporate Capital Programme and transformation projects including Very Light Rail (£3m), City Centre Cultural Gateway (£1.3m) and Woodlands School (£1m).	(6,365)
Public Health (DIRECTORATE)	Public Health Reserves made up a number of ringfenced government grants and balances held on behalf of partners.	(4,556)

Private Finance Initiatives (CORPORATE & DIRECTORATE – for reporting purposes)	Resources earmarked to support the Caludon Castle, New Homes For Old and Street Lighting PFI schemes over a 25-year period subject to the individual decisions to establish each of these schemes. The schemes' financial models show how these reserves will be utilised over time. 2016/17 Budget Setting approved the cash-flowed use of this reserve to support the Council's overall budget at £1m per year to be repaid from within an agreed timeframe.	(4,137)
Refugee Resettlement Programme (DIRECTORATE)	Funding to deliver the specific requirements of the grant conditions for the Syrian Vulnerable Persons Resettlement Scheme and the Resettlement of Vulnerable Children's Scheme.	(3,618)
Air Quality Early Measures (DIRECTORATE)	Grant received for implementation of the air quality action plan.	(2,166)
Homes for Ukraine (DIRECTORATE)	Funding to deliver the specific requirements of the grant conditions for the Home for Ukraine programme	(1,197)
Insurance Fund (DIRECTORATE)	The reserve has traditionally provided financial security for insurance claims arising out of incidents that may have occurred but for which claims have not yet been received. However, in recent years it has been utilised to fund insurance budget pressures including income loss caused by the move of some LEA schools to the Department of Education Risk Protection Arrangement and increased premiums.	(780)
Other Directorate	Other smaller directorate reserves. <i>(approximately 100 individual reserves with an average value of £200k each, with balances ranging from £1.6m to £1k)</i> These include Friargate Lifecycle, Corporate Property Management, ICT Replacement programme, Mandatory Licensing, Electoral Registration, Family Drug and Alcohol Court (FDAC), Rough Sleepers grant, Connect2, Commercial property life-cycle, West Midlands Teaching partnership, Early Years registration, Housing First grant and car parks.	(21,417)
Other Corporate	Smaller reserves & technical adjustments including Finance Lease smoothing reserve to support annual IFRS16 transactions and residual Covid-19 grants.	(8,234)
Total Council Revenue Reserves		(119,398)
<u>Council Capital Reserves</u>		
Useable Capital Receipts Reserve	Receipts generated over recent years formerly set aside for future Capital Programme investments within current and future capital programmes. Current commitments include Woodlands School (£10m); City Centre South (£3.2m); and Public Realm 6, including Palmer Lane (£1.1m).	(15,167)

Capital Grant Unapplied Account	Grant funding received in advance of spend, whereby there are no specific grant conditions to spend in the year. The funding reflects the decisions made as part of the Council's Corporate Capital Programme.	(32,606)
Total Council Capital Reserves		(47,773)
<u>School Reserves</u>		
Schools (specific to individual schools)	Dedicated Schools Grant Reserves owned and controlled by individual schools. Subject to existing legal framework for schools. Reported to Schools Forum.	(23,896)
Schools (related to expenditure retained centrally)	Dedicated Schools Grant Reserve central expenditure reserve. Grant must be used to support the Schools Budget as defined in the School and Early Years Finance Regulations. Usage is reported to and monitored by the Schools Forum.	(16,130)
Total Schools Reserves		(40,026)
Total Reserves		(207,197)