

MOVEMENTS TO RESERVES – REQUEST FOR DELEGATED AUTHORITY

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)



Hinckley & Bosworth
Borough Council

A Borough to be proud of

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 31st 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 2/3rds 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
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Background Papers: Statement of Accounts

Author: Sanjiv Kohli, Deputy Chief Executive (Corporate Direction) ext 5607
Katherine Bennett, Head of Finance ext 5609

Executive Member: Cllr KWP Lynch

Appendix 1

Earmarked Reserve Balances – Extract from Statement of Accounts

	Balance at 31st March 2011	Transfers out 2011/2012	Transfers in 2011/12	Balance at 31st March 2012	Transfers out 2012/13	Transfers in 2012/13	Balance at 31st March 2013
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund:							
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 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
Total Earmarked Reserves	3,260	(409)	1,177	4,028	(1,526)	2,911	5,413
Unapplied Grants and Contributions	862	(141)	221	942	(86)	2,069	2,925
Total General Fund	4,122	(550)	1,398	4,970	(1,612)	4,980	8,338
Housing Revenue Account:							
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
Total HRA Earmarked Reserves	465	0	137	602	(230)	2,879	3,251
HRA Unapplied Grants and Contributions	6	0	0	6	0	25	31
Total Housing Revenue Account	471	0	137	608	(230)	2,904	3,282
TOTAL	4,593	(550)	1,535	5,578	(1,842)	7,884	11,620