

RESERVES

Reserve	Balance at 1 April 2018 ¹ £000	Projected balance at 31 March 2019 £000	Projected balance at 31 March 2020 £000	Description
Adult Social Care and Health Demand Pressures	-66	-66	0	This reserve has been used in the support of the Adults and Health portfolio managing its demand pressures, particularly through a focus on prevention.
Adult Social Care Support Grant 2018/19	0	-2,065	-2,065	In February 2018 the government announced an additional £150m for Adult Social Care Services in 2018/19 which was allocated to councils based on their relative needs. £2.065m was designated to West Sussex and is held in the reserve.
Adult Social Care Transformation Fund	-1,743	-323	-323	A one-off Adult Social Care grant was announced as part of the 2017/18 settlement. The funding is worth £241m nationally and £3.3m to West Sussex. These funds have been used to pump-prime transformational investment in adult social care, with spending decisions to be taken through the Corporate Transformation Board. The remaining balance will continue to be used in this way.
Budget Management	-30,110	-29,493	-24,840	Held to guard against uncertainty and volatility over future Local Government finance settlements, business rate income and localisation of Council Tax benefits, as well as guarding against the risk of non delivery of savings.
Business Infrastructure	-706	-706	-706	Reserve held to pump-prime local economic developments, through developing the broadband network, facilitating new business start-ups, and financing internal infrastructure improvements using local contractors where appropriate.
Business Rates Pilot	0	0	-18,141	Increased business rates in relation to a joint bid with Districts and Boroughs to be a pilot area for 75% business rates retention in 2019/20. The gain will be invested jointly by the County Council and Districts/Boroughs on project work with economic benefit, but is reflected in the County's budget as the lead authority.
Capital Expenditure	-4,010	0	0	This reserve was used to finance expenditure within the capital programme as part of the capital financing strategy.
Capital Infrastructure	-12,028	-12,028	-12,028	Held to support capital plans over the longer term, such as the A27 scheme, thus avoiding the need to borrow and incurring the associated long term capital financing costs.
Community Initiative Funding	-33	0	0	Monies carried forward from 2016/17 in respect of the Community Initiative Funding have now been fully applied as intended.
Contract Settlement	-203	0	0	Provides for potential claims arising from the settlement of contractual arrangements.
Counselling Services to Schools	-383	0	0	Reserve established using a 2016/17 contingency allocation, has been used to support schools in their on-going provision of discretionary counselling services.
Deprivation of Liberty Safeguarding	-1,000	-1,000	-1,000	Held to support the Council in undertaking its statutory assessments of whether arrangements made for the care and/or treatment of an individual lacking capacity to consent amounts to a deprivation of liberty.
Economic Growth Reserve	0	-1,297	-1,297	Held to deliver the Economic Growth Plan.
Education Software Upgrades	-46	0	0	Used in the updating of the central education database and admissions software.
Elections	-200	-200	-400	To hold annual contributions built into the base revenue budget. Will be used to finance administrative costs in an election year.
Highways and Education Buildings	-32	-32	-32	Held to cover any outstanding shortfall within the Education Basic Need programme as a result of the DfE grant shortfall, along with providing improvements on the highway.

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Highways Commuted Sums	-3,057	-3,057	-3,669	Holds a balance of contributions received from developers in respect of future maintenance costs of non-standard highways infrastructure.
Infrastructure Works Feasibility	-298	0	-1,000	Reserve created to support the development and delivery of the County Council's Capital Programme.
Insurance	-8,049	-6,421	-6,421	Held in respect of the Authority's self-funding insurance scheme, to provide for the risk of unknown future claims. The value of the reserve is subject to regular review by independent insurance advisers to assess its validity in consideration of historical and market trends.
Interagency Fees	-260	0	0	Created to smooth the impact of timing changes to the payment of Interagency Adoption Fees. Previously paid in three instalments, 2018/19 became the first year for the payment to be made in full at the beginning of the adoption process.
Interest Smoothing Account	-830	-830	-830	Held to meet temporary shortfalls arising from fluctuations in interest rates, such as a reduction in investment returns or increased costs of borrowing, in line with the prudence principle in the financial strategy over matters over which the Council has little control.
Multi Agency Safeguarding Hub	-122	0	0	Created to allow the recruitment of two education advisor posts within the Multi Agency Safeguarding Hub. Due to delays with recruitment, the full sum was not required in 2018/19. Permanent revenue funding has been established as part of the 2019/20 budget setting process, hence this reserve will not be required going forward.
NNDR Appeals	-460	-460	-460	To cover the council's share of any potential liability following successful business rates appeals.
On Street Parking	-806	-526	-526	Represents the surplus of charges over enforcement and associated costs, which is used to finance on street parking development and eligible transport network expenditure.
One Public Estate	-415	-215	-215	Reserve established in 2017/18 to hold the balance of Government grant funding received to develop plans for rationalising the public estate together with partners including District Councils, Health and Sussex Police.
Operation Watershed	-165	0	0	Held to meet the cost of the works identified in the Flood Report, and other drainage and highways works relating to extreme weather conditions. This will include drainage and emergency works following extreme flooding.
Payroll Improvement Project	-50	0	0	This reserve has been used to fund the automation tool for the payroll improvement project.
Pothole Action Bonus Fund	-540	0	0	This reserve has been used to enable the County Council to focus on longer term repairs across the highways network.
Crawley Schools Private Finance Initiative (PFI)	-7,199	-6,696	-6,643	The PFI reserves hold the surplus of government credits and other sources of finance over unitary charge payments and other expenditure in the early years of the respective contracts, to meet future expenditure over the life of the PFI arrangements. This equalises the costs to the taxpayer of building and maintaining the facilities over the duration of the contracts. This is underpinned by detailed financial models to ensure that the schemes remain solvent throughout their durations.
PFI Street Lighting	-19,613	-19,703	-19,864	
PFI Waste Management	-12,415	-12,415	-12,415	

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Records Office WWI	-49	0	0	Held to support the World War I centenary and related projects.
Schools Sickness and Maternity Insurance Scheme	-2,085	-2,085	-2,085	Holds the accumulated surplus on the Sickness and Maternity Insurance Scheme operated by the Authority for its maintained schools.
Service Transformation:				<p>The Service Transformation reserves are held to meet the costs of major organisational transformation. They are used to fund short-term costs in order to deliver on-going savings, and as a source of investment to finance improvements to services so that they become more efficient and provide better outcomes. From 2019/20, the reserves will be split as follows.</p> <ul style="list-style-type: none"> -ICT: to cover replacement and new technologies and equipment. -Resourcing: to cover all other resourcing (capacity, skills and supporting needs) to ensure successful project and programme delivery. -Early severance: to cover the costs arising from workforce reduction. <p>The projected balances as at 31 March 2020 do not yet reflect spending to be incurred during the year.</p>
-ICT			-5,000	
-Resourcing	-11,513	-6,500	-5,000	
-Early Severance			-3,000	
Social Care Support	0	0	-5,243	This holds the County Council's share of the £410m Social Care Support Grant announced by Government in the 2018 Budget. Although it is currently shown as an earmarked reserve, the intention is to use it to support expenditure in the Adults' and Children's portfolios once final decisions about the 2019/20 budget proposals have been made.
Special Support Centres	0	0	-1,845	Revenue funding set aside to help fund the creation of additional Special Support Centres in our mainstream schools in the capital programme. These funds will help to reduce our borrowing requirements.
Statutory Duties Reserve	-2,350	-1,570	-1,570	Holds funding to meet any obligations over and above that which the Authority has made provision for, such as those relating to payments made outside of payroll, and to meet any costs associated with the implementation of the General Data Protection Regulation (GDPR) and Health and Safety requirements.
Strategic Economic Plan	-1,852	-1,295	-1,210	Held to support the progression of the economic priorities within the Coast to Capital Local Enterprise Partnership.
Street Works Permit Scheme	-836	-871	-871	Street Works Permit surplus income transferred into reserve as the use of this income is restricted to supporting the delivery of the scheme in line with legislation.
Sustainable Investment Fund	-761	-21	0	This reserve was created from funding for Be The Business and the Social Enterprise Fund, with the aim to encourage match funding to enhance the opportunity to support West Sussex businesses.
Tax Liabilities	-142	-142	-142	Established to finance any tax liabilities arising from HMRC audits, which can be backdated by up to four years.
Unapplied Revenue Grants	-1,804	-1,800	-1,770	The Unapplied Revenue Grant reserve represents the unspent balance on revenue grants which are received for specific purposes but where there are no outstanding conditions on the grant which could require its repayment. The grant has therefore been recognised in full in accordance with accounting standards, but the unapplied balance is held in a reserve to fund future expenditure plans relevant to the purpose of the grant.

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Waste Management MRMC	-26,116	-27,915	-25,915	An investment fund to meet the 25-year Materials Resource Management Contract (MRMC) with Biffa Waste Services Ltd for the treatment and disposal of waste, including the development of appropriate facilities.
Waste Volatility	-500	0	0	Held surplus income from the sale of recyclable materials by Waste Collection Authorities. Utilised in 2018/19.
Youth Offending Service	-85	0	0	Enabled one-off training for Youth Offending Staff.
TOTAL EARMARKED RESERVES (NON SCHOOLS)	-152,932	-139,732	-166,526	
Dedicated Schools Grant (DSG)	-5,489	-2,798	-2,798	DSG is ring-fenced and can only be applied to finance expenditure on schools. This includes individual school budgets and an element of central expenditure on educational services provided on an authority-wide basis.
School Balances	-14,995	-14,556	-14,556	The School Balances reserve holds net underspending on locally managed budgets.
TOTAL EARMARKED RESERVES (SCHOOLS & NON SCHOOLS)	-173,416	-157,086	-183,880	
General Fund	-20,286	-20,286	-20,286	The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment at the end of the financial year.
Capital Grants Unapplied Account	-13,627	0	0	Holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.
TOTAL USABLE RESERVES	-207,329	-177,372	-204,166	

¹ Opening balances have been adjusted for transfers agreed as part of the 2018/19 budget as approved by County Council in February 2018