

Special Reserve

As at 31 March 2014 the balance of the reserve was £1.767million and a small contribution of £25k to the general fund is anticipated by the end of 2014/15. Use of the special reserve will happen on a phased basis to prevent erratic movements in Council Tax increase. Members have agreed to maintain a balance in this reserve to fund invest to save projects and to support unavoidable fluctuations in contract prices as contracts are renewed.

Housing & Planning Delivery Reserve

In previous years the Council has received Planning Delivery Grant (PDG) towards meeting the then Government's Communities Plan objectives. The original time period of the Planning Delivery Grant ceased and the Housing and Planning Delivery Grant (HPDG) which replaced it has also finished. In order to match the Council's expenditure to the grant received for the approved work programme a reserve was set up to be drawn on over the forthcoming years. The balance on the reserve at the 31st March 2014 was £243k and is projected to be £161k as at 31 March 2015. This remaining balance has been allocated to projects and so investment bids have been made to continue to fund work which would have previously been funded from this source.

I.T Reserve

The projected balance on the fund is estimated to be £147k at the 31 March 2015. The IT reserve was set up to ensure funding was available for IT capital projects as it was required. In the current economic climate, when there is less scope for any form of new investment, any new capital IT investment will need to be considered alongside other Council priorities. It is not thought appropriate to maintain a reserve specifically for IT investment. Therefore, no further contributions will be made into the reserve and the remaining balance will be used on a phased basis. The special reserve is available for invest to save projects.

Environmental Warranty Reserve

As part of the Stock Transfer agreement, the Authority was required to provide environmental warranties to North Hertfordshire Homes. A desktop environmental study indicated that the risk to the Council of the warranty being used was low and the Council took the decision to self insure the warranties from the post stock transfer reserve. In 2003/04 the Council agreed to transfer funds from the post stock transfer reserve to an earmarked Environmental Warranty, which under the agreement will be held for 30 years. At the commencement of this year the balance stood at £209k.

Performance Reward Grant Reserve

The Performance Reward Grant was awarded for success against targets in the Local Area Agreement; the grant is administered by the Authority, on behalf of its 'owner' the North Herts Local Strategic Partnership. This earmarked reserve represents the revenue element of the grant and is allocated to schemes in the District identified by the LSP partners. Spending of the final portion will take place by the end of the financial year 2014/15.

Insurance Reserve

As at 31 March 2014 the Council's Insurance Fund stood at £28k. This reserve is maintained to cover the probability of a loss on self-insured assets and also to cover the possibility of future claims relating to the Municipal Mutual Scheme of arrangement.

Mausoleum Reserve

As part of the new extension to Wilbury Hills cemetery, Members agreed that receipts from the purchase of mausoleum spaces would be used to fund the extension of the number of mausoleum blocks. To date the Council has received deposits totalling £96k.

S106 Monitoring

In 2007/08 a reserve was created to cover the cost of monitoring S106 obligations in future years. The reserve is funded by S106 monitoring fees payable by Developers when they enter a S106 agreement. The balance on the reserve at the end of the year will be used to fund the cost of monitoring in future years. As at 31 March 2014 the balance on the reserve was £88K.

Homelessness

The £28k at 1 April 2014 is the unspent amount of Homelessness and Preventing Repossessions Grant, received from the DCLG, which is earmarked for homelessness prevention work.

Building Control

A new charging regime was implemented in October 2010. According to CIPFA guidance the Building Control Service should break even so there is no significant surplus or deficit at year end. However, the use of earmarked reserves is encouraged for the use of surpluses and funding of deficits if they occur, i.e. offsetting surpluses or deficits against future fees and charges or reinvesting surpluses in improving the quality of the Building Control Service.

DWP Additional Grants

This reserve is for unspent Discretionary Housing Payments and various additional Housing Benefit Administration grants to help meet the additional burden of implementing changes to the Housing Benefit process from the Department of Work of Pensions (a total of £27k remained unspent at the 1 April 2014).

Climate Change Grant / Other DCLG grants

Relatively minor grants have been awarded by the DCLG over the last couple of years. A total of £53k remains unspent at 1 April 2014 but it is committed to projects; the fund is used where there is evidence that its use will reduce ongoing expenditure, i.e. energy or water saving measures, including both council buildings and open spaces.

Museums Exhibits and Hitchin Museum Donations

The Council has previously received donations towards the purchase of exhibits. These donations are put into the reserve until an item for purchase is identified.

Property Maintenance & Leisure Management Maintenance

Both of these reserves have been created in order to provide an ability to offset future unexpected maintenance costs which cannot be funded from regular general fund budgets. The total expected balance at a 31 March 2015 is £107k.

Paintings Conservation

The paintings conservation reserve consists of receipts from the sale of the Radcliffe Book and other monies which have been earmarked for future art conservation.

Children's Services

This reserve is for play schemes and sports development grants from County Councillor's locality budgets. The £7k brought forward from 2013/14 is expected to be fully spent in 2014/15.

Town Wide Review / Town Centre Maintenance / Street Furniture / Street Name Plates / Office Move

These reserves are to reflect the fact that budgets were continually being carried forward from one year to the next. By maintaining an earmarked reserve, funds can be drawn down as required.

Community Right to BID

The time limited grant funding received to recognize the additional burden of the new legislation.

Local Authority Mortgage Scheme

This scheme was launched in 2012 in conjunction with Lloyds Bank and Leeds Building Society. The interest payable on the £1million investment in the scheme is transferred to this reserve to help provide a cushion should mortgage defaults result in the Council receiving less than the full £1million back at the end of the five years.

Personal Search Fees

A group of Property Search Companies are seeking to claim refunds of fees paid to the Council to access land charges data. Proceedings have not yet been issued. The Council has been informed that the value of those claims at present is £192,685 plus interest and costs. The claimants have also intimated that they may bring a claim against all English and Welsh local authorities for alleged anti-competitive behaviour. It is not clear what the value of any such claim would be against the Council. It is possible that additional claimants may come forward to submit claims for refunds, but none have been intimated at present. The Council has put aside funds of £152k as at 31 March 2014 in an earmarked reserve and has also made allowance in the general fund balance by identifying this issue as a financial risk.

Electoral Services

Grants have been received (total value of £9k) to help implement individual electoral registration and maximise electoral registration. There are no conditions in the grant criteria but the funds have been earmarked for this purpose.

Taxi Licences

The Licensing and Appeals Committee reviewed the Licensing fees and charges policy during 2013/14 and resolved that the Council should seek to fully recover the lawful costs associated with licensing activity and any over/under recovery of costs should be rectified where legislation allows. This earmarked reserve will be used to hold any surplus until this action is taken.

Waste & Recycling

Discussions at the Hertfordshire Waste Partnership have suggested the funding the Council receives from the Alternative Financial Model (AFM) is less certain over the next 4 years. The Council has received a payment in 2014/15 in excess of budget, as a result of increased recycling levels. This excess will be transferred into this reserve to help cushion the impact of any reduction in the following years and also to be used for expenditure incurred in the development of a northern transfer station.