

Earmarked Reserves

Reserve	Purpose	Active/finished	Actual Position 1/04/24	Forecast Position 31/03/2025	Forecast Position 31/03/2026	Forecast Position 31/03/2027	Forecast Position 31/03/2028	Commentary
Unearmarked reserves								
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	(34.583)	(33.729)	(33.729)	(33.729)	(33.729)	Minimum Balance has been reassessed based on a refreshed risk assessment (Annex J).
Earmarked reserves								
Non Distributable reserve								
Risk Reserves								
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	(3.861)	(2.435)	(1.752)	(1.440)	(1.373)	A Strategic Asset Management Strategy has been developed to identify further investment required in Council Operational Assets. The forecast balance of this reserve is held as contingency for unexpected costs or to facilitate the delivery of this strategy.
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	(2.272)	(2.372)	(2.472)	(2.572)	(2.672)	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.
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, additional unbudgeted levy costs and potential future changes to the system by government.	Active	(15.000)	(14.049)	(12.428)	(12.428)	(12.428)	This reserve is not available as this is held to manage timing differences between the Collection Fund and General Fund.
MKWRRP Risk Reserve	Risk reserve provides a contingency in the event of the Waste Plant no longer being operational as a result of contractor failure. Exceptional costs would arise which would include landfill, insurance and business rates etc.	Active	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)	
Pension Fund	Reserve to manage the potential impact of pension revaluation changes	Active	(4.248)	(4.248)	(4.248)	(4.248)	(4.248)	
Paper Recycling Market Risk Reserve	To manage the risk the council due to changes in prices for recycling paper	Active	(0.700)	(0.700)	(0.700)	(0.700)	(0.700)	
Housing Benefit Subsidy Equalisation	Recommended balance held to manage the impact of the LA Error Threshold being breached.	Active	(0.458)	(0.458)	(0.458)	(0.458)	(0.458)	This reserve is held to manage unexpected costs arising from HB Subsidy losses arising from LA error rates being exceeded. No new contributions are planned, but this will remain under review.
LCTS & Welfare	This is to fund the potential impact from excess LCTS discretionary costs and crisis support	Active	(1.136)	(0.921)	(0.921)	(0.921)	(0.921)	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.
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	(0.342)	(0.302)	(0.262)	(0.222)	(0.182)	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.
Managing Change								

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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	(2.038)	(1.548)	(1.446)	(0.896)	(0.421)	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.
HR Manpower Planning Reserve	This fund supports one-off costs associated with Council Terms and Conditions, Restructuring and Re-organisations.	Active	(1.456)	(1.456)	(1.456)	(1.456)	(1.456)	This reserve will be used to fund one-off costs from staff restructuring.
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	(0.191)	0.000	0.000	0.000	0.000	This reserve finances the cost of resourcing the team needed to deliver the Waste Transformation Programme (Environmental Services Contract and Re-commissioning of the RWTF Facility operator for 2026)
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	(0.089)	(0.069)	(0.069)	(0.069)	(0.069)	
Budget Management								
Better Care Fund	Balance of unspent ring-fenced grant funding held over for future investment in services.	Active	0.000	0.000	(0.655)	(0.655)	(0.655)	Utilising carry forward of 22/23 grant before drawing down from the reserve. Reserve to finance the purchase of the ASC hub prior to receipt of S106 contributions
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	(0.200)	(0.200)	(0.200)	(0.200)	(0.200)	Balance will fund exceptional costs caused by Severe Weather.
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	(1.959)	(1.364)	(1.364)	(1.364)	(1.364)	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.
New Homes Bonus	NHB funding which is allocated within the capital programme together with specific revenue one-off items.	Active	(1.178)	(0.473)	(0.300)	(0.250)	0.000	
One Off Pressures Funding Reserve	To fund one-off pressure agreed in the Budget	Active	(1.379)	(0.000)	(0.000)	(0.000)	(0.000)	
Shared Services Reserve	Reserve held to fund shared investment costs in the Shared Service arrangements.	Active	(1.293)	(1.173)	(1.073)	(1.073)	(1.073)	This fund is used to meet new investment and liabilities in the operation of the new Shared Service arrangements.
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	(5.337)	(4.781)	(5.838)	(6.895)	(7.951)	
Parking Reserve	Ring Fenced Trading Account to hold surplus funds not yet deployed in respect of On Street Parking or other related activities.	Active	(0.840)	(0.640)	(0.240)	(0.240)	(0.240)	
Public Health	Balance of unspent ring-fenced grant funding held over for future investment in services.	Active	(2.460)	(0.947)	(0.543)	(0.543)	(0.543)	
3rd Party Funds								
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)	0.000	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.	Active	(0.045)	(0.000)	(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).
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	(11.679)	(9.007)	(4.563)	(3.699)	(3.699)	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.
Tariff Management								
One-off Costs of the HCA Transfer	Potential clawback and financial reporting system requirements.	Active	(0.227)	(0.198)	(0.170)	(0.142)	(0.114)	
Tariff Reserve	Funding set aside to manage the potential financial cost to the Council under the Risk Sharing Agreement, excess costs of delivering infrastructure over the remaining life of the programme (2031).	Active	(9.498)	(12.898)	(13.898)	(14.898)	(15.898)	
Delivering Capital Programme - GF								

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Capital Reserve - GF	GF revenue contributions held to finance the current capital programme.	Active	(54.954)	(45.393)	(36.955)	(34.106)	(29.287)	Funding is for specific projects allocated within the current capital programme.
Infrastructure Reserve	Revenue contributions held to finance the prior year, current and future borrowing costs of highways investment in the local network.	Active	(14.188)	(12.861)	(11.512)	(9.965)	(8.507)	This reserve will remain 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
Planning Gain Reserve (\$106)	Balance of \$106 funds held to be invested in a range of different infrastructure schemes linked to the relevant development agreement.	Active	(4.390)	(4.390)	(4.390)	(4.390)	(4.390)	
Waste Asset Renewals Reserve	Through annual revenue contributions, the Waste Renewal Fund will be built up to enable the capital financing of replacement waste vehicles, once they reach the end of their useful life.	Active	(3.918)	(7.836)	(11.754)	(15.672)	(19.590)	
Waste Infrastructure Reserve	This reserve is held to build up future capital financing contributions to enable the Council to invest in a replacement facility once the current facility is decommissioned.	Active	(1.322)	(2.291)	(3.260)	(4.229)	(5.198)	The borrowing of the RWTF continues until 2042
TOTAL EARMARKED NON DISTRIBUTABLE RESERVES			(156.707)	(143.012)	(132.928)	(133.732)	(133.639)	
Earmarked reserves								
Distributable reserve								
GF Temporary Earmarked Reserves								
Conservation Areas	Funding to support the review of Conservation areas.	Active	(0.012)	(0.007)	(0.007)	(0.007)	(0.007)	
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	(0.050)	(0.000)	(0.000)	(0.000)	(0.000)	The balance has been committed in the budget.
Cyber Security Measures	To fund Cyber security measures to reduce the risk of loss of data as the result of a cyber attack. The funding held was secured via a ring fenced grant.	Active	(0.054)	(0.024)	0.000	0.000	0.000	
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)	(0.029)	(0.029)	(0.029)	(0.029)	
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	(0.051)	0.000	0.000	0.000	0.000	
Council Plan 2021/22	To fund the Council Plan Priorities of the Council agreed as part of the setting of the revised Council Plan.	Active	(1.471)	(0.541)	0.000	0.000	0.000	
Political Priorities Reserve - 23/24	To fund the Political Priorities of the Council agreed as part of the budget process.	Active	(3.202)	(0.970)	(0.580)	(0.580)	(0.580)	
Political Priorities Reserve - Annex U		Active	(0.777)	(0.093)	0.000	0.000	0.000	
Political Priorities Reserve - Annex R		Active	(2.053)	(0.158)	0.000	0.000	0.000	
Political Priorities Reserve - Annex W		Active	(2.384)	(0.215)	0.000	0.000	0.000	
Towns Fund Revenue Reserves	To fund the revenue expenditure related to the Towns Fund deal.	Active	(0.540)	(0.289)	(0.289)	(0.289)	(0.289)	
Additional support for major projects	To fund additional support for major projects	Active	(0.238)	(0.149)	(0.149)	(0.149)	(0.149)	
School Academy Conversion	Agreed financial support package for school academy conversion to be provided over a three year period starting from April 22.	Active	(0.321)	(0.154)	(0.154)	(0.154)	(0.154)	
Neighbourhood Planning Support	To fund a project officer in planning to support the Planning Improvement Board to drive improvements	Active	(0.104)	(0.045)	(0.045)	(0.045)	(0.045)	
HMO License Fee	HMO income is ringfenced and required to be spent on HMO development. Therefore amounts are contributed to the reserve and spent on projects/staff during the year.	Active	(0.087)	(0.121)	(0.121)	(0.121)	(0.121)	
Audit Fees		Active	(0.115)	(0.115)	(0.115)	(0.115)	(0.115)	
City Boundary Signs Reserve		Active	(0.040)	(0.040)	(0.040)	(0.040)	(0.040)	
Temporary Accommodation Bad Debt Management	Reserve requested to fund bad debt review resource in 22/23 for Temporary Accommodation	Active	(0.091)	(0.091)	(0.091)	(0.091)	(0.091)	
Tree management survey and strategy	Tree works resulting from the programme of surveys covering MKC	Close from 31 March 2026	(0.303)	(0.303)	0.000	0.000	0.000	The balance will be fully drawn down by 31st March 2026.
Passenger Transport Studies and Projects	To be used to move concessions pass renewals from current format to on-line	Close from 31 March 2026	(0.010)	(0.010)	0.000	0.000	0.000	The balance will be fully drawn down by 31st March 2026.
Environmental Crime CCTV	To fund CCTV monitoring and surveillance to address crime	Close from 31 March 2026	(0.038)	(0.038)	0.000	0.000	0.000	The balance will be fully drawn down by 31st March 2026.
Mobility Action Plan	One off funding set aside to cover up front costs that would later be capitalised once the capital project was formed.	Close from 31 March 2026	(0.067)	(0.067)	0.000	0.000	0.000	The balance will be fully drawn down by 31st March 2026.
Fly tipping	To fund Fly tipping - 1% council tax increase - Getting the basics right	Close from 31 March 2026	(0.027)	(0.027)	0.000	0.000	0.000	The balance will be fully drawn down by 31st March 2026.

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School Mobility Action Plan	To fund School Mobility Action Plan - 1% council tax increase	Close from 31 March 2026	(0.022)	(0.022)	0.000	0.000	0.000	The balance will be fully drawn down by 31st March 2026.
Reserves to be Closed in Year								
Digital Planning Improvement Fund Reserve		Close from 31 March 2025	(0.100)	0.000	0.000	0.000	0.000	To be closed by 31/3/2025
Children's Centre Activity Sessions	Funding for positive activity sessions through Children's Centres which include physical exercise and group activities to build resilience and strengthen purpose amongst parents and children in material need, helping parents and children make their next steps	Close from 31 March 2025	(0.013)	0.000	0.000	0.000	0.000	To be closed by 31/3/2025
Community & Cultural Services Review (CCSR)	Transitional funding for the community and cultural services review (CCSR).	Close from 31 March 2025	(0.049)	0.000	0.000	0.000	0.000	To be closed by 31/3/2025
Offensive Weapon Act		Close from 31 March 2025	(0.010)	0.000	0.000	0.000	0.000	To be closed by 31/3/2025
Housing Systems 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 2025	(0.100)	0.000	0.000	0.000	0.000	To be closed by 31/3/2025
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 2025	(0.011)	0.000	0.000	0.000	0.000	To be closed by 31/3/2025
Period Poverty	Reserve needed to ensure that member priorities are delivered during the three year pilot programme.	Close from 31 March 2025	(0.010)	0.000	0.000	0.000	0.000	To be closed by 31/3/2025
Estate regeneration	To fund "Getting The Basics Right" in conjunction with Housing	Close from 31 March 2025	(0.011)	0.000	0.000	0.000	0.000	To be closed by 31/3/2025
European City of Sport	To fund the European City of Sport project	Close from 31 March 2025	(0.034)	0.000	0.000	0.000	0.000	To be closed by 31/3/2025
Care Leavers Support	Budget amendments 21/22 - Care Leavers Support - Deposits on Renting £20k and Development of Bond £50k.	Close from 31 March 2025	(0.045)	0.000	0.000	0.000	0.000	To be closed by 31/3/2025
Homework Club	To fund Community Homework clubs to address educational attainment gaps, and increase deprivation for the most vulnerable, agreed as part of the budget amendments for 21/22	Close from 31 March 2025	(0.015)	0.000	0.000	0.000	0.000	To be closed by 31/3/2025
TOTAL DISTRIBUTABLE RESERVES			(12.501)	(3.507)	(1.622)	(1.622)	(1.622)	
Total General Fund Reserves			(203.791)	(180.248)	(168.278)	(169.082)	(168.989)	
HRA Reserves								
Unallocated Reserves - HRA								
HRA Prudent Minimum 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	(7.859)	(8.016)	(8.176)	(8.340)	(8.507)	
HRA Investment Reserves								
Capital Reserve - HRA	HRA Revenue contributions held to finance the current capital programme.	Active	(35.321)	(6.123)	(0.000)	(0.000)	(0.000)	Funding is for specific projects allocated within the current capital programme.
HRA Revenue Reserve			(0.600)	(1.300)	(1.300)	(1.300)	(1.300)	
HRA Financing & Debt Risk Reserve			(1.700)	(4.000)	(4.000)	(4.000)	(4.000)	
HRA Service Charge Revenue Reserve			(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	
Regeneration - Estates Renewals Forums	There is a significant amount of planned regeneration activity over the coming year which will require engagement with local communities and other stakeholders.	Close from 31 March 2026	(0.045)	(0.045)	0.000	0.000	0.000	To be closed by 31/3/2026
Resident Involvement	To commission a piece of work to support MKC to redevelop its resident involvement framework in order to meet the forthcoming strengthened regulatory requirements and to offer additional funding and support to residents' associations once COVID restrictions start to ease.	Close from 31 March 2026	(0.027)	(0.027)	0.000	0.000	0.000	To be closed by 31/3/2026
Total HRA Reserves			(45.577)	(19.536)	(13.501)	(13.665)	(13.832)	
Total Reserves			(249.368)	(199.785)	(181.779)	(182.747)	(182.821)	