

ANNEX F

Reserve Name	Purpose	Status	Position 31/03/2018	Forecast position 31/03/2019	Forecast position 31/03/2020	Forecast position 31/03/2021	Forecast position 31/03/2022	Commentary
GF Working Balance								
General Fund (GF) Working Balance	Statutory Reserve to hold sufficient revenue funds to meet unexpected or unplanned expenditure or shortfalls to income not allowed for within the Councils main revenue budget.	Active	(19.680)	(20.479)	(20.479)	(20.479)	(20.479)	
Total GF Working Balance			(19.680)	(20.479)	(20.479)	(20.479)	(20.479)	
GF Budget Management								
Corporate Property Reserve	To fund one-off expenditure of the Council's Operational Buildings in line with approved Asset Management Plans.	Active	(2.612)	(2.471)	(2.471)	(2.471)	(2.471)	A Strategic Asset Management Strategy is currently being developed and it is expected that this will identify further investment required in Council Operational Assets. The forecast balance of this reserve is therefore expected to be revised downwards once this Strategy has been approved.
Highways Severe Weather Reserve	To fund exceptional costs arising from severe weather events and the cost of keeping local roads accessible and safe (inc Grit Bins) where the base budget is not sufficient.	Active	(0.412)	(0.423)	(0.423)	(0.423)	(0.423)	
Housing Benefit Subsidy LA Error Reserve	Recommended balance held to manage the impact of the LA Error Threshold being breached.	Active	(1.595)	(1.595)	(1.000)	(1.000)	(1.000)	Progress has been made on clearing the backlog, which will mean that the error rate will in the short term increase, thereby increasing the likelihood that this reserve will be called upon for the 2018/19 and 2019/20 claims. We have made provision for this in the forecasted balances but this is subject to change.
HR Manpower Planning Reserve	This fund supports one-off costs associated with Council Terms and Conditions, Restructuring and Re-organisations.	Active	(2.724)	(2.363)	(1.863)	(1.363)	(0.863)	This reserve will be used to fund one-off costs from staff restructuring. It has been assumed that we will drawdown £0.500m a year.
Internal Insurance Fund	Internal fund used to manage the financial risk of claims which fall below the excess limits under the Councils Insurance provider contract.	Active	(3.272)	(2.272)	(2.272)	(2.272)	(2.272)	The timing over this reserve is based on recommendations from the Council's insurers to provide sufficient resources to meet future liabilities that are not covered by external insurance policies. Whilst this reserve could be recycled this would require the Council to place higher levels of external insurance, resulting in higher premiums and is not
LCTS & Welfare	This is to fund the potential impact from LCTS and the withdrawal of reimbursement of loss on council tax overpayments from central government.	Active	(1.014)	(0.932)	(0.832)	(0.732)	(0.632)	Given all of the uncertainty over Universal Credit and wider economic issues the Council maintains this reserve to help support vulnerable local residents who need additional temporary support which falls outside of the Council Tax Support scheme or Discretionary Housing Payments funding from Central Government. Whilst no forecast use of this funding has been made it is likely that this balance will reduce over the medium term. We will anticipate small use against this reserve over the medium term and this reflected in the
Legal Fees Reserve	Provides for one-off funding as and when legal challenges arise to either defend the Council's position or take action to protect its and the taxpayers interests.	Active	(1.572)	(0.347)	(0.347)	(0.347)	(0.347)	This is a reactive reserve to support the legal costs of unexpected or exceptional cost not factored into the Councils base budget. There are no current plans to make new contributions to this reserve but the funding level will be reviewed each year.
Money Market Reserve	Mitigates against the impact of shortfalls in investment returns on the revenue budget caused by lower yields.	Active	(0.400)	(0.400)	(0.400)	(0.400)	(0.400)	
NNDR - funding volatility reserve	Reserve maintained to deal with the volatility of business rates income as a result of unexpected changes to income from appeals and potential future changes to the system by government.	Active	(2.078)	(5.993)	(5.993)	(2.997)	(2.997)	Our current working assumption is that a reset will arise in 2020/21 as planned and 50% of this balance will be needed to mitigate the impact in year. This will need to be reviewed once further details are published by Government.
Ordinary Residency – LD Services	Risk of costs arising from other Local Authorities in respect of Ordinary Residency decisions affecting MKC's responsibility to pay for clients' Social Care.	Active	(0.225)	(0.225)	(0.225)	(0.225)	(0.225)	
Overpayments and Welfare Reform Reserve	Balance held to fund unexpected and unbudgeted impacts from welfare reform and address the financial risks from non-collection of HB overpayments.	Active	(0.835)	(0.835)	(0.835)	(0.835)	(0.835)	The timing over the draw down on this reserve is not easy to predict due to the delays to the roll out of UC and reductions in working age claimants with overpayments which will no longer be deducted from on-going HB payments.
Total GF Budget Management			(16.739)	(17.856)	(16.661)	(13.065)	(12.465)	
GF Temporary Earmarked Reserves								
ASC prevention and efficiency	Funding will be targeted at preventative measures, to enable people to remain independent, and will include initiatives such as where community equipment and aids for daily living, alongside professional advice, can be utilised to meet need.	Close from 31 March 2021	(1.256)	(0.516)	(0.116)	0.000	0.000	To be used in 2019/20.
Bradwell Abbey	Funding set aside for repairs to Bradwell Abbey.	Close from 31 March 2019	(0.361)	0.000	0.000	0.000	0.000	To be used in 2018/19.
Broadband Delivery UK project.	For spend on the Broadband Delivery UK (BDUK) project.	Active	(0.160)	(0.108)	(0.071)	0.000	0.000	This reserve is held as a risk contingency associated with the delivery of the BDUK contracts (currently contract 2, with a 3rd approved).
Community and cultural services review (CCSR).	Transitional funding for the community and cultural services review (CCSR).	Active	(0.294)	(0.184)	(0.097)	0.000	0.000	Reserves will be used next 2 years however in 20/21 there is a indicative plan to use the last part of the reserves and also reshape an area of the service.
Conservation areas	Funding to support the review of Conservation areas.	Active	(0.021)	(0.017)	(0.017)	(0.017)	0.000	To be used in 2020/21
Economic Development Reserve	Supports economic development projects across the borough.	Close from 31 March 2019	(0.087)	0.000	0.000	0.000	0.000	To be used in 2018/19.
Events Reserve	To provide some funding for any future major events, the Council wishes to support but were not known at the time of setting the budget. Dedicated resources for MK50.	Active	(0.525)	(0.076)	(0.026)	0.000	0.000	The balance will be fully drawn down by 31 March 2021.
Heritage at Risk	Requirement to engage professional expertise and contractors to address the deterioration of the Council's historic structures. Currently we have several examples where deterioration has reached such a level that without this investment the costs that the Council would have to otherwise incur would be far greater.	Close from 31 March 2019	(0.062)	0.000	0.000	0.000	0.000	To be used in and 2018/19
Homelessness Partnership Funding	Funding for the provision of emergency short-term shelter for those requiring immediate support, emergency support for those without accommodation including sanitary facilities and an outreach assessment service as proposed by Homelessness Partnership and endorsed by Cabinet on 6th December 2016.	Close from 31 March 2019	(0.169)	0.000	0.000	0.000	0.000	To be used in and 2018/19
Local Government Reorganisation Debt Reserve	Reserve used to smooth the impact of MRP from the re-organisation of local government historic debt.	Close from 31 March 2021	(6.018)	(4.058)	(2.098)	0.000	0.000	The balance will be fully drawn down by 31st March 2021.
Ouse Valley Link	Endowment for funding works on the Ouse Valley Link.	Close from 31 March 2021	(0.006)	(0.006)	(0.006)	0.000	0.000	To be used in 2019/20.
Parking Facilities Commuted Lump Sums	For spend on parking schemes arising from reviews in Bletchley and Stony Stratford.	Close from 31/3/2021	(0.007)	(0.007)	(0.007)	0.000	0.000	To be used in 2019/20.

Planning Studies	To fund Commercial Viability Study which, in turn, is to underpin the Central Bletchley Prospectus	Close 31 March 2020	(0.130)	(0.040)	0.000	0.000	0.000	To be used in 2018/19 and 2019/20.
Potholes	One off funding for additional pot hole repairs	Close from 31 March 2019	(0.200)	0.000	0.000	0.000	0.000	To be used in 2018/19.
Revenue Financing Reserve	This reserve includes monies for arts and sports endowments to cover the cost of maintaining and repairing works of art and sports facilities within the borough and also smaller sums for the costs of construction and traffic calming of planned events.	Close from 31 March 2019	(0.003)	0.000	0.000	0.000	0.000	To be used in 2018/19.
Value for Money Reserve - To be renamed Strategic Development Fund	Funds one off costs from new initiatives to enable the Council to realise cost savings, grow income or both. Releases are subject to the provision of a satisfactory business case.	Active	(3.434)	(2.298)	(2.198)	(2.198)	0.000	This reserve will be fully used over the MTFP period and the forecast updated once a clearer view on the costs of transformation delivery are known.
Total GF Temporary Earmarked Reserves			(12.733)	(7.310)	(4.636)	(2.215)	0.000	
Budget management - Ring-fenced								
Better Care Fund	Balance of unspent ring-fenced grant funding held over for future investment in services.	Active	(0.655)	(0.655)	(0.655)	(0.655)	(0.655)	
Public Health	Balance of unspent ring-fenced grant funding held over for future investment in services.	Active	(0.804)	(0.420)	(0.335)	0.000	0.000	This reserve is expected to be used to manage the grant reductions by 2020/21.
Total Budget management - Ring-fenced			(1.459)	(1.075)	(0.990)	(0.655)	(0.655)	
Trading								
Building Control	Ring Fenced Trading Account to hold surpluses relating to the trading elements of the building control service.	Active	(0.044)	0.000	0.000	0.000	0.000	Reserve will be used in the event of future year trading deficits
Parking Reserve	Ring Fenced Trading Account to hold surplus funds not yet deployed in respect of On Street Parking or other related activities.	Active	(0.346)	(0.332)	(0.332)	(0.332)	(0.332)	
Total Trading			(0.390)	(0.332)	(0.332)	(0.332)	(0.332)	
Tariff Management								
One-off costs of the HCA transfer	Potential clawback and financial reporting system requirements.	Active	(0.330)	(0.284)	(0.284)	(0.284)	(0.284)	
Tariff Reserve	Funding set aside to manage the potential financial cost to the Council under the Risk Sharing Agreement. This is reviewed on annual basis and if further contributions are required these will be added into the reserve.	Active	(4.021)	(4.601)	(5.181)	(5.761)	(6.341)	The reserve will remain in place until the required tariff contributions to meet the infrastructure costs have been received
Total Tariff Management			(4.351)	(4.885)	(5.465)	(6.045)	(6.625)	
Delivering Capital Programme - GF								
Capital Reserve - GF	GF revenue contributions held to finance the current capital programme.	Active	(6.474)	(3.476)	(3.476)	(3.476)	(3.476)	Funding is for specific projects allocated within the current capital programme.
Feasibility Work for Education Capital Programme	Feasibility funding held to finance the cost of studies for future expansion, sites and new builds to support the growth of the borough.	Active	(0.287)	(0.287)	(0.287)	(0.287)	(0.287)	
Infrastructure Reserve	Revenue contributions held to finance the prior year, current and future borrowing costs of highways investment in the local network.	Active	(13.085)	(13.052)	(12.468)	(12.025)	(12.025)	This reserve will remaining in use for the term of the borrowing - Borrowing terms vary depending on the asset expenditure, but the current programme of work continues until 2038
New Homes Bonus	NHB funding which is allocated within the capital programme together with £1.347m which is set aside towards the back dated viador claim which will be settled in 2018/19.	Active	(13.866)	0.000	0.000	0.000	0.000	Funding is allocated within the Capital Programme for specific schemes.
Planning Gain Reserve (S106)	Balance of S106 funds held to be invested in a range of different infrastructure schemes linked to the relevant development agreement.	Active	(0.986)	(0.986)	(0.986)	(0.986)	(0.986)	
Waste Cashflow Reserve	Equalisation Reserve to manage the timing differences of debt financing costs associated with the new Residual Waste Treatment Facility (RWTF).	Active	(4.257)	(3.468)	(2.644)	(1.786)	(1.786)	The borrowing of the RWTF continues until 2042
Total Delivering Capital Programme - GF			(38.955)	(21.269)	(19.861)	(18.560)	(18.560)	
3rd Party								
LGSS Reserve	Balance of surplus funds held on behalf of the LGSS Partnership managed under a Joint Committee delegated arrangement.	Active	(0.105)	(0.076)	(0.076)	(0.076)	(0.076)	
Revs and Bens LGSS reserve	This reserve covers two areas 1) to manage the demands and resourcing requirements of the combined LGSS Revs and Bens Joint Committee between the two services – NBC and MKC. 2) to fund digital transformations in the MKC Revs and Bens service	Active	(0.490)	(0.264)	(0.175)	(0.175)	(0.175)	
SALIX Reserve	Government funding held for future investment in energy related projects. Once all viable projects have been completed the funding must be returned to the government under the terms of the agreement.	Active	(0.250)	(0.250)	(0.250)	(0.250)	(0.250)	The repayment to SALIX is when we no longer meet the terms of the loan. If we do not have sufficient energy projects to make use of the loan facility the reserve will need to be repaid.
Schools Balances	Balances of net funds held on behalf of schools. Under the current policy these funds belong to the schools and not the Council.	Active	(8.881)	(8.881)	(8.881)	(8.881)	(8.881)	The schools balances hold the balances of the maintained schools as they are consolidated and are part of the MKC accounts. This is not our money and is fully delegated to schools.
Total 3rd Party			(9.726)	(9.471)	(9.382)	(9.382)	(9.382)	
HRA Working Balance								
Housing Revenue Account Balance	Statutory Reserve to hold sufficient revenue funds to meet unexpected or unplanned expenditure or shortfalls to income not allowed for within the Councils landlord function.	Active	(7.259)	(7.259)	(7.259)	(7.259)	(7.259)	
Total HRA Working Balance			(7.259)	(7.259)	(7.259)	(7.259)	(7.259)	
Delivering Capital Programme - HRA								
Block Improvements/Regeneration reserve	Funding set aside to invest in future years to enable programmes to be delivered on the Councils Regeneration sites.	Active	(1.239)	(1.264)	(1.288)	(1.312)	(1.312)	Awaiting approval of the HRA Business Plan and this will then be re-profiled.
Capital Reserve - HRA	HRA Capital Receipts held to finance the current capital programme.	Active	(49.067)	(52.016)	(56.231)	(61.226)	(61.226)	Awaiting approval of the HRA Business Plan and this will then be re-profiled.
Lakes Estates Regeneration Project	These reserves comprise monies to cover the costs of Lakes Regeneration, set aside in 2009/10 to fund consultation services on the future of the Lakes Estate. Maintenance budget under spends have been set aside to be utilised in future years on areas such as Access MK.	Active	(0.106)	(0.106)	(0.106)	(0.106)	(0.106)	Awaiting approval of the HRA Business Plan and this will then be re-profiled.
Major Repairs Reserve	Statutory reserve maintained to hold capital funding for future investment in the Councils Housing Stock or to repay debt.	Active	(23.225)	(23.225)	(23.225)	(23.225)	(23.225)	Awaiting approval of the HRA Business Plan and this will then be re-profiled.
Total Delivering Capital Programme - HRA			(73.637)	(76.611)	(80.850)	(85.869)	(85.869)	
Total Reserves			(184.930)	(166.546)	(165.914)	(163.860)	(161.625)	