

Earmarked Reserves

Reserve	Purpose	Active/finished	Balance 1 April 2020	Forecast Position 31/03/21	Forecast Position 31/03/2022	Forecast Position 31/03/2023	Forecast Position 31/03/2024	Commentary
GF Working Balance								
General Fund 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	(21.155)	(30.387)	(30.387)	(30.387)	(30.387)	
GF Budget Management								
Funding Core Responsibilities								
Corporate Property Reserve * <i>sinking funds</i>	To fund one-off expenditure of the Council's Operational Buildings in line with approved Asset Management Plans.	Active	(3.204)	(4.315)	(2.126)	(1.126)	(1.126)	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.
HR Manpower Planning Reserve	This fund supports one-off costs associated with Council Terms and Conditions, Restructuring and Re-organisations.	Active	(2.185)	(1.700)	(1.000)	(0.500)	(0.500)	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	(1.609)	(1.265)	(1.265)	(1.265)	(1.265)	The funding level of 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 recommended.
Pension Fund	Reserve to manage the potential impact of pension revaluation changes	Active	(1.243)	(2.158)	(3.087)	(4.032)	(4.977)	
Managing High Volatility								
Covid 19 Reserve	Earmarked to offset the impact of COVID-19. This funding is one-off and should be viewed as a backstop option considering the potential risks for 2021/22. These funds have been moved into a separate 'COVID-19' reserve to help support the Councils budget position	Active	(6.078)	0.000	0.000	0.000	0.000	
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	(0.423)	(0.250)	(0.250)	(0.250)	(0.250)	Uncommitted reserves removed & Held Centrally in the Covid-19 reserve. Balance will fund exceptional costs caused by Severe Weather.
Housing Benefit Subsidy Equalisation	Recommended balance held to manage the impact of the LA Error Threshold being breached.	Active	(1.217)	(0.500)	(0.500)	(0.500)	(0.500)	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. Part of the reserves has been removed & Held Centrally in the Covid-19 reserve
LCTS & Welfare	This is to fund the potential impact from LCTS	Active	(0.961)	(0.790)	(0.690)	(0.590)	(0.490)	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 forecasted balance.
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	(1.533)	(1.200)	(1.000)	(0.500)	(0.500)	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. Part of the reserve has been removed & Held Centrally in the Covid-19 reserve
Overpayments and Welfare Reform	Balance held to fund unexpected and unbudgeted impacts from welfare reform and address the financial risks from non-collection of HB overpayments.	Active	(1.430)	(0.460)	(0.420)	(0.380)	(0.340)	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. Part of the reserve has been removed & Held Centrally in the Covid-19 reserve.

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Collection Fund Cashflow 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	(9.475)	(13.307)	(10.907)	(8.907)	(6.907)	
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 2022	(2.099)	(0.140)	0.000	0.000	0.000	The balance will be fully drawn down by 31st March 2022.
Delivering Transformation and Change								
Strategic Development Fund (was VFM)	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	(2.220)	(1.069)	0.000	0.000	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.
Office 365 Implementation	To implement Office 365	Close from 31 March 2022	(0.300)	(0.150)	0.000	0.000	0.000	
Housing Service Review	To fund a Housing Systems Review and improvement project which includes Northgate and a number of alternative systems that are currently being used, in part as a result of Northgate not currently meeting service needs.	Close from 31 March 2021	(0.140)	0.000	0.000	0.000	0.000	
Customer Service and Digital	Funding set aside as part of the Customer Services Transformation programme to provide analysis and programme management to achieve the savings targets.	Active	(0.964)	(0.797)	(0.627)	(0.627)	(0.627)	
Children's ICT Investment	To Fund ICT equipment for the Children's Social care team	Close from 31 March 2021	(0.128)	0.000	0.000	0.000	0.000	Reserves removed & Held Centrally in the Covid-19 reserve
Print Room Relocation	Relocate print room as part of Asset Management Plan	Close from 31 March 2021	(0.050)	0.000	0.000	0.000	0.000	
Feasibility Fund	This fund will be managed by the Corporate Programme Board to allocate to potential pipeline projects that support the delivery of the Council Plan and key priorities of the Council	Active	(0.800)	(0.100)	(0.100)	(0.100)	(0.100)	Uncommitted reserves removed & Held Centrally in the Covid-19 reserve
GF Temporary Earmarked Reserves								
Adult Social Care Residency Cases	To fund the following Adult Social Care projects: Occupational Therapy baselining (£100k), Adam Dynamic Purchasing System implementation (£70k), Contract Monitoring tool (£30k).	Close from 31 March 2022	(0.200)	(0.200)	0.000	0.000	0.000	
Bradwell Abbey	Funding set aside for repairs to Bradwell Abbey.	Close from 31 March 2021	(0.361)	0.000	0.000	0.000	0.000	
Brexit	The funding is being paid to councils under Section 31 of the Local Government Act 2003. Whilst this funding is not ring-fenced, our expectation is that the funding will be used to enhance capacity and capability within local authorities in making preparations for exiting the European Union.	Close from 31 March 2022	(0.160)	(0.160)	0.000	0.000	0.000	
Broadband Delivery UK project.	For MKC salary and contribution to Central Beds project management fees for City Fibre and BDUK broadband.	Close from 31 March 2022	(0.081)	(0.041)	0.000	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).
City Archives Project	MKC commitment to 3 external funding bids to deliver Archive projects.	Close from 31 March 2021	(0.014)	0.000	0.000	0.000	0.000	Budget rollover from last year for a Heritage project that MKC agreed to match funding for a 2-3 year project from the 18/19 budget.
Community & Cultural Services Review (CCSR)	Transitional funding for the community and cultural services review (CCSR).	Close from 31 March 2021	(0.060)	0.000	0.000	0.000	0.000	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	(0.016)	(0.012)	(0.008)	(0.004)	0.000	
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	(0.119)	(0.100)	(0.100)	(0.050)	(0.050)	Part of the reserve removed & Held Centrally in the Covid-19 reserve
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.	Active	(0.046)	(0.046)	(0.043)	(0.040)	(0.037)	
Independent Review of Flooding Incident	An Independent Review of the Flooding Incident in May 2018 was requested in June 2018 and commissioned, procured and agreed for delivery by November 2018. Approximately 33% of the work has been completed.	Active	(0.026)	(0.026)	(0.026)	(0.026)	(0.026)	
NRSWA & Permit Funding (City Fibre)	City Fibre started work this year in MKC to lay faster broadband cables. The road works mean they need to pay permit and NRSWA costs.	Close from 31 March 2021	(0.064)	0.000	0.000	0.000	0.000	
Parish Partnership	Historically the PP scheme was revenue funded and there was a 2 year time span for claimants. This time span slipped and in 18-19 those who had exceeded the time limit were informed that they could no longer claim.	Close from 31 March 2022	(0.062)	(0.042)	0.000	0.000	0.000	
Parks Improvement Funding	This funding is from HCLG and will be used to fund improvements at Emberton Park.	Close from 31 March 2022	(0.047)	(0.024)	0.000	0.000	0.000	
Planning Studies	To fund Commercial Viability Study which, in turn, is to underpin the Central Bletchley Prospectus	Close from 31 March 2022	(0.108)	(0.019)	0.000	0.000	0.000	Urban Design staff time on projects in Bletchley & Midsummer Boulevard . Part of Reserves removed & Held Centrally in the Covid-19 reserve

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Pocket Parks	This funding is from the HCLG and was received late 2018/19. Projects will not happen if the funding has to be returned to HCLG and MKC will fail to deliver community aspirations.	Close from 31 March 2021	(0.008)	0.000	0.000	0.000	0.000	
Political Priorities Reserve	To fund the Political Priorities of the Council agreed as part of the 2020/21 budget process.	Active	0.000	(4.335)	(3.327)	(2.105)	(0.487)	Projects will be delivered over the next four years.
Revenue Financing Reserve	Not required - Transfer to Covid-19 Reserve	Close from 31 March 2021	(0.003)	0.000	0.000	0.000	0.000	Reserves removed & Held Centrally in the Covid-19 reserve
Road Safety Budget	Speed reduction equipment safety budget for 2018-19 not spent due to staff vacancies. New person in post now and funding is in process of being allocated to support road safety speed reduction equipment.	Active	(0.039)	(0.039)	(0.039)	(0.039)	(0.039)	
Health & Safety reserve	This reserve was set aside to cover Health & Safety training	Active	(0.030)	(0.030)	(0.015)	0.000	0.000	
Highways and E&W transformation reserve	Funds set aside to cover the major commissioning programmes being undertaken regarding highways and environment and waste contracts. There highways programme did not start in 19/20 as expected and the funding has been set aside to fund the works as required over the next couple of years.	Active	(0.201)	(0.201)	(0.201)	(0.101)	0.000	
European City of Sport	To fund the European City of Sport project	Close from 31 March 2022	(0.048)	(0.048)	0.000	0.000	0.000	
Bracknell House	To fund one off funding for Bracknell House that has not been spent this year but is needed next year for heating and ventilation work in the registrars offices	Close from 31 March 2021	(0.015)	0.000	0.000	0.000	0.000	
School Mobility Action Plan	To fund School Mobility Action Plan - 1% council tax increase	Close from 31 March 2021	(0.022)	0.000	0.000	0.000	0.000	
Mobility Action Plan	One off funding set aside to cover up front costs that would later be capitalised once the capital project was formed.	Active	(0.089)	(0.029)	(0.029)	(0.029)	(0.029)	
Hot spot litter pick	To target areas with litter that needs clearing to improve the environment	Close from 31 March 2022	(0.017)	(0.017)	0.000	0.000	0.000	
Tree management survey and strategy	Tree works resulting from the programme of surveys covering MKC	Close from 31 March 2021	(0.110)	0.000	0.000	0.000	0.000	
Estate regeneration	To fund "Getting The Basics Right" in conjunction with Housing	Close from 31 March 2022	(0.100)	(0.050)	0.000	0.000	0.000	
Fly tipping	To fund Fly tipping - 1% council tax increase - Getting the basics right	Active	(0.027)	(0.027)	(0.027)	(0.027)	0.000	
Illegal encampments	To fund one fte environmental officer for fixed term to support managing unauthorised encampments	Active	(0.100)	(0.100)	(0.085)	(0.045)	(0.005)	
Project officer	To fund Parks Trust project officer	Close from 31 March 2021	(0.029)	0.000	0.000	0.000	0.000	
Non commercial bus service	DRT Pilot to understand usage data, prior to major rollout. Original pilot superseded by Svc 28 replacement due to COVID 19	Close from 31 March 2021	(0.058)	0.000	0.000	0.000	0.000	
Environmental Crime Enforcement officers	To fund one environmental officer for fixed term	Close from 31 March 2022	(0.065)	(0.025)	0.000	0.000	0.000	
3G Pitch sinking fund	A sinking fund to provide for replacement of 3G pitches at Leisure Facilities	Active	(0.101)	(0.156)	(0.211)	(0.266)	(0.321)	
Period Poverty	Reserve needed to ensure that member priorities are delivered during the three year pilot programme.	Close from 31 March 2022	(0.042)	(0.038)	0.000	0.000	0.000	
MK 3D App	To fund the commissioning of the MK 3D app	Close from 31 March 2021	(0.014)	0.000	0.000	0.000	0.000	
Ouse Valley Link	Endowment for funding works on the Ouse Valley Link.	Close from 31 March 2021	(0.006)	(0.000)	(0.000)	(0.000)	(0.000)	Reserves removed & Held Centrally in the Covid-19 reserve
Parking Facilities	For spend on parking schemes arising from reviews in Bletchley and Stony Stratford.	Close from 31 March 2021	(0.007)	0.000	0.000	0.000	0.000	Reserves removed & Held Centrally in the Covid-19 reserve
Devolved Landscape provision	To fund Landscape contract extension funding	Active	(0.044)	(0.029)	(0.014)	0.000	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)	0.000	0.000	0.000	0.000	
Bereavement Reserve	This fund will be used to replace and extend the crematorium and cemetery provision in MK as the borough continues to grow. This reserve is a sinking fund to offset this pressure.	Active	(2.254)	(3.069)	(3.069)	(3.069)	(3.069)	
Parking Reserve	Ring Fenced Trading Account to hold surplus funds not yet deployed in respect of On Street Parking or other related activities.	Active	(0.023)	0.000	0.000	0.000	0.000	
Public Health	Balance of unspent ring-fenced grant funding held over for future investment in services.	Active	(1.222)	(1.695)	(1.863)	(2.031)	(2.199)	
Tariff Management								
One-off Costs of the HCA Transfer	Potential clawback and financial reporting system requirements.	Active	(0.283)	(0.283)	(0.283)	(0.283)	(0.283)	
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	(5.341)	(5.761)	(6.341)	(6.341)	(6.341)	The reserve will remain in place until the required tariff contributions to meet the infrastructure costs have been received
Delivering Capital Programme - GF								
Capital Reserve - GF	GF revenue contributions held to finance the current capital programme.	Active	(15.977)	(9.012)	(7.123)	(6.680)	(6.680)	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)	(0.000)	(0.000)	(0.000)	(0.000)	Reserves removed & Held Centrally in the Covid-19 reserve

Reserve	Purpose	Active/finished	Balance 1 April 2020	Forecast Position 31/03/21	Forecast Position 31/03/2022	Forecast Position 31/03/2023	Forecast Position 31/03/2024	Commentary
Infrastructure Reserve	Revenue contributions held to finance the prior year, current and future borrowing costs of highways investment in the local network.	Active	(18.360)	(17.372)	(16.239)	(15.044)	(13.849)	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 and specific revenue one-off items.	Active	(6.468)	(1.236)	(0.568)	0.000	0.000	£1.187m Reserves removed & Held Centrally in the Covid-19 reserve
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	(1.817)	(1.817)	(1.817)	(1.817)	(1.817)	
Waste Cashflow Reserve	Equalisation Reserve to manage the timing differences of debt financing costs associated with the new Residual Waste Treatment Facility (RWTF).	Active	(2.644)	(1.786)	(0.893)	(0.932)	(0.971)	The borrowing of the RWTF continues until 2042
3rd Party								
LGSS Reserve	Balance of surplus funds held on behalf of the LGSS Partnership managed under a Joint Committee delegated arrangement.	Active	(0.919)	(0.000)	(0.000)	(0.000)	(0.000)	
LD Pooled Budget Reserve	To fund one additional joint commissioning post specifically for the Learning Disability Service to manage increased workload in relation to transforming care and manage service provision	Active	(0.048)	(0.048)	(0.048)	(0.048)	(0.048)	
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	(7.966)	(6.293)	(3.034)	(3.034)	(3.034)	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 General Fund Reserves			(124.264)	(113.003)	(98.012)	(91.425)	(87.505)	
HRA Reserves								
HRA Working Balance								
HRA 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)	
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	(1.487)	0.000	0.000	0.000	0.000	Funding to be released and allocated as a revenue contribution to Capital to fund the HRA capital programme in line with the HRA Business Plan.
Capital Reserve - HRA	HRA Revenue contributions held to finance the current capital programme.	Active	(56.071)	(40.964)	(18.803)	(6.510)	(0.558)	Funding is for specific projects allocated within the current capital programme.
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)	0.000	0.000	0.000	0.000	Funding to be released and allocated as a revenue contribution to Capital to fund the HRA capital programme in line with the HRA Business Plan.
Major Repairs Reserve	Statutory reserve maintained to hold capital funding for future investment in the Councils Housing Stock or to repay debt.	Active	(16.280)	(16.280)	(16.280)	(16.280)	(16.280)	
Total HRA Reserves			(81.203)	(64.503)	(42.342)	(30.049)	(24.097)	
Total Reserves			(205.467)	(177.506)	(140.354)	(121.474)	(111.602)	