

Appendix 2

SPECIFIC/EARMARKED RESERVES - 2005/6.

Movements in Specific Reserves (Extract from Statement of Accounts).

RESERVES	Opening Balance 1 ST April 2005 £'000	Received in Year £'000	Used in Year £'000	Closing Balance 31 ^t March 2006 £'000	Movement in Year £'000
Revenue Reserves					
Insurance	3,062	896	(875)	3,083	21
Support Services	421	167	(106)	482	61
Benefits General	307	0	0	307	0
Building Control	76	0	(49)	27	(49)
Planning	538	576	(100)	1,014	476
Social Inclusion	76	0	(31)	45	(31)
Communications	71	0	(5)	66	(5)
Human Strategy Implementation	73	0	(16)	57	(16)
Best Value Review	40	0	0	40	0
Lottery	50	0	0	50	0
Corporate Property	250	0	0	250	0
Dowry	572	0	0	572	0
	5,536	1,639	(1,182)	5,993	457

Summary

It should be noted that the above reserves are earmarked for specific purposes and reasons.

Description and Reasons for the Reserves

Insurance Reserve

A number of years ago the Council decided to self-insure elements of risk. The necessitated the creation of a reserve to cover outstanding liabilities which have or will occur in the future. The fund is reviewed every 3 years, the next review is due in 2007 and will reflect the position following the arms length arrangements between the Council and East Durham Homes. This review will be reported in due course.

Support Service Reserve

This reserve has grown as a result of non-material savings from support services. The reserve will be used to smooth out implementation of the Contact Centre in addition to assisting procurement of IT software.

Benefit Reserve

This reserve was created around 2/3 years ago for 2 main reasons. Year to year volatility in the subsidy system due to legislative changes and the treatment of elements of subsidy, which has in the past caused significant fluctuations to the budget. The creation of the reserve has taken pressure off general budgets smoothing out the volatility from general subsidy and changes to the administration grant.

In addition the benefits section from time to time takes part in one off initiatives such as benefit take up campaigns and the reserve creates capacity to ensure the day to day service is not adversely affected.

Building Control

The Council is not permitted to make surpluses from building control fees. This reserve was created to fund extra capacity when required.

Planning Grant

The Council has received significant sums of performance related Planning & Delivery Grant since 2003/4 the balance standing at just over £1m at the end of 2005/6.

Although the grant is not subject to ring fencing rules there are a number of issues relating to planning around shortage of staff, enforcement, e government and future planning requirements. The reserve is to tackle those issues and ensure performance is maintained. Members may recall previous staffing reports to be funded from this reserve. For 2006/7 we expect to utilise £203,000 from the reserve.

The Head of Planning and Building Control is to prepare a report on future utilisation of the fund.

Social Inclusion Reserve

Has been established to address initiatives in respect of the elderly and young people and to resource officer support.

Communications Reserve

Has been established to fund areas identified within the strategy to improve communications to the public.

Human Resource Strategy Implementation Reserve

Established to create capacity to implement the HR Strategy.

Best Value Review

Established to resource the cost of external scrutiny to the review of support services.

Lottery Reserve

This reserve is committed to provide leisure facilities for the West of the District.

Corporate Property Reserve

This reserve was created in 2004/5 to support project management issues relating to council premises.

Dowry Reserve

Committed for future environmental works following sale of industrial land.