

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> <p>Balance is determined by level of risk associated with the budget</p> <p>Current recommended minimum level of reserves is approx.. £1m - minimum level</p>	<p>2024 £1.0m 2025 £1.2m 2026 £1.3m</p>	<p>Provides general contingency for unavoidable and unseen expenditure or fall in income (including capital)</p> <p>Stability for longer term planning and for meeting the decent homes standards</p> <p>Interest on Balances helps to reduce costs: Interest on Balances @ 3.0% = £30k</p>	<p>Could be used to fund HRA Capital expenditure to help meet decent homes standard which would result in loss of interest £30k per £1m for example at 3% interest rate</p> <p>Could be used to fund HRA debt repayment</p>
Major Repairs Reserve	<p>Use of Capital to meet Decent Homes Standard</p> <p>Redevelopment and regeneration of the Council's housing stock</p>	<p>2024 £0.1m 2025 £0.1m 2026 £0.1m</p>	<p>Provides capital to invest in stock to meet the government's Decent Homes Standard policy</p> <p>Provides general contingency for unavoidable or unseen expenditure</p>	<p>Will be used to fund HRA capital expenditure to help meet decent homes standard</p>