

**MOVEMENTS TO RESERVES – REQUEST FOR DELEGATED AUTHORITY**

**REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)**



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

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1. **PURPOSE OF REPORT**

- 1.1 To seek approval from Council to delegate authority for decisions relating to transfers to earmarked reserves to the Deputy Chief Executive (Corporate Direction) in conjunction with the Executive Member for Finance, ICT & Asset Management.

2. **RECOMMENDATION**

- 2.1 That Council approve delegated authority to the Deputy Chief Executive (Corporate Direction) in conjunction with the Executive Member for Finance, ICT & Asset Management to approve transfer to earmarked reserves (including creation of new earmarked reserves) during the financial year.
- 2.2 That Council note that transfers from reserves to fund expenditure will continue to be made in line with the limits set out in the financial procedure roles.
- 2.3 That Council note that a full review of the Council's ear marked reserves and balances will continue to be brought to Council on annual basis as part of the outturn reports.

3. **BACKGROUND TO THE REPORT**

- 3.1 As at 31<sup>st</sup> March 2013, the Council held £5.413million in General Fund and £3.251million in Housing Revenue Account reserves. Full details of these balances are contained within Appendix 1 to this report.
- 3.2 Currently, an annual review is performed on the level of reserves as part of the outturn process. The outcomes of this review are reported to Council to obtain approval of:
- Release of reserves no longer required;
  - Creation of new reserves to fund future spend/pressures; and
  - Transfer of "excess" balances (i.e. those over the recommended minimum balance requirements) to reserves
- 3.3 Throughout the financial year, any requests to transfer money to reserves are subject to Council decision as per the Constitution. Any transfer from reserves to fund spend will be approved in line with the limits set out in the financial procedure rules.
- 3.4 Due to the Council's robust budget setting and monitoring procedures, savings are often identified throughout the year as part of periodic budget monitoring processes. In addition, unbudgeted income can be received (e.g. for large planning applications or due to un-forecast increase in activity). In the current climate and given the Council's sufficient balances, the Deputy Chief Executive (Corporate Direction), as the Council's section 151 officer, will generally recommend that such funds should be transferred to either the Council's Leisure Centre reserve (recognised as a corporate priority within the current years budget) or, where income has been received, a specific reserve in this service area to fund future pressures.

3.5 In order to ensure efficiency around this decision making process and to guarantee that funds are earmarked to meet financial needs on a timely basis, it is recommended that Council approve delegated authority to the Deputy Chief Executive (Corporate Direction) in conjunction with the Executive Member for Finance, ICT & Asset Management to approve transfers to earmarked reserves (including creation of new ear marked reserves) during the financial year.

3.6 **Transfers from reserves to fund expenditure will continue to be made in line with the limits set out in the financial procedure roles and the annual reserves review will continue to be brought to full Council for approval.**

4. **FINANCIAL IMPLICATIONS (KB)**

Contained within the body of the report

5. **LEGAL IMPLICATIONS LH**

This proposal requires an amendment to the Financial Procedure Rules and as such requires 2/3<sup>rd</sup>s majority at Council in favor of the recommendations.

6. **CORPORATE PLAN IMPLICATIONS**

The Council's governance arrangements are robust

7. **CONSULTATION**

No consultation implications.

8. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

| Management of significant (Net Red) Risks |                    |       |
|-------------------------------------------|--------------------|-------|
| Risk Description                          | Mitigating actions | Owner |
| None                                      |                    |       |

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

None

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications

- ICT implications
  - Asset Management implications
  - Human Resources implications
  - Planning Implications
  - Voluntary Sector
- 

Background Papers:            Statement of Accounts

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Executive Member:            Cllr KWP Lynch

## Appendix 1

### Earmarked Reserve Balances – Extract from Statement of Accounts

|                                              | Balance at<br>31st March<br>2011 | Transfers<br>out<br>2011/2012 | Transfers in<br>2011/12 | Balance at<br>31st March<br>2012 | Transfers<br>out 2012/13 | Transfers in<br>2012/13 | Balance at<br>31st March<br>2013 |
|----------------------------------------------|----------------------------------|-------------------------------|-------------------------|----------------------------------|--------------------------|-------------------------|----------------------------------|
|                                              | £'000                            | £'000                         | £'000                   | £'000                            | £'000                    | £'000                   | £'000                            |
| <b>General Fund:</b>                         |                                  |                               |                         |                                  |                          |                         |                                  |
| Commutation and Feasibility                  | 247                              | (10)                          | 50                      | 287                              | (120)                    | 0                       | 167                              |
| Benefits Reserve                             | 172                              | 0                             | 100                     | 272                              | 0                        | 208                     | 480                              |
| Local Plan                                   | 391                              | (17)                          | 68                      | 442                              | (34)                     | 73                      | 481                              |
| Historic Buildings                           | 14                               | 0                             | 0                       | 14                               | 0                        | 0                       | 14                               |
| Land Charges                                 | 51                               | 0                             | 0                       | 51                               | (20)                     | 233                     | 264                              |
| Disaster Recovery                            | 118                              | (118)                         | 0                       | 0                                | 0                        | 0                       | 0                                |
| Pensions Contributions                       | 109                              | (75)                          | 15                      | 49                               | 0                        | 0                       | 49                               |
| Building Control                             | 64                               | 0                             | 70                      | 134                              | 0                        | 0                       | 134                              |
| Waste Management Reserve                     | 173                              | (12)                          | 82                      | 243                              | 0                        | 74                      | 317                              |
| ICT Reserve                                  | 241                              | 0                             | 12                      | 253                              | (41)                     | 0                       | 212                              |
| Project Management/Masterplan                | 333                              | 0                             | 0                       | 333                              | 0                        | 0                       | 333                              |
| Shared Services Reserve                      | 74                               | 0                             | 0                       | 74                               | 0                        | 0                       | 74                               |
| Housing and Planning Delivery Grant          | 247                              | (75)                          | 0                       | 172                              | (43)                     | 0                       | 129                              |
| Flexible Working                             | 15                               | 0                             | 0                       | 15                               | 0                        | 0                       | 15                               |
| IFRS Capacity Support                        | 2                                | (2)                           | 0                       | 0                                | 0                        | 0                       | 0                                |
| Freedom of Information Act Training          | 3                                | 0                             | 0                       | 3                                | (3)                      | 0                       | 0                                |
| New Performance Improvement Set              | 10                               | 0                             | 0                       | 10                               | (2)                      | 0                       | 8                                |
| Housing Energy Certificate Training          | 11                               | 0                             | 0                       | 11                               | 0                        | 0                       | 11                               |
| Finance Capacity Fund                        | 20                               | 0                             | 2                       | 22                               | 0                        | 0                       | 22                               |
| Priority Improvement Fund                    | 70                               | 0                             | 0                       | 70                               | (70)                     | 0                       | 0                                |
| Workforce Strategy                           | 3                                | 0                             | 0                       | 3                                | 0                        | 10                      | 13                               |
| Elections                                    | 85                               | (68)                          | 45                      | 62                               | 0                        | 25                      | 87                               |
| Grounds Maintenance Machinery<br>Replacement | 50                               | 0                             | 25                      | 75                               | (16)                     | 25                      | 84                               |
| Transformation                               | 50                               | 0                             | 0                       | 50                               | 0                        | 0                       | 50                               |
| Relocation Reserve                           | 182                              | 0                             | 135                     | 317                              | (326)                    | 346                     | 337                              |
| Future Capital Projects                      | 486                              | 0                             | 125                     | 611                              | (611)                    | 0                       | 0                                |
| Modern Gov Reserve                           | 20                               | (18)                          | 0                       | 2                                | 0                        | 0                       | 2                                |
| Greenfields Reserve                          | 19                               | 0                             | 0                       | 19                               | 0                        | 0                       | 19                               |
| Special Expenses                             | 0                                | (7)                           | 55                      | 48                               | (74)                     | 177                     | 151                              |
| Atkins                                       | 0                                | (9)                           | 9                       | 0                                | 0                        | 0                       | 0                                |
| Carry Forwards                               | 0                                | 0                             | 136                     | 136                              | (136)                    | 139                     | 139                              |
| Hub Future Rental Management                 | 0                                | 0                             | 250                     | 250                              | 0                        | 0                       | 250                              |
| Business Rates Pooling                       | 0                                | 0                             | 0                       | 0                                | 0                        | 110                     | 110                              |
| Leisure Centre                               | 0                                | 0                             | 0                       | 0                                | 0                        | 1,353                   | 1,353                            |
| Community Safety                             | 0                                | 0                             | 0                       | 0                                | 0                        | 3                       | 3                                |
| Troubled Families                            | 0                                | 0                             | 0                       | 0                                | (30)                     | 90                      | 60                               |
| Hinckley Club for Young People               | 0                                | 0                             | 0                       | 0                                | 0                        | 5                       | 5                                |
| Development Control                          | 0                                | 0                             | 0                       | 0                                | 0                        | 40                      | 40                               |
| <b>Total Earmarked Reserves</b>              | <b>3,260</b>                     | <b>(409)</b>                  | <b>1,177</b>            | <b>4,028</b>                     | <b>(1,526)</b>           | <b>2,911</b>            | <b>5,413</b>                     |
| Unapplied Grants and Contributions           | 862                              | (141)                         | 221                     | 942                              | (86)                     | 2,069                   | 2,925                            |
| <b>Total General Fund</b>                    | <b>4,122</b>                     | <b>(550)</b>                  | <b>1,398</b>            | <b>4,970</b>                     | <b>(1,612)</b>           | <b>4,980</b>            | <b>8,338</b>                     |
| <b>Housing Revenue Account:</b>              |                                  |                               |                         |                                  |                          |                         |                                  |
| HRA Piper Balance                            | 117                              | 0                             | 9                       | 126                              | 0                        | 11                      | 137                              |
| HRA Communal Furniture                       | 4                                | 0                             | 0                       | 4                                | 0                        | 0                       | 4                                |

|                                        |              |              |              |              |                |              |               |
|----------------------------------------|--------------|--------------|--------------|--------------|----------------|--------------|---------------|
| HRA Housing Repairs Account            | 344          | 0            | 128          | 472          | (230)          | 0            | 242           |
| Regeneration Reserve                   | 0            | 0            | 0            | 0            | 0              | 2,834        | 2,834         |
| HRA Carry forward Reserve              | 0            | 0            | 0            | 0            | 0              | 34           | 34            |
| <b>Total HRA Earmarked Reserves</b>    | <b>465</b>   | <b>0</b>     | <b>137</b>   | <b>602</b>   | <b>(230)</b>   | <b>2,879</b> | <b>3,251</b>  |
| HRA Unapplied Grants and Contributions | 6            | 0            | 0            | 6            | 0              | 25           | 31            |
| <b>Total Housing Revenue Account</b>   | <b>471</b>   | <b>0</b>     | <b>137</b>   | <b>608</b>   | <b>(230)</b>   | <b>2,904</b> | <b>3,282</b>  |
| <b>TOTAL</b>                           | <b>4,593</b> | <b>(550)</b> | <b>1,535</b> | <b>5,578</b> | <b>(1,842)</b> | <b>7,884</b> | <b>11,620</b> |