

Alun Davies AC/AM
Ysgrifennydd y Cabinet dros Lywodraeth Leol a
Gwasanaethau Cyhoeddus
Cabinet Secretary for Local Government and Public
Services



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

John Griffiths AM
Chair
Equality, Local Government and Communities Committee
National Assembly for Wales.

14 November 2018

Dear John,

During its current scrutiny of the Welsh Government budget, the Committee has raised questions with local government on the level of reserves held by local authorities. In response to a commitment previously made to Ms Janet Finch Saunders, the Member for Aberconwy, I will be issuing a written statement on this issue this week. Given your interest, I enclose the information to be included with the Written Statement and will make sure that a copy of the statement is sent to your Committee Clerk when it issues.

Yours,

Alun Davies AC/AM
Ysgrifennydd y Cabinet dros Lywodraeth Leol a Gwasanaethau Cyhoeddus
Cabinet Secretary for Local Government and Public Services

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Alun.Davies@llyw.cymru
Correspondence.Alun.Davies@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

As part of a range of information intended to support transparency in public affairs the Welsh Government publishes data annually on the levels of reserves held by local authorities.¹ The levels of reserves held by Local Authorities in Wales are a matter for local elected members. The information presented sets out wider comparative examples and trends over time.

The information attached contextualises authority's reserves with reference to their annual spending so that standardised comparisons can be made between different size authorities and over time. The annex also illustrates the variation and movement across authorities on the same basis for each authority at March 2011, 2016 & 2018.

The latest data available indicates that, at the end of March 2018, earmarked reserves for all local authorities in Wales amounted to £866 million. These are reserves set aside for specific projects or purposes. Authorities also hold non-earmarked reserves to deal with unforeseen situations. The balance of these reserves stood at £198 million at the end of March 2018.

The average of earmarked reserves as a percentage of expenditure in Wales at March 2018 was 12.1% compared to 10.9% at March 2011. Levels have increased by £122 million since March 2011; eleven authorities have seen a reduction over this period, eleven increased.

Similarly the levels of unallocated reserves have increased by £41 million since March 2011. Five authorities reduced levels over the period but seventeen increased.

¹ <https://gov.wales/topics/localgovernment/finandfunding/whole-government-accounts/publications/whole-government-accounts-reserves/?lang=en>

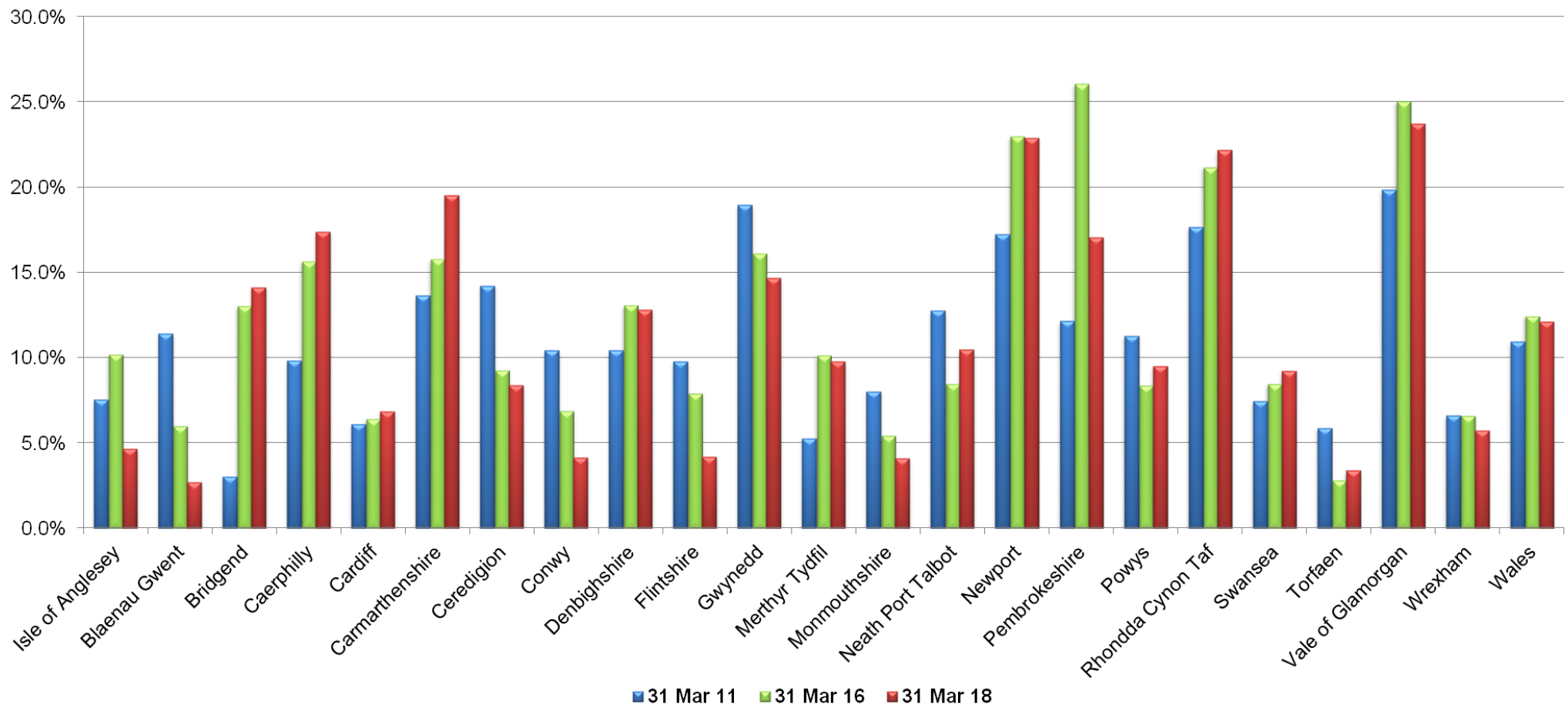
Reserves

	USABLE RESERVES*						-
	General or Unallocated Reserves	HRA Balance	Capital Receipts Reserve	Schools Reserve	Capital Grants Unapplied Account	Other Earmarked Reserves	TOTAL USABLE RESERVES
<i>carried forward at 31 March 2018</i>							
County & County Borough Councils	£m	£m	£m	£m	£m	£m	£m
Anglesey	6.9	7.4	0.3	1.9	0.0	7.6	24.1
Blaenau Gwent	6.1	0.0	8.3	0.2	0.7	4.8	20.1
Bridgend	8.3	0.0	21.2	0.4	0.3	47.7	77.9
Caerphilly	13.2	5.1	8.5	2.0	9.1	71.8	109.8
Cardiff	14.3	12.2	21.3	6.0	0.0	55.8	109.6
Carmarthenshire	9.8	20.1	8.6	1.5	0.6	81.1	121.7
Ceredigion	5.5	0.0	6.4	1.9	1.9	14.0	29.7
Conwy	6.3	0.0	1.4	3.4	0.6	11.1	22.7
Denbighshire	7.5	2.2	5.4	-0.3	3.2	29.8	47.7
Flintshire	13.7	1.9	14.1	1.3	4.8	13.6	49.4
Gwynedd	5.9	0.0	1.7	4.0	2.1	42.5	56.2
Merthyr Tydfil	4.7	0.0	0.2	1.8	2.0	14.6	23.4
Monmouthshire	7.1	0.0	3.6	0.2	0.0	7.4	18.2
Neath PT	20.0	0.0	6.8	2.9	10.1	36.6	76.4
Newport	5.9	0.0	8.9	4.8	0.0	82.7	102.3
Pembrokeshire	6.7	0.8	4.9	1.8	0.0	45.3	59.5
Powys	9.7	3.3	7.6	-0.9	1.5	28.3	49.4
RCT	10.7	0.0	1.1	3.4	7.4	129.4	152.1
Swansea	9.4	6.8	6.5	7.3	13.5	51.8	95.1
Torfaen	9.2	0.0	8.5	2.0	2.5	7.5	29.7
Vale of Glam	9.6	0.8	11.3	2.6	1.9	66.5	92.6
Wrexham	7.0	5.0	13.1	2.0	0.6	16.8	44.5
All County & County Borough Councils	197.6	65.5	169.6	50.3	62.6	866.7	1,412
Police							
Dyfed Powys	4.0	0.0	0.0	0.0	0.8	15.7	20.5
Gwent	14.7	0.0	1.7	0.0	0.0	41.3	57.7
North Wales	5.2	0.0	1.5	0.0	0.0	19.2	25.9
South Wales	9.7	0.0	0.0	0.0	0.0	22.2	31.9
All Police	33.6	0.0	3.2	0.0	0.8	98.4	135.9
Fire & Rescue Authorities							
Mid & West Wales	0.4	0.0	0.0	0.0	0.0	8.6	9.0
North Wales	2.1	0.0	0.0	0.0	0.0	0.6	2.7
South Wales	3.0	0.0	0.8	0.0	0.0	15.0	18.8
All Fire & Rescue Authorities	5.1	0.0	0.8	0.0	0.0	15.6	21.5

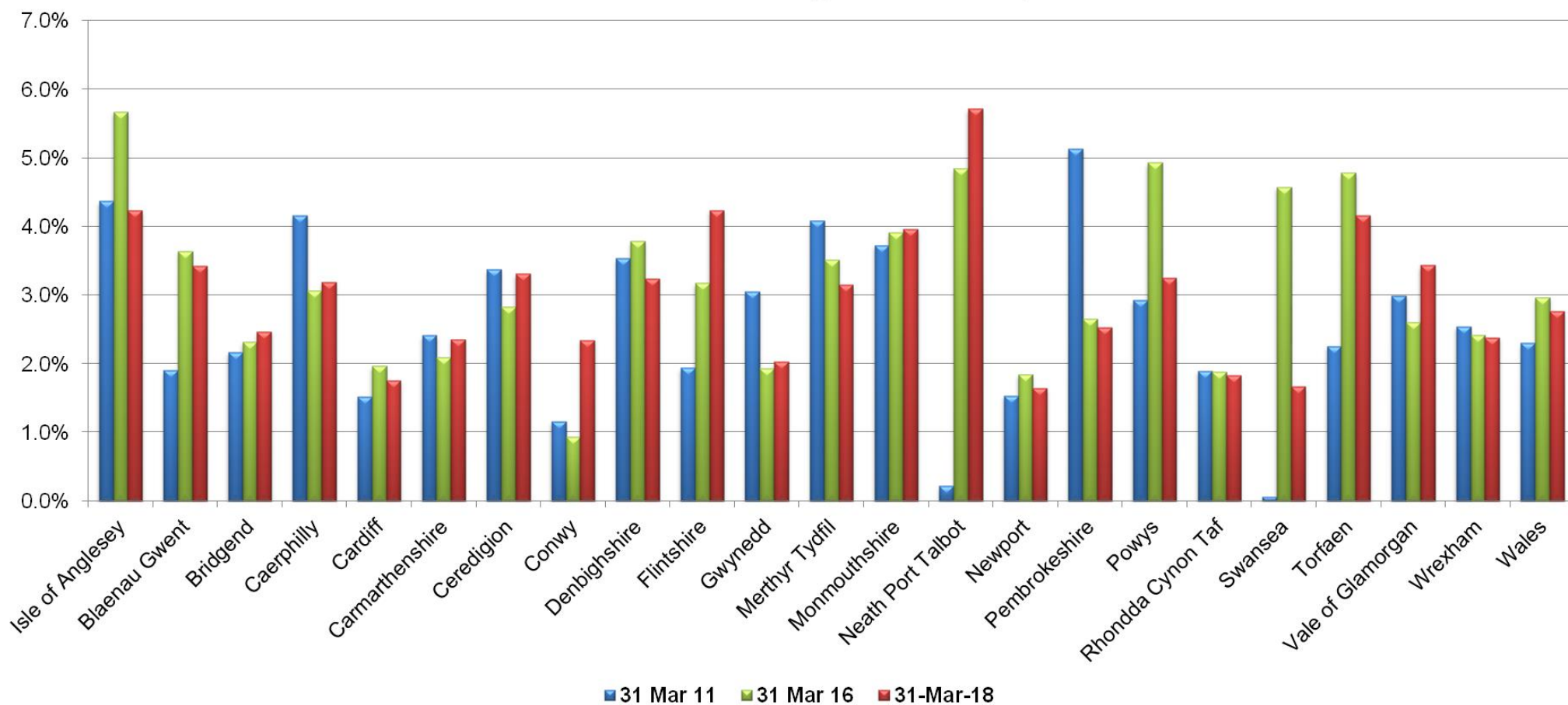
*“Usable reserves” is a recognised accounting term with specific meaning. However some reserves are legally restricted in their use. Only the general and earmarked reserves are used in the following graphs.

Source: 2017-18 Whole of Government Accounts-round 2 forms

Earmarked reserves as % of gross revenue expenditure



Unallocated reserves as % of gross revenue expenditure



Combined earmarked & general reserves as % of gross revenue expenditure as at March 2018

