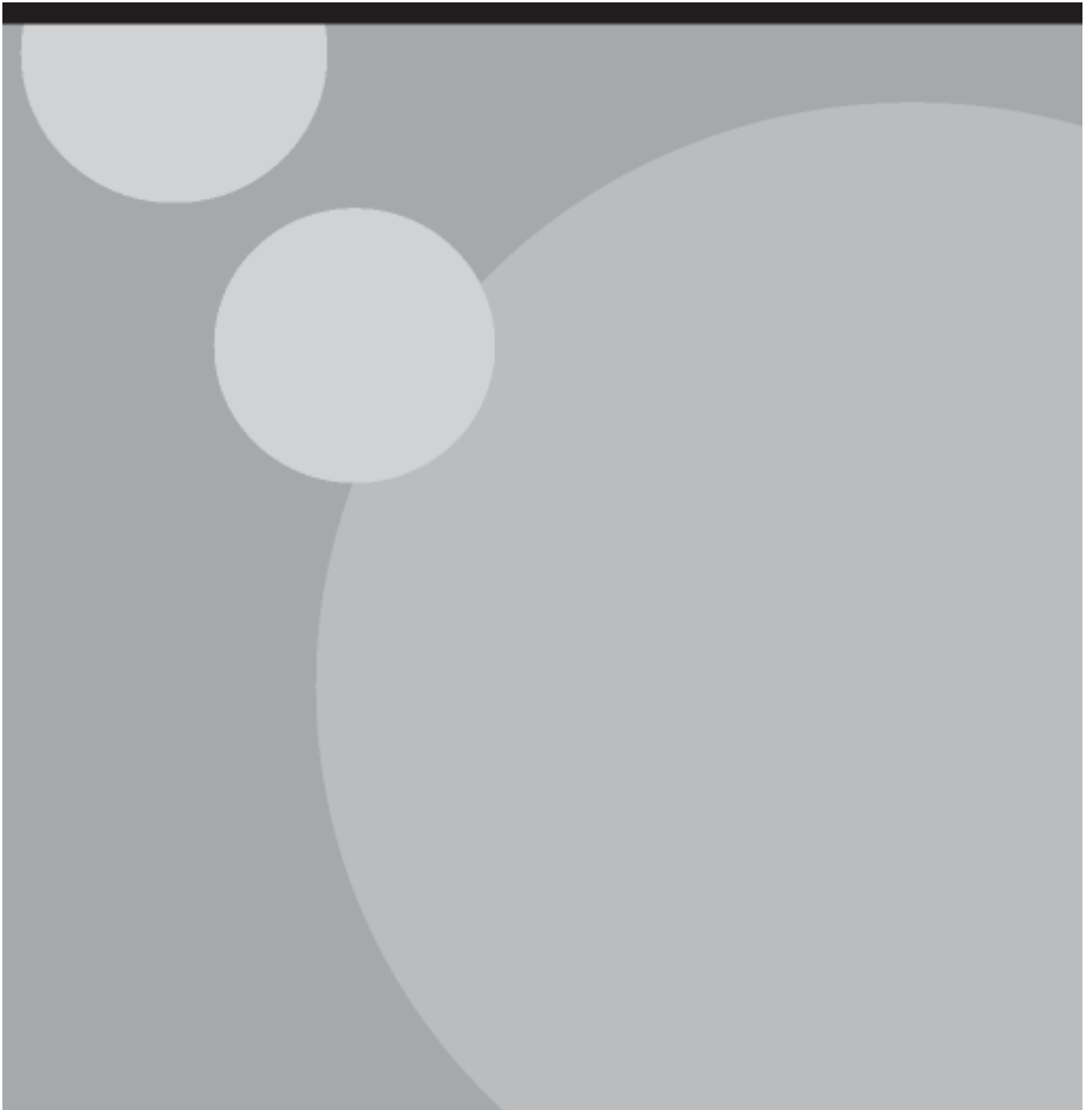




The Housing Revenue Account Self-financing Determinations



© Crown copyright, 2012

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: psi@nationalarchives.gsi.gov.uk.

This document/publication is also available on our website at www.communities.gov.uk

Any enquiries regarding this document/publication should be sent to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

February 2012

ISBN: 978-1-4098- 3327- 7

Contents

The Housing Revenue Account Self-financing Determinations	2
Citation and commencement	2
Interpretation	3
The Settlement Payments Determination 2012	5
Annex A: Settlement Payments to the Secretary of State	8
Annex B: Settlement Payments made by the Secretary of State	15
Limits on Indebtedness Determination	17
Annex A: Calculation of Housing Revenue Account Capital Financing Requirement	19
Annex B: Maximum amount of housing debt that can be held by each local authority	22
Housing Revenue Account Subsidy (Amendment) Determination 2011-2012	42
Item 8 Credit and Debit (General) Determination 2011-2012 Amending Determination	44
Item 8 Credit and Item 8 Debit (General) Determination from April 2012	48

The Housing Revenue Account Self-financing Determinations

The Secretary of State as respects all local housing authorities in England, in exercise of the powers conferred by sections 168 to 175 of the Localism Act 2011, after consulting such representatives of local government and relevant professional bodies as appear to be appropriate, hereby makes the following determination:

Citation and commencement

- 1.1 This document may be cited as the Housing Revenue Account Self-financing Determinations. It includes:
 - The Settlement Payments Determination, which includes the calculation of the self-financing valuation and the settlement payments that are required to implement self-financing of council housing
 - The Limits on Indebtedness Determination, which includes the limit on the amount of housing debt that each local housing authority can hold and the formula by which this will be calculated
 - The Housing Revenue Account Subsidy (Amendment) Determination 2011-2012
 - Item 8 Credit and Item 8 Debit (General) Determination 2011-2012 Amending Determination
 - The Item 8 Credit and Item 8 (General) Debit Determination from 2012.
- 1.2 Subject to paragraph 1.3 the Housing Revenue Account Subsidy Determination 2011-2012 is hereby revoked.
- 1.3 The Housing Revenue Account Subsidy Determination 2011-2012 as amended by the Housing Revenue Account Subsidy (Amendment) Determination 2011-2012 shall continue to have effect for the purpose of the determination of Housing Revenue Account subsidy for the year beginning 1 April 2011.

Interpretation

In these determinations, unless the context otherwise requires:

"1989 Act" means the Local Government and Housing Act 1989

"authority" means a local housing authority in England

"cluster" means a group of rooms in a house in multiple occupation serving as separate accommodation for 2 or more persons but sharing a common kitchen, bathroom and lavatory; where such a house accommodates 6 or less than 6 persons, this shall count as one cluster; where such a house accommodates more than 6 persons the number of clusters shall be calculated by dividing the number of persons by 6, with any balance counting as one cluster;

subject to sub-paragraphs (2) and (3) of this definition, a **"dwelling"** means:

- (1) (a) a building or part of a building which is provided for occupation by a single family unit (that is to say an individual or a family, in either case together with any lodger), or

(b) a cluster or a group of 3 bed spaces in a hostel (for this purpose the number of groups of bed spaces shall be calculated by dividing the number of bed spaces by 3, with any balance counting as one dwelling),

to which section 74(1) of the 1989 Act for the time being applies, together with any yard, garden, outhouses and appurtenances belonging to or usually enjoyed with that building or part, and irrespective of whether or not the dwelling is occupied on 1 April;

- (2) a dwelling which is put to another use which is not a permanent change of use shall continue to be treated as a dwelling for the purposes of this determination; however
- (3) a dwelling falling within the description in paragraph (1)(a) or (b) of this definition shall not be treated as a dwelling for the purposes of this determination if it is either:
 - (a) an unoccupied dwelling which the authority has formally resolved should be demolished or disposed of and which is no longer available for letting; or
 - (b) a dwelling of which a lease has been granted under the rent to mortgage scheme.

"financial year" means the period of 12 months beginning on 1 April

"HRA" means the Housing Revenue Account of the authority whose settlement payments and limit on indebtedness is under consideration

"local housing authority" has the same meaning as in the Housing Act 1985

"proper accounting practices" in relation to the accounts of a local authority are defined in accordance with section 21 of the Local Government Act 2003

"self-financing" is a system for financing council housing that will replace the Housing Revenue Account subsidy system

"shared ownership lease" has the meaning given in section 622 of the Housing Act 1985

References to another determination are to be read as references to that determination as amended or as revoked and replaced as the case may be.

In these determinations, unless the contrary intention appears, reference to an Act or Statutory Instrument is a reference to the Act or Statutory Instrument as amended.

The Settlement Payments Determination 2012

The Secretary of State as respects all local housing authorities in England, in exercise of the powers conferred by sections 168 to 170 and 173 of the Localism Act 2011, after consulting such representatives of local government and relevant professional bodies as appear to be appropriate, makes the following determination:

Citation and commencement

This determination may be cited as the Settlement Payments Determination 2012. It has effect from 28 March 2012.

1 The self-financing valuation

- 1.1 A self-financing valuation of each local housing authority's council housing stock has been made using a discounted cash flow model of each authority's social housing business.
- 1.2 This model is based on assumptions made by Government about the rental income and expenditure required to maintain each council's council housing stock over 30 years.
- 1.3 More detail on the methodology and the assumptions used in the self-financing valuation are available in the following documents which are published alongside this determination:
 - The baseline model used to calculate the rents in 2012-2013 and some other allowances
 - Commentary on the baseline model
 - The self-financing model used to calculate the self-financing valuation
 - Commentary on the self-financing model.

The following documents have been published previously and are available on the DCLG website for reference:

- Report on the model inputs, assumptions and outputs
- User guide to accompany the self-financing model.

2 Notional housing borrowing (SCFR)

2.1 The Subsidy Capital Financing Requirement (SCFR) for each local housing authority is the SCFR calculated in the Housing Revenue Account Subsidy Determination 2011-2012 adjusted to take account of the following:

- any special determinations issued since the Housing Revenue Account Subsidy Determination 2011-2012 was published
- information provided by local authorities in the 2011-2012 subsidy claim forms
- the 2012-2013 base data forms
- adjustments for transfers and appropriations not already captured.

2.2 The SCFR for each local housing authority is shown on the “debt com” sheet of the baseline model.

3 Settlement payments

PAYMENTS TO THE SECRETARY OF STATE

3.1 Where the self-financing valuation for a local housing authority is greater than the SCFR for that authority, the authority must pay to the Secretary of State the amount by which the self-financing valuation exceeds the SCFR. Where the SCFR is a negative amount it has been treated as nil for the purposes of this calculation.

3.2 The local housing authorities required to make a payment to the Secretary of State on or before 28 March 2012 and the amounts payable are set out at Annex A to this determination. Payments must be made as cleared funds via electronic banking transfers on or before 28 March 2012.

PAYMENTS TO LOCAL HOUSING AUTHORITIES

- 3.3 Where the self-financing valuation for a local housing authority is less than the SCFR for that authority, the Secretary of State will make a payment to the authority equal to the amount by which the SCFR exceeds the self-financing valuation.
- 3.4 Payments will be made on 28 March 2012 as follows and in this priority until the full payment has been made:

PUBLIC WORKS LOAN BOARD LOANS

- 3.4.1 The Secretary of State will redeem an equal percentage of all Public Works Loan Board loans held by the authority. The percentage for each authority will be calculated according to the value of the Public Works Loan Board loans held by the authority on the date of the transaction. Annex B to this determination lists the local authorities to which this applies and the amounts for payment by the Secretary of State.
- 3.4.2 Any charges for the early repayment of these loans will be met by the Secretary of State. The Secretary of State will set any discounts for early repayment of loans against these charges.

AUTHORITIES WHERE THE SETTLEMENT PAYMENT IS GREATER THAN THE VALUE OF LOANS HELD WITH THE PUBLIC WORKS LOAN BOARD

- 3.4.3 Where an authority's Public Works Loan Board debt is less than the settlement payment, the Secretary of State will redeem all the loans held with the Public Works Loan Board and pay the balance of the settlement payment to the local authority.
- 3.4.4 Local authorities will be required to use this balance payment in accordance with conditions stipulated in letters issued by the Secretary of State to local authorities receiving these payments.

The Settlement Payments Determination 2012 – Annex A

Settlement Payments to the Secretary of State

This table lists the local housing authorities required to make settlement payments to the Secretary of State on or before 28 March 2012 and the amount of these payments.

Local Housing Authority	SCFR £'000	Self-financing Valuation £'000	Payment to be made to Secretary of State on or before 28 March 2012 £'000
Adur	12,887	64,072	51,185
Arun	10,728	81,630	70,902
Ashford	5,951	119,664	113,713
Babergh	9,585	93,232	83,647
Barking	0	265,912	265,912
Barnet	137,462	240,043	102,580
Barnsley	275,354	297,384	22,030
Barrow	18,952	36,041	17,089
Basildon	170,689	222,240	51,551
Bassetlaw	78,983	105,846	26,863
Birmingham	709,196	1,045,283	336,087
Bolsover	17,964	112,350	94,386
Bournemouth	23,608	66,096	42,488
Brentwood	3,578	67,744	64,166
Brighton & Hove	137,056	155,137	18,081

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
Bristol	210,656	256,144	45,489
Broxtowe	16,740	83,186	66,446
Bury	57,587	135,840	78,253
Cambridge	10,473	224,045	213,572
Cannock Chase	25,784	85,028	59,245
Canterbury	15,843	112,671	96,828
Castle Point	1,018	37,470	36,451
Central Beds UA	0	164,995	164,995
Charnwood	8,647	87,837	79,190
Cheltenham	25,447	52,861	27,414
Cheshire West UA	15,978	106,568	90,591
Chesterfield	38,442	155,392	116,949
City of London	14,094	25,006	10,912
City of York	22,944	144,494	121,550
Colchester	66,581	140,275	73,694
Corby	1,340	71,985	70,646
Cornwall UA	44,513	126,698	82,185
Crawley	2,776	263,101	260,325
Croydon	105,016	328,142	223,126
Dacorum	0	354,015	354,015
Darlington	32,714	66,015	33,300

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
Dartford	0	86,953	86,953
Derby	208,440	236,604	28,164
Dover	305	90,778	90,473
Dudley	97,361	432,969	335,608
Durham UA	187,281	240,172	52,891
East Devon	2,821	87,197	84,376
East Riding	18,908	226,991	208,082
Enfield	169,226	198,015	28,789
Epping Forest	0	185,456	185,456
Exeter	0	56,884	56,884
Fareham	7,187	56,454	49,268
Gloucester	60,606	62,749	2,143
Gosport	0	57,029	57,029
Gravesham	10,651	116,897	106,246
Great Yarmouth	31,615	89,998	58,383
Guildford	2,412	194,846	192,435
Harlow	0	208,837	208,837
Harrogate	16,214	84,181	67,967
Harrow	50,994	139,455	88,461
Havering	43,755	209,003	165,248
High Peak	30,751	68,232	37,481

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
Hillingdon	105,852	297,423	191,571
Hinckley	4,262	71,915	67,652
Ipswich	45,282	144,884	99,602
Kensington	196,627	221,587	24,960
Kettering	6,243	79,146	72,903
Kingston upon Hull	228,593	307,582	78,989
Kingston upon Thames	33,766	149,297	115,531
Lancaster	28,952	60,193	31,241
Lewes	16,258	72,931	56,673
Lincoln	41,085	66,016	24,931
Luton	40,383	129,840	89,456
Mansfield	42,919	95,092	52,173
Medway Towns	26,702	45,846	19,144
Melton	5,931	33,554	27,622
Mid Devon	7,153	53,743	46,590
Mid Suffolk	20,508	77,714	57,206
Milton Keynes	88,932	259,292	170,360
New Forest	12,833	155,536	142,704
Newark	74,307	110,385	36,078
North East Derbyshire	51,062	178,152	127,090
North Kesteven	20,828	77,696	56,867

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
North Tyneside	142,392	270,585	128,193
North Warwick	3,417	62,957	59,539
North West Leicestershire	13,476	90,262	76,785
Northampton	15,480	208,400	192,920
Northumberland UA	95,199	105,453	10,254
Norwich	88,091	236,989	148,898
Nuneaton	18,195	89,650	71,455
Oadby & Wigston	3,654	21,768	18,114
Oxford City	34,489	233,018	198,528
Poole	45,864	89,773	43,908
Portsmouth	91,869	180,488	88,619
Reading	56,235	204,056	147,821
Redbridge	39,936	100,057	60,121
Redditch	0	98,929	98,929
Richmondshire	6,232	28,419	22,188
Rotherham	314,731	329,920	15,188
Rugby	9,956	82,905	72,949
Runnymede	235	103,527	103,292
Sandwell	478,830	504,319	25,489
Sedgemoor	14,129	61,451	47,321
Selby	5,335	63,068	57,733

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
Shepway	21,324	61,435	40,110
Shropshire UA	7,130	90,481	83,350
Slough	41,562	177,403	135,841
Solihull	110,194	179,760	69,566
South Cambridge	0	205,123	205,123
South Derby	9,429	66,852	57,423
South Holland	7,245	74,700	67,456
South Kesteven	13,519	135,171	121,652
South Lakeland	13,124	83,021	69,897
South Tyneside	223,836	284,654	60,818
Southampton	122,225	196,072	73,847
Southend-on-Sea	66,247	100,939	34,692
St Albans	10,027	185,943	175,916
Stevenage	17,773	217,685	199,911
Stoke-on-Trent	109,554	183,996	74,441
Stroud	4,025	95,742	91,717
Sutton	32,744	173,870	141,126
Swindon	31,147	169,764	138,617
Tamworth	34,739	79,407	44,668
Tandridge	2,422	72,610	70,189
Taunton Deane	30,585	115,784	85,198

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
Tendring	24,305	60,284	35,979
Thurrock	26,175	187,064	160,889
Uttlesford	735	89,142	88,407
Wandsworth	106,397	540,020	433,623
Warwick	13,840	149,998	136,157
Waveney	18,974	87,260	68,286
Waverley	3,238	192,035	188,797
Wealden	16,448	64,371	47,923
Welwyn Hatfield	0	304,799	304,799
West Lancashire	3,936	92,147	88,212
Westminster	257,093	325,038	67,945
Wigan	254,543	353,625	99,083
Wiltshire UA	3,813	122,623	118,810
Winchester	9,764	166,487	156,722
Woking	4,190	102,195	98,006
Wokingham	6,846	102,314	95,468

The Settlement Payments Determination 2012 – Annex B

Settlement Payments made by Secretary of State

This table lists the local housing authorities that will be receiving payments from the Secretary of State on 28 March 2012 and the amount of these payments.

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made by Secretary of State on 28 March 2012
	£'000	£'000	£'000
Ashfield	89,434	80,081	9,353
Blackpool	73,416	31,893	41,523
Brent	397,291	199,291	198,000
Camden	558,156	516,150	42,006
Doncaster	329,673	269,904	59,769
Ealing	398,253	195,214	203,039
Eastbourne	71,820	41,338	30,482
Gateshead	353,057	331,607	21,450
Greenwich	435,509	309,977	125,533
Hackney	905,196	152,627	752,570
Hammersmith	451,971	254,617	197,354
Haringey	561,388	327,538	233,850
Hounslow	264,137	263,861	275
Islington	859,618	492,352	367,266

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made by Secretary of State on 28 March 2012
	£'000	£'000	£'000
Kirklees	276,969	245,574	31,395
Lambeth	573,287	408,077	165,210
Leeds	829,984	717,846	112,138
Leicester	224,308	215,895	8,414
Lewisham	263,617	127,278	136,338
Manchester	449,706	155,430	294,276
Newcastle upon Tyne	663,623	369,921	293,702
Newham	791,669	247,624	544,045
Nottingham	383,646	317,658	65,988
Oldham	28,795	-482	29,277
Rochdale	240,777	117,382	123,395
Salford	127,399	66,343	61,056
Sheffield	905,145	386,792	518,353
Southwark	773,937	574,683	199,254
Stockport	172,890	146,947	25,943
Thanet	28,349	27,424	925
Tower Hamlets	417,612	181,414	236,199
Waltham Forest	312,030	191,603	120,427
Wolverhampton	404,518	356,770	47,748

Limits on Indebtedness

Determination 2012

The Secretary of State as respects all local housing authorities in England, in exercise of the powers conferred by sections 171 and 173 of the Localism Act 2011, after consulting such representatives of local government and relevant professional bodies as appear to be appropriate, makes the following determination:

1 Formula for the calculation of the amount of housing debt held by the authority

- 1.1 The amount of housing debt held by an authority is defined as the HRA Capital Financing Requirement (HRA CFR). It is calculated in accordance with the formula at Annex A to this Determination.

2 The limit on the amount of housing debt that each authority can hold

- 2.1 The maximum amount of housing debt that each authority may hold, calculated in accordance with the definition at paragraph 1.1 above, is the higher of the amounts set out in 2.2 and 2.3 below.
- 2.2 The self-financing valuation for the authority plus any capital financing provided by the authority before 1 April 2012 to support a new build scheme under a contract with the Homes and Communities Agency (this is defined at paragraph 2.6 below).
- 2.3 The closing HRA CFR on 31 March 2012, calculated in accordance with the formula in the Item 8 Credit and Item 8 Debit (General) Determination 2011-2012 Amending Determination and rounded up to the nearest £'000. For the avoidance of doubt this figure includes the effect of settlement payments received from or paid to the Secretary of State.
- 2.4 Following the approach described in paragraph 2.1 the maximum amount of housing debt that can be held by each authority is listed at Annex B to this determination.

- 2.5 An authority will be in breach of the limit if its housing debt exceeds the amount specified in Annex B on the final day of the 2012-2013 financial year. In subsequent years, an authority will be in breach of the limit if its housing debt exceeds the amount specified in Annex B on the final day of the financial year.
- 2.6 Capital financing to support new build is defined as the capital contribution agreed in contracts with the Homes and Communities Agency for new build schemes and which has been provided to those schemes prior to 1 April 2012. It does not include the value of any land that the local authority has put into a scheme.

Limits on Indebtedness

Determination 2012 – Annex A

Calculation of the Housing Revenue Account Capital Financing Requirement (HRA CFR)

Opening HRA CFR 1 April 2012

This is the closing HRA CFR on 31 March 2012 as defined in paragraph 8 of the Item 8 Credit and Item 8 Debit (General) Determination 2011-2012, as amended.

Closing HRA CFR 31 March 2013

The closing HRA CFR for 31 March 2013 will be calculated as follows:

OPENING HRA CFR ON 1 APRIL 2012 PLUS

the capital expenditure of the local authority financed by borrowing or credit arrangements which was incurred during the 2012-2013 financial year on any interest in housing land; and

the certified value of any interest in a dwelling or housing land which commenced or recommenced to be accounted for in the Housing Revenue Account during the 2012-2013 financial year for a reason other than acquisition by the local authority;

LESS

such part of any capital receipt from the disposal of an interest in housing land which was used during the 2012-2013 financial year to repay the principal of any amount borrowed by the local authority or to meet any liability in respect of credit arrangements;

the amount of any payment made by the Secretary of State to the Public Works Loan Board in 2012-2013 as a result of the disposal of housing land less the part used to pay premiums on the early redemption of loans;

the certified value of any interest in a dwelling or housing land, that ceased to be accounted for in the Housing Revenue Account in the 2012-2013 financial year other than by virtue of disposal by the local authority;

the amount of the provision for the repayment of the principal of any amount borrowed by the local authority or the meeting of any liability in respect of credit arrangements which the local authority

determined during the 2012-2013 financial year to make from the Housing Revenue Account; and,
the amount of the provision for the repayment of the principal of any amount borrowed by the local authority or the meeting of any liability in respect of credit arrangements which the local authority determined during 2012-2013 financial year to make from the major repairs reserve.

The opening HRA CFR in subsequent years

The opening HRA CFR on 1 April for subsequent years is the closing HRA CFR on the previous day, that is 31 March of the previous financial year.

The closing HRA CFR in subsequent years

The closing HRA CFR for subsequent years will be calculated as follows:

THE OPENING HRA CFR ON 1 APRIL OF THAT FINANCIAL YEAR PLUS

the capital expenditure of the local authority financed by borrowing or credit arrangements which was incurred during the current financial year on any interest in housing land; and

the certified value of any interest in a dwelling or housing land which commenced or recommenced to be accounted for in the Housing Revenue Account during the current financial year for a reason other than acquisition by the local authority;

LESS

such part of any capital receipt from the disposal of an interest in housing land which was used during the current financial year to repay the principal of any amount borrowed by the local authority or to meet any liability in respect of credit arrangements;

the amount of any payment made by the Secretary of State to the Public Works Loan Board as a result of the disposal of housing land less the part used to pay premiums on the early redemption of loans;

the certified value of any interest in a dwelling or housing land, that ceased to be accounted for in the Housing Revenue Account during the current financial year other than by virtue of disposal by the local authority;

the amount of the provision for the repayment of the principal of any amount borrowed by the local authority or the meeting of any liability in respect of credit arrangements which the local authority determined during the current financial year to make from the Housing Revenue Account; and

the amount of the provision for the repayment of the principal of any amount borrowed by the local authority or the meeting of any liability in respect of credit arrangements which the local authority determined during the current financial year to make from the major repairs reserve.

Limits on Indebtedness Determination 2012 – Annex B

Maximum amount of housing debt that can be held by
each local authority

This table lists the limit on indebtedness for each local authority.

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Adur	64,072	0	64,072	51,185	17,727	68,912	68,913
Arun	81,630	0	81,630	70,902	2,342	73,244	81,630
Ashfield	80,081	0	80,081	-9,353	86,568	77,215	80,081
Ashford	119,664	4,668	124,332	113,713	8,577	122,290	124,333
Babergh	93,232	0	93,232	83,647	14,201	97,849	97,849
Barking	265,912	11,736	277,648	265,912	5,042	270,954	277,649
Barnet	240,043	0	240,043	102,580	98,759	201,339	240,043
Barnsley	297,384	3,445	300,829	22,030	268,655	290,684	300,830
Barrow	36,041	0	36,041	17,089	9,010	26,099	36,041

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Basildon	222,240	92	222,332	51,551	167,779	219,330	222,332
Bassetlaw	105,846	0	105,846	26,863	68,655	95,518	105,846
Birmingham	1,045,283	12,277	1,057,560	336,087	799,614	1,135,701	1,135,701
Blackpool	31,893	3,845	35,738	-41,523	58,036	16,513	35,739
Bolsover	112,350	0	112,350	94,386	6,512	100,898	112,350
Bournemouth	66,096	3,200	69,297	42,488	15,180	57,668	69,297
Brent	199,291	0	199,291	-198,000	338,425	140,425	199,291
Brentwood	67,744	0	67,744	64,166	8,420	72,586	72,587
Brighton & Hove	155,137	1,702	156,839	18,081	114,165	132,245	156,839

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Bristol	256,144	907	257,052	45,489	199,092	244,581	257,052
Broxtowe	83,186	1,289	84,475	66,446	9,525	75,971	84,475
Bury	135,840	0	135,840	78,253	40,887	119,141	135,840
Cambridge	224,045	6,793	230,838	213,572	1,176	214,748	230,839
Camden	516,150	8,824	524,974	-42,006	480,304	438,298	524,975
Cannock Chase	85,028	0	85,028	59,245	22,762	82,006	85,029
Canterbury	112,671	945	113,616	96,828	9,195	106,023	113,617
Castle Point	37,470	0	37,470	36,451	-2,070	34,381	37,470
Central Beds UA	164,995	0	164,995	164,995	-7,739	157,256	164,995

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Charnwood	87,837	362	88,199	79,190	-570	78,620	88,200
Cheltenham	52,861	0	52,861	27,414	18,730	46,145	52,862
Cheshire West UA	106,568	0	106,568	90,591	5,245	95,836	106,569
Chesterfield	155,392	220	155,612	116,949	25,731	142,680	155,612
City of London	25,006	0	25,006	10,912	11,147	22,059	25,006
City of York	144,494	1,476	145,970	121,550	18,794	140,344	145,970
Colchester	140,275	0	140,275	73,694	50,883	124,577	140,275
Corby	71,985	3,832	75,817	70,646	9,086	79,731	79,732
Cornwall UA	126,698	0	126,698	82,185	29,535	111,720	126,699

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Crawley	263,101	800	263,901	260,325	0	260,325	263,902
Croydon	328,142	5,763	333,905	223,126	87,592	310,718	333,905
Dacorum	354,015	0	354,015	354,015	-8,115	345,900	354,015
Darlington	66,015	3,522	69,537	33,300	41,093	74,393	74,394
Dartford	86,953	0	86,953	86,953	-2,789	84,164	86,953
Derby	236,604	2,005	238,609	28,164	218,388	246,552	246,552
Doncaster	269,904	0	269,904	-59,769	302,003	242,235	269,904
Dover	90,778	0	90,778	90,473	-4,967	85,506	90,778
Dudley	432,969	7,731	440,700	335,608	127,792	463,400	463,400

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Durham UA	240,172	5,574	245,746	52,891	174,411	227,302	245,747
Ealing	195,214	4,545	199,760	-203,039	352,488	149,449	199,760
East Devon	87,197	646	87,843	84,376	630	85,006	87,844
East Riding	226,991	26,380	253,371	208,082	25,357	233,440	253,371
Eastbourne	41,338	1,310	42,648	-30,482	67,209	36,727	42,649
Enfield	198,015	0	198,015	28,789	130,785	159,574	198,015
Epping Forest	185,456	0	185,456	185,456	-31,881	153,575	185,457
Exeter	56,884	0	56,884	56,884	0	56,884	56,885
Fareham	56,454	396	56,851	49,268	4,536	53,804	56,851

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Gateshead	331,607	5,127	336,734	-21,450	366,954	345,504	345,505
Gloucester	62,749	0	62,749	2,143	53,813	55,956	62,750
Gosport	57,029	0	57,029	57,029	6,038	63,067	63,067
Gravesham	116,897	385	117,282	106,246	162	106,408	117,283
Great Yarmouth	89,998	0	89,998	58,383	18,939	77,322	89,998
Greenwich	309,977	5,714	315,691	-125,533	459,579	334,046	334,047
Guildford	194,846	0	194,846	192,435	3,999	196,434	196,434
Hackney	152,627	16,008	168,635	-752,570	819,790	67,220	168,635
Hammersmith	254,617	0	254,617	-197,354	414,829	217,475	254,617

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Haringey	327,538	0	327,538	-233,850	506,704	272,854	327,538
Harlow	208,837	0	208,837	208,837	-8,198	200,639	208,837
Harrogate	84,181	0	84,181	67,967	7,789	75,756	84,181
Harrow	139,455	0	139,455	88,461	61,001	149,462	149,462
Havering	209,003	0	209,003	165,248	15,164	180,412	209,003
High Peak	68,232	0	68,232	37,481	25,823	63,305	68,233
Hillingdon	297,423	5,823	303,246	191,571	67,752	259,322	303,247
Hinckley	71,915	0	71,915	67,652	2,545	70,197	71,915
Hounslow	263,861	0	263,861	-275	234,518	234,243	263,862

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Ipswich	144,884	0	144,884	99,602	35,151	134,753	144,885
Islington	492,352	7,022	499,375	-367,266	799,332	432,066	499,375
Kensington	221,587	0	221,587	24,960	185,204	210,164	221,587
Kettering	79,146	0	79,146	72,903	4,819	77,722	79,147
Kingston upon Hull	307,582	0	307,582	78,989	280,531	359,520	359,520
Kingston upon Thames	149,297	0	149,297	115,531	14,357	129,888	149,298
Kirklees	245,574	2,000	247,574	-31,395	243,294	211,899	247,574
Lambeth	408,077	0	408,077	-165,210	425,355	260,145	408,078
Lancaster	60,193	0	60,193	31,241	15,303	46,544	60,194

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Leeds	717,846	3,481	721,327	-112,138	808,096	695,958	721,327
Leicester	215,895	8,333	224,228	-8,414	227,655	219,241	224,228
Lewes	72,931	0	72,931	56,673	10,942	67,615	72,932
Lewisham	127,278	0	127,278	-136,338	219,887	83,549	127,279
Lincoln	66,016	0	66,016	24,931	33,701	58,632	66,017
Luton	129,840	0	129,840	89,456	19,802	109,258	129,840
Manchester	155,430	13,970	169,400	-294,276	403,573	109,297	169,401
Mansfield	95,092	2,577	97,669	52,173	35,191	87,364	97,669
Medway Towns	45,846	0	45,846	19,144	22,013	41,157	45,846

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Melton	33,554	0	33,554	27,622	4,282	31,905	33,554
Mid Devon	53,743	0	53,743	46,590	-139	46,451	53,744
Mid Suffolk	77,714	0	77,714	57,206	33,644	90,850	90,851
Milton Keynes	259,292	0	259,292	170,360	83,623	253,982	259,292
New Forest	155,536	800	156,336	142,704	1,897	144,601	156,337
Newark	110,385	2,089	112,474	36,078	68,910	104,988	112,475
Newcastle upon Tyne	369,921	513	370,434	-293,702	687,015	393,313	393,313
Newham	247,624	0	247,624	-544,045	709,802	165,757	247,625
North East Derbyshire	178,152	0	178,152	127,090	40,423	167,513	178,153

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
North Kesteven	77,696	2,374	80,069	56,867	13,216	70,083	80,070
North Tyneside	270,585	0	270,585	128,193	162,631	290,824	290,825
North Warwick	62,957	1,233	64,189	59,539	8,454	67,994	67,994
North West Leicestershire	90,262	0	90,262	76,785	3,335	80,121	90,262
Northampton	208,400	0	208,400	192,920	-2,437	190,483	208,401
Northumberland UA	105,453	1,900	107,353	10,254	89,645	99,900	107,354
Norwich	236,989	0	236,989	148,898	52,866	201,764	236,989
Nottingham	317,658	2,126	319,784	-65,988	340,163	274,175	319,784
Nuneaton	89,650	0	89,650	71,455	9,108	80,562	89,650

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Oadby & Wigston	21,768	0	21,768	18,114	-108	18,006	21,769
Oldham	-482	0	-482	-29,277	20,941	-8,336	-481
Oxford City	233,018	8,100	241,118	198,528	17,894	216,423	241,118
Poole	89,773	0	89,773	43,908	55,861	99,769	99,770
Portsmouth	180,488	1,212	181,700	88,619	55,719	144,338	181,701
Reading	204,056	4,451	208,506	147,821	56,481	204,302	208,507
Redbridge	100,057	0	100,057	60,121	6,005	66,126	100,057
Redditch	98,929	0	98,929	98,929	18,528	117,457	117,458
Richmondshire	28,419	0	28,419	22,188	2,572	24,760	28,420

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Rochdale	117,382	0	117,382	-123,395	219,805	96,410	117,382
Rotherham	329,920	6,703	336,623	15,188	281,471	296,659	336,623
Rugby	82,905	0	82,905	72,949	5,365	78,314	82,906
Runnymede	103,527	120	103,647	103,292	0	103,292	103,647
Salford	66,343	4,235	70,578	-61,056	114,831	53,776	70,579
Sandwell	504,319	2,978	507,296	25,489	425,849	451,338	507,297
Sedgemoor	61,451	0	61,451	47,321	8,481	55,802	61,451
Selby	63,068	0	63,068	57,733	-854	56,879	63,069
Sheffield	386,792	1,539	388,330	-518,353	864,126	345,773	388,331

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Shepway	61,435	0	61,435	40,110	15,403	55,513	61,435
Shropshire UA	90,481	5,094	95,575	83,350	2,461	85,811	95,576
Slough	177,403	0	177,403	135,841	23,130	158,971	177,404
Solihull	179,760	0	179,760	69,566	105,501	175,067	179,761
South Cambridge	205,123	0	205,123	205,123	0	205,123	205,123
South Derby	66,852	0	66,852	57,423	0	57,423	66,853
South Holland	74,700	0	74,700	67,456	2,797	70,253	74,701
South Kesteven	135,171	0	135,171	121,652	2,159	123,811	135,172
South Lakeland	83,021	0	83,021	69,897	0	69,897	83,021

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
South Tyneside	284,654	2,848	287,502	60,818	207,105	267,922	287,503
Southampton	196,072	3,546	199,618	73,847	103,844	177,692	199,619
Southend-on-Sea	100,939	0	100,939	34,692	67,466	102,158	102,159
Southwark	574,683	2,204	576,887	-199,254	650,204	450,950	576,887
St Albans	185,943	0	185,943	175,916	15,159	191,075	191,076
Stevenage	217,685	0	217,685	199,911	-3,810	196,102	217,685
Stockport	146,947	0	146,947	-25,943	151,263	125,320	146,948
Stoke-on-Trent	183,996	0	183,996	74,441	94,522	168,963	183,996
Stroud	95,742	0	95,742	91,717	-6,738	84,979	95,743

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Sutton	173,870	0	173,870	141,126	17,915	159,041	173,870
Swindon	169,764	2,684	172,448	138,617	11,915	150,532	172,449
Tamworth	79,407	0	79,407	44,668	23,395	68,062	79,407
Tandridge	72,610	0	72,610	70,189	2,889	73,077	73,078
Taunton Deane	115,784	0	115,784	85,198	14,451	99,650	115,784
Tendring	60,284	0	60,284	35,979	18,941	54,920	60,285
Thanet	27,424	368	27,792	-925	23,966	23,042	27,792
Thurrock	187,064	0	187,064	160,889	5,882	166,770	187,064
Tower Hamlets	181,414	2,966	184,380	-236,199	305,874	69,675	184,381

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Uttlesford	89,142	390	89,532	88,407	-333	88,074	89,532
Waltham Forest	191,603	1,949	193,551	-120,427	284,015	163,588	193,552
Wandsworth	540,020	3,077	543,097	433,623	39,043	472,666	543,097
Warwick	149,998	0	149,998	136,157	-370	135,787	149,998
Waveney	87,260	0	87,260	68,286	9,838	78,124	87,260
Waverley	192,035	0	192,035	188,797	3,512	192,309	192,310
Wealden	64,371	7,307	71,678	47,923	12,404	60,327	71,679
Welwyn Hatfield	304,799	0	304,799	304,799	-2,555	302,245	304,800
West Lancashire	92,147	914	93,061	88,212	-12,505	75,707	93,061

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HRA CFR (excluding settlement payment)	Total 2	Limit (rounded up to nearest thousand)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Westminster	325,038	0	325,038	67,945	220,805	288,750	325,039
Wigan	353,625	2,814	356,439	99,083	218,984	318,067	356,439
Wiltshire UA	122,623	2,578	125,201	118,810	4,272	123,082	125,202
Winchester	166,487	0	166,487	156,722	10,131	166,853	166,853
Woking	102,195	0	102,195	98,006	24,133	122,139	122,140
Wokingham	102,314	0	102,314	95,468	1,079	96,547	102,315
Wolverhampton	356,770	0	356,770	-47,748	401,691	353,943	356,771

The Housing Revenue Account Subsidy (Amendment) Determination 2011-2012

The Secretary of State as respects all local housing authorities in England, in exercise of the powers conferred by sections 80 and 87 of the Local Government and Housing Act 1989, after consulting such representatives of local government and relevant professional bodies as appear to be appropriate, hereby makes the following determination:

Citation and commencement

This determination may be cited as the Housing Revenue Account Subsidy (Amendment) Determination 2011-2012 and has effect for the financial year beginning 1 April 2011.

The Housing Revenue Account Subsidy Determination 2011-2012 shall be amended as follows:

Paragraph 3.1 shall be deleted and replaced with:

- 3.1 The amount of Housing Revenue Account subsidy payable to an authority for 2011-2012 shall be calculated as follows:

amount of subsidy = (allowance for management + allowance for maintenance + allowance for major repairs + support for decent homes borrowing + PFI allowance + charges for capital + other items of reckonable expenditure) - (rent + interest on receipts),

plus, where the authority is making a self-financing settlement payment to the Secretary of State, the interest payable on the payment between 28 March 2012 and 31 March 2012. This will be calculated by applying the appropriate Public Works Loan Board interest rate to the authority's settlement payment;

or,

where the authority is receiving a self-financing settlement payment from the Secretary of State, **minus** the interest that would have been due on the payment between 28 March 2012 and 31 March 2012. This will be calculated using the authority's Consolidated Rate of Interest.

provided that where the calculation results in a negative figure, that amount of negative subsidy is payable by an authority to the Secretary of State.

In paragraph 5.3.2 the following paragraph shall be deleted:

“capital financing requirement” will mean the amount determined as the capital financing requirement in the “Prudential Code for Capital Finance in Local Authorities” published by CIPFA, as amended or reissued from time to time, minus any elements arising from PFI schemes’

and replaced with

‘capital financing requirement’ as referred to in paragraphs 5, 6 and 7 of the Item 8 Credit and Item 8 Debit (General) Determination 2011-2012 will mean the amount determined as the capital financing requirement in the “Prudential Code for Capital Finance in Local Authorities” published by CIPFA, as amended or reissued from time to time, minus any elements arising from PFI schemes, as adjusted to exclude the settlement payment to the Secretary of State or the reduction in borrowing requirement resulting from any loan repayments made by the Secretary of State as part of the self-financing settlement.

The Item 8 Credit and Item 8 Debit (General) Determination 2011-2012 Amending Determination

The Secretary of State as respects all local housing authorities in England, in exercise of the powers conferred by section 87 of, and item 8 of Part I and item 8 of Part II of Schedule 4 to, the Local Government and Housing Act 1989 after consulting such representatives of local government and relevant professional bodies as appear to be appropriate, hereby amends the Item 8 Credit and Item 8 Debit (General) Determination 2011-2012 as follows:-

Citation and commencement

This determination may be cited as the Item 8 Credit and Item 8 Debit (General) Determination 2011-2012 Amending Determination 201[2]. It amends the Item 8 Credit and Item 8 Debit (General) Determination 2011-2012 for the financial year beginning 1 April 2011.

The Item 8 Credit and Item 8 Debit (General) Determination 2011-2012 shall be amended as follows:

Paragraph 4.1 shall be deleted and replaced with:

- '4.1 The sum to be debited to the HRA under item 8 of Part II of Schedule 4 to the 1989 Act shall be calculated as follows:

item 8 debit = capital asset charges + debt repayment and management costs + capital asset charges accounting adjustment + transfer to Major Repairs Reserve + PFI scheme payments

plus, where the local authority is required to make a self-financing settlement payment to the Secretary of State, the interest payable on any loans taken out to meet the self-financing settlement; or

less the reduction in interest due to loans repayments made by the Secretary of State for the self-financing settlement where the local authority is receiving a self-financing settlement payment from the Secretary of State.

where an amount for:

capital asset charges is calculated in accordance with paragraph 4.3;

debt repayment and management costs is calculated in accordance with paragraph 4.4;

the capital asset charges accounting adjustment is calculated in accordance with paragraph 4.5;

the transfer to Major Repairs Reserve is calculated in accordance with paragraph 4.6;

PFI scheme payments are calculated in accordance with paragraph 4.7; and

the interest payable on any loans for the self-financing settlement is as set out in paragraph 4.9'

After paragraph 4.8 the following paragraph shall be inserted:

'4.9 The interest on any loans taken out to pay the Secretary of State for the self-financing settlement shall be the actual interest charged on the loan between the later of the date the loan is taken out or 15 November 2011 (the date of Royal Assent for the Localism Act) and 31 March 2012.'

In paragraph 5.1 the following paragraph shall be deleted:

'M = the amount outstanding during 2011-2012 by way of money borrowed by the authority (calculated on a weighted average basis which takes into account fluctuations in such amounts outstanding during the year);'

and replaced with:

'M = the amount outstanding during 2011-2012 by way of money borrowed by the authority (calculated on a weighted average basis which takes into account fluctuations in such amounts outstanding during the year). This figure is to exclude both the amount of any loans taken out to pay the settlement payment to the Secretary of State and the repayments of loans made by the Secretary of State as part of the self-financing settlement;'

In paragraph 5.1 the following paragraph shall be deleted:

“capital financing requirement” means the amount determined as the capital financing requirement in the “Prudential Code for Capital Finance in Local Authorities” published by CIPFA, as amended or reissued from time to time, minus any elements arising from PFI schemes’

and replaced with:

“capital financing requirement” referred to in paragraphs 5, 6 and 7 of this determination means the amount determined as the capital financing requirement in the “Prudential Code for Capital Finance in Local Authorities” published by CIPFA, as amended or reissued from time to time, minus any elements arising from PFI schemes, as adjusted to exclude the settlement payment to the Secretary of State or the reduction in borrowing requirement resulting from any loan repayments made by the Secretary of State as part of the self-financing settlement.’

After paragraph 7.3 the following paragraph shall be inserted:

‘Closing Housing Revenue Account Capital Financing Requirement (HRA CFR) on 31 March 2012

8 The closing HRA CFR on 31 March 2012 is calculated as follows:

OPENING HOUSING REVENUE ACCOUNT CAPITAL FINANCING REQUIREMENT ON 1 APRIL 2011 PLUS:

the capital expenditure of the local authority financed by borrowing or credit arrangements which was incurred during the 2011-2012 financial year on any interest in housing land. This amount excludes any self-financing settlement payment to the Secretary of State in accordance with the Settlement Payments Determination 2012;

the certified value of any interest in a dwelling or housing land which commenced or recommenced to be accounted for in the Housing Revenue Account in the 2011-2012 financial year for a reason other than acquisition by the local authority; and

where the local authority has made a self-financing settlement payment to the Secretary of State in accordance with the Settlement Payments Determination 2012, the amount of that payment.

LESS:

such part of any capital receipt from the disposal of an interest in housing land which was used during the 2011-2012 financial year to repay the principal of any amount borrowed by the local authority or to meet any liability in respect of credit arrangements;

the certified value of any interest in a dwelling or housing land, that ceased to be accounted for in the Housing Revenue Account during the 2011-2012 financial year other than by virtue of disposal by the local authority;

the amount of the provision for the repayment of the principal of any amount borrowed by the local authority or the meeting of any liability in respect of credit arrangements which the local authority determined during the 2011-2012 financial year to make from the Housing Revenue Account;

the amount of the provision for the repayment of the principal of any amount borrowed by the local authority or the meeting of any liability in respect of credit arrangements which the local authority determined during the 2011-2012 financial year to make from the major repairs reserve;

the amount of any payment made by the Secretary of State to the Public Works Loan Board in 2011-2012 as a result of the disposal of housing land by the authority less the part used to pay premiums on the early redemption of loans; and

where the local authority has received a self-financing settlement payment from the Secretary of State in accordance with the Settlement Payments Determination 2012, the amount of that payment less the part used to pay premiums on the early redemption of loans. The self-financing settlement payment includes both payments made to the Public Works Loan Board on behalf of the authority and payments made direct to the authority.'

The Item 8 Credit and Item 8 Debit (General) Determination from 1 April 2012

The Secretary of State as respects all local housing authorities in England, in exercise of the powers conferred by section 87 of, and item 8 of Part I and item 8 of Part II of Schedule 4 to, the Local Government and Housing Act 1989 after consulting such representatives of local government and relevant professional bodies as appear to be appropriate, hereby makes the following determination:

Citation and commencement

- 1.1 This determination may be cited as the Item 8 Credit and Item 8 Debit (General) Determination. It has effect from 1 April 2012 for the year 2012-2013 and subsequent years.
- 1.2 Save for the purpose of the determination of the Item 8 credit and Item 8 debit for the financial year beginning 1 April 2011 the Item 8 Credit and Item 8 Debit (General) Determination 2011-2012 is hereby revoked.

Item 8 of Part I – Credit to the Account

The sum to be credited to the Housing Revenue Account under item 8 of Part I of Schedule 4 to the 1989 Act shall be calculated as follows for the 2012-2013 financial year and the four subsequent financial years:

Item 8 Credit = interest on HRA Capital Financing Requirement + interest on notional cash balance + interest on loans for purchase of HRA properties + discounts for early repayment of debt + PFI subsidy payments + transfer from major repairs reserve + impairments adjustment

From the year 2017-2018 the sum to be credited to the Housing Revenue Account under item 8 of Part I of Schedule 4 to the 1989 Act shall be calculated as follows:

Item 8 Credit = interest on HRA Capital Financing Requirement + interest on notional cash balance + interest on loans for purchase of HRA properties + discounts for early repayment of debt + PFI subsidy payments

where:

Interest on the HRA Capital Financing Requirement is credited to the Housing Revenue Account on investments by the Housing Revenue Account where there is a negative Housing Revenue Account Capital Financing Requirement.

Interest on notional cash balance means the interest credited to the Housing Revenue Account on notional credit balances attributed to the Housing Revenue Account, the Housing Revenue Account Repairs Account and the Major Repairs Reserve.

Interest on loans for purchase of HRA properties is the interest receivable by the authority during the year in respect of any loan (including a part of the purchase price left outstanding) made to enable the borrower to acquire a dwelling within the Housing Revenue Account.

PFI subsidy payments are payments made to an authority by the Department for Communities and Local Government for Housing Revenue Account Private Finance Initiative (PFI) schemes approved by the Secretary of State which are service concession arrangements as defined within the Code of Practice on Local Authority Accounting in the United Kingdom.

Transfer from Major Repairs Reserve is a transfer from the Major Repairs Reserve. Where depreciation for dwellings within the authority's Housing Revenue Account, excluding the authority's share of any dwelling subject to a shared ownership lease, calculated in accordance with proper practices, is greater than the Major Repairs Allowance (MRA) it is equal to the difference between depreciation and the MRA.

The MRA figure to use is equal to the assumption about the need to spend on major repairs for each authority used in the self-financing valuation for 2012-2013 and each of the next four years.

Transfer from the Major Repairs Reserve has been included on a transitional basis to allow local authorities time to move to depreciation being a real charge to the Housing Revenue Account. However it is not obligatory and local authorities need to decide whether to make a transfer.

Impairments Adjustment allows local authorities to reverse revaluation and impairment decreases on dwellings out of the Housing Revenue Account. Revaluation and impairment decreases are calculated in accordance with proper accounting practices. This applies for a transitional period for the 2012-2013 financial year and the four subsequent financial years.

Discounts for early repayment of debt are calculated in accordance with proper accounting practices.

Item 8 of Part II – Debit to the Account

The sum to be debited to the Housing Revenue Account under item 8 of Part II of Schedule 4 to the 1989 Act shall be calculated as follows:

Item 8 debit = interest on loans + depreciation of dwellings + depreciation of non dwellings + debt repayments + charges under credit arrangements + interest on notional cash balance + debt management expenses + premiums for early repayment of debt + revenue charged to capital under statute + transfer to Major Repairs Reserve + impairment charges

where:

Interest on loans means the interest on loans, both external and internal, in relation to the Housing Revenue Account Capital Financing Requirement.

Depreciation on both council dwellings and other assets within the Housing Revenue Account should be calculated in accordance with proper accounting practices.

Debt repayments are where authorities choose to repay debt from the Housing Revenue Account.

Charges under credit arrangements mean charges related to the financing of capital expenditure on any interest in housing land where authorities make payments in accordance with sections 7 and 8 of the Local Government Act 2003. PFI scheme payments which are “on balance sheet” are included here. However where such payments are “off balance sheet” they are properly debited under item 1 or item 3 of Part II of Schedule 4 to the 1989 Act. PFI scheme payments made to contractors under a Housing Revenue Account PFI scheme in respect of housing land which is no longer in the authority’s Housing Revenue Account are not PFI scheme payments for the purposes of this determination.

Interest on notional cash balance means the interest charged to the Housing Revenue Account where it has notional debits and liabilities.

Debt management expenses are a proportion of the authority’s debt management expenses for the financial year calculated in accordance with proper accounting practices to reflect the proportion which the Housing Revenue Account should bear.

Premium charges for early repayment of debt are calculated in accordance

with proper accounting practices.

Revenue charged to capital under statute is any charge attributable to the Housing Revenue Account that is calculated in accordance with proper accounting practices in respect of Revenue Expenditure Funded From Capital Under Statute.

Transfer to Major Repairs Reserve. Where decent homes backlog funding has been credited to the Housing Revenue Account in accordance with a direction made by the Secretary of State under item 9 of Part I of Schedule 4 to the 1989 Act, then a debit equal to this amount must be made to the Housing Revenue Account under item 8 and transferred to the credit of the Major Repairs Reserve.

In addition an authority may wish to transfer an amount in excess of any charge for depreciation to its Major Repairs Reserve.

Impairment charges means any revaluation and impairment decreases in respect of land, houses or other property within the authority's Housing Revenue Account calculated in accordance with proper accounting practices.