

Appendix 3

SPECIFIC/EARMARKED RESERVES – 2006/7

Movement in Specific Reserves (Extract from Statement of Accounts)

	Opening Balance	Received In Year	Used In Year	Closing Balance
Insurance Reserve	3,083	0	(105)	2,978
Support Services	482	27	(100)	409
General Housing Subsidy	400	0	0	400
Benefits General	307	0	(200)	107
Building Control	27	0	0	27
Planning	1,014	0	(201)	813
Social Inclusion	45	0	(16)	29
Communications	66	0	(12)	54
Human Strategy	57	0	(24)	33
Best Value Review	40	0	(40)	0
Lottery	50	0	0	50
Corporate Property	250	0	0	250
Dowry	572	0	0	572
Repayment of After Values	261	0	0	261
Regeneration Reserve	0	1,883	0	1,883
Management of Change	0	1,500	0	1,500
Use of Reserves	0	1,179	0	1,179
Earmarked for Capital	0	309	0	309
	6,654	4,898	(698)	10,854

Summary

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

Description and Reasons for Reserves

The Insurance Reserve was established in 1992 and is used to fund the first £140,000 of each claim up to a £500,000 annual cap. A further £149,000 is held by the Councils' external insurance broker to administer claims handling on behalf of the Council.

The Support Services Reserve arises following the introduction of internal recharges and Service Level Agreements between Central Support Services and Direct Service Departments. Any profits or losses are allocated to this account as necessary.

The General Housing Subsidy Reserve (HRA) is available for repayment of DCLG grant.

The Benefit General Reserve has been established to ensure sufficient funds available if the DWP request reimbursement for grants previously received from them, and also to finance the new initiatives currently been implemented within the benefits regime.

The Building Control Reserve has been established from surplus income received in 2003/04 which is required to fund a replacement IT system and an additional staffing placement.

The Planning Grant Reserve has been established from the Government grants paid since 2003/04. The grant is being utilised to fund improvements to the service over the next 4 years.

The Social Inclusion Reserve has been established to address initiatives in respect of the elderly and young people and to resource officer support.

The Communications Reserve has been established to fund areas identified within the communications strategy. There are a number of national and local initiatives to be communicated to the public.

The Human Strategy Implementation Reserve has been established to fund the implementation of the Human Resource Strategy.

The Best Value Reserve has been established to resource the cost of external scrutiny to Best Value reviews.

The Lottery Reserve is the balance of monies remaining unallocated from the defunct local lottery, and is available to fund leisure activities.

The Corporate Property Reserve has been established to fund the feasibility study in the construction of new Corporate Premises.

The Dowry Account is a reserve received from One North East and is to be used towards maintenance works of the Hawthorn Coke work site beginning in April 2008 for a 10-year period.

The Repayment of After Values is a reserve set aside to meet possible repayment of grant in relation to Derelict Land (reclamation schemes).

The Regeneration Reserve has been established from the Local Authority Business Growth Incentive grant and is to be used to sustain and support future regeneration initiatives within the District.

The Management of Change Reserve has been established to support the general fund budget over the medium term in anticipation of severe financial risks charging from the Comprehensive Spending Review 2007, the efficiency agenda for 2008 and other service pressures.

The Use of Reserves has been established to set aside resources to cover the programme of initiatives agreed by Members in November 2005 whereby an additional £1.5m of reserves was released to achieve service improvements, increased capacity and efficiencies over a 3 year programme.

The Capital Reserve has been established from monies from the sale of the industrial portfolio, which was previously included within the general fund balance. The reserve represents the residual amount, which is unspent.

