

HOUSING REVENUE ACCOUNT RESERVES

APPENDIX C

Reserve	Policy	Estimated Level at 31 March	Benefits	Opportunity Costs
Housing Revenue Account	<p>Local Government and Housing Act 1989 section 76 (3) forbids a year end deficit on the HRA</p> <ul style="list-style-type: none"> Balance is determined by level of risk associated with the budget <p>Current recommended minimum level of reserves is approx.. £1m - minimum level</p>	<p>2022 £0.9m 2023 £1.0m 2024 £1.1m</p>	<ul style="list-style-type: none"> Provides general contingency for unavoidable and unseen expenditure or fall in income Stability for longer term planning and for meeting the decent homes standards Interest on Balances helps to reduce costs: Interest on Balances @ 1.0% = £9k 	<ul style="list-style-type: none"> Could be used to fund HRA Capital expenditure to help meet decent homes standard which would result in loss of interest £10k per £1m Could be used to fund HRA debt repayment
Major Repairs Reserve	<ul style="list-style-type: none"> Use of Capital to meet Decent Homes Standard Redevelopment and regeneration of the Council's housing stock 	<p>2022 £0.9m 2023 £0m 2024 £0m</p>	<ul style="list-style-type: none"> Provides capital to invest in stock to meet the government's Decent Homes Standard policy Provides general contingency for unavoidable or unseen expenditure 	<ul style="list-style-type: none"> Will be used to fund HRA capital expenditure to help meet decent homes standard

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