Disposal Proceeds Fund (DPF)
Annual End of Year Return 2018 to 2019

Guide for providers v1.0

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<th>Date Issued</th>
<th>Details</th>
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<td>1.0</td>
<td>31 May 2019</td>
<td>First issue</td>
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Disposal Proceeds Fund (DPF)

The deadline for submitting the annual return is 30 June 2019

1 Introduction

All Registered Providers that operate a Disposal Proceeds Fund (DPF) comprising funds generated outside of London are required to submit an annual IMS end of year return to Homes England recording the proceeds of sales under the Right to Acquire, Social HomeBuy, Preserved Right to Buy grant products and disposals by for-profit Registered Providers of stock originating from Registered Providers, and how the proceeds of those sales have been used.

Following the removal of the constitutional and disposals consents regime, from 6th April 2017 the requirements relating to the management of Disposal Proceeds Fund have changed and will affect completion of annual returns. Further information can be found at –
https://www.gov.uk/guidance/deregulatory-measures-for-social-housing-regulation-from-6-april-2017

Registered Providers that operate both inside and outside of London will be required to submit two returns, one to Homes England and one to the Greater London Authority (GLA). Providers with DPF amounts in London should refer to the GLA for their reporting and monitoring requirements.

This document guides you through the submission of your annual DPF return to Homes England for the year ending 31 March 2019. The year for the DPF return always ends on 31 March, even though your accounting year-end may be different.

Policy and operational requirements regards the DPF can be found on the Regulator of Social Housing’s website at -

Your annual DPF return must be submitted electronically via Homes England’s Investment Management System (IMS). Your organisation’s authorised user will
have ownership of all data entry screens. Homes England will have 'view only' access to your data entry screens. Additional screens for Homes England use are not available to you.

Each of the IMS DPF screens need to be 'ticked' and 'saved' as you work through them. Please note, should you need to return to a screen to amend or complete an entry at a later date then do not 'tick' as complete – only 'save'. However you will need to ensure that all screens are both 'ticked' and 'saved' in order that your return can be submitted and meet the deadline of 30 June 2019.

Once ‘ticked’ the data entry fields will ‘grey out’ to prevent any further entry. Should you need to amend these fields you can ‘un-tick’ the tick box simply by clicking on it.

Having 'saved' the screen the system may advise you that there are errors and ask if you wish to see them. Some of these errors will indicate that subsequent screens are not yet complete therefore it is advisable to ignore this message until you have completed all the data input screens.

The Regulator of Social Housing expects your organisation to include DPF balances within the normal year-end for annual accounts purposes.
2  General access and operation of the DPF system

2.1  Accessing the system

On accessing IMS, select ‘Other Functions’ from the main menu. This will open a drop down menu from which you should select ‘DPF’.

2.2  Explanation of Functions / Icons

- **Save**
  Saves the data

- **Exit**
  Exits from DPF to IMS Scheme Manager

- **Cut**
  Moves and deletes Highlighted Information

- **Copy**
  Copies selected data

- **Paste**
  Pastes copied data

- **Run Reports**
  Lists DPF reports for selection
Sign Off
Selects auditor sign off screen

Print
Prints a return

DPF
Opens an existing return

Scroll Arrows
Use to go to either the previous or next page; once you reach the final certification page the forward arrow will take you back to the first window
3. Completing and submitting the 2019 DPF return

3.1 Creating an annual return

Having accessed the DPF screens within IMS, the years available for selection will automatically be displayed. Select the year ending you require and click on the OK button.

For example the year 2018 to 2019 will be shown as 2019.

The DPF year you have selected will be displayed automatically. As a Registered Provider user, the system will generate a screen message to ask if you wish to create a new annual return document. Click on ‘Yes’ to create a new DPF return for 2018 to 2019.
If a return for the year selected already exists, the system will present it automatically.

### 3.2 Completing the ‘General Details’ window

Your organisation’s details are displayed automatically including the contact details which will have been carried forward from the previous year. If necessary please update these details.

When you are satisfied that the data is correct, tick the screen as complete and then save. Please note, if you wish to return to this screen and amend data at a later date do not tick as complete but just save. However you will need to tick and save all screens in order to submit your return by the deadline of 30 June 2019. When ticked as complete the screen will display your organisation’s user ID and date.

After each save, the system may ask if you wish to see errors. You should click ‘No’ to this prompt, as these are warnings relating to subsequent screens being incomplete.

There are several ways of moving between screens within the return. You can click on the next and previous page arrows on the title bar to go forward or back to screens. Alternatively, you can click on ‘Go to’ from the main menu where you have the option of selecting the required screen from the drop down list and being taken directly to that screen. As you access another screen the previous one will
remain minimised at the bottom of the screen you are currently working in, but can be maximised and opened at any time.

### 3.3 Completing the Financial (‘Income and Expenditure’) window

This window reflects the income and expenditure for the year ended 31 March 2019. Using the scroll bars will reveal the full screen – the final column is the comments box.

<table>
<thead>
<tr>
<th>Item</th>
<th>Section</th>
<th>Description</th>
<th>Year (£)</th>
<th>Status</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Opening Balance at 1st April</td>
<td></td>
<td>2019/20 1,052,462</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Imports</td>
<td>from RTA sales</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Imports</td>
<td>from SHS initial sales</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>Imports</td>
<td>from repayment of discount by RTA purchasers</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>Imports</td>
<td>from repayment of discount by SHS purchasers</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>Imports</td>
<td>from preserved RTB receipts</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>Imports</td>
<td>from profit-making RPs</td>
<td>2019 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>Imports</td>
<td>Total DFF transferred from other FPs</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>Imports</td>
<td>Total interest after Tax as at 31st March</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>J</td>
<td>Withdrawals</td>
<td>to build new Affordable Rent units</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K</td>
<td>Withdrawals</td>
<td>to build new affordable units as part of the 16/21 programme</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L</td>
<td>Withdrawals</td>
<td>to build new affordable units outside of the 16/21 programme</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>Withdrawals</td>
<td>to provide additional refurbishment to units in the 16/21 programme</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>Withdrawals</td>
<td>to provide additional refurbishment to units outside the 16/21 programme</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>Withdrawals</td>
<td>to convert one property existing over larger properties into smaller units for Affordable Rent</td>
<td>25,000 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P</td>
<td>Withdrawals</td>
<td>major repairs and internal works for existing stock to avoid demolition</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q</td>
<td>Withdrawals</td>
<td>combined with allocations of new SHS/SHA and units in RDGF as part of the 16/21 programme</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>Withdrawals</td>
<td>combined with allocations of new SHS/SHA and units in RDGF outside of the 16/21 programme</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>Withdrawals</td>
<td>transferred to another RP</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T</td>
<td>Withdrawals</td>
<td>repaid in year to the regulator</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U</td>
<td>Withdrawals</td>
<td>for provision of new rent units</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V</td>
<td>Withdrawals</td>
<td>committed expenditure</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>W</td>
<td>Withdrawals</td>
<td>to provide for land acquisitions</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Withdrawals</td>
<td>Other</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Z</td>
<td>P/Year Adjustments</td>
<td>please specify in Comments box</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A1</td>
<td>Closing Balance after 1st of 31st March</td>
<td></td>
<td>2019 1,052,467 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A2</td>
<td>0 Year Fund</td>
<td>grant in the fund for less than 1 year</td>
<td>2019 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A3</td>
<td>1 Year Fund</td>
<td>grant remaining in the fund for 1 year (but fewer than 3)</td>
<td>2019 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A4</td>
<td>2 Year Fund</td>
<td>grant remaining in the fund for 2 years (but fewer than 3)</td>
<td>2019 0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A5</td>
<td>3 Year Fund</td>
<td>grant remaining in the fund for 3 years at 31st March</td>
<td>2019 1,052,467</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

On opening this screen, you will be presented with the following system message relating to inputs to the fund.
Note: As a result of deregulatory measures that took effect from 7\textsuperscript{th} April 2017, inputs into the DPF should only consist of transfer of funds between Registered Providers where applicable, and any accrued interest for the year. Providers must continue to operate the DPF until the fund is exhausted.

The opening balance for the year is automatically populated and should equal the closing balance from your previous year’s return.

Please note that the input of starts and completions data attached to each of the withdrawal rows L, O and S are mandatory where expenditure has been recorded. For all other rows, data entry for starts and completions, where expenditure has been input, is optional. The sum of starts and completion outputs for all withdrawal rows will be shown in row AA.

To enter data, place the cursor in the “£” column, enter the appropriate amount and use the cursor to move to the next line; or the tab key to move to comments box. A tick will appear by each line to show it is complete. The system will round your data entries up or down to the nearest pound as appropriate.

Inputs:

Row A  This will be populated with the closing balance brought forward from 31\textsuperscript{st} March 2018.

Note: The opening balance field should not be used for making prior year adjustments; this functionality appears at row Z further down the screen.
Rows B - G Inputs no longer applicable – see note on page 9

Row H Enter the total amount of DPF transferred in year from other RPs;

Row I Enter the amount of interest to be credited as of 31 March, calculated in accordance with the Regulator of Social Housing requirements as outlined in their DPF policy guidance - https://www.gov.uk/government/publications/temp-disposal-proceeds-fund

Withdrawals:

Note: Where rows refer to delivery ‘as part of the 16-21 programme’ you should include all schemes delivered through the Homes England affordable homes programmes including AHP, SOAHP and others (i.e. all that have been recorded separately on IMS). ‘Outside of the 16-21 programme’ should be interpreted as not delivered through any of the Homes England affordable homes programmes (i.e. not recorded separately on IMS).

Row J Record the amount of DPF attributed to the delivery of new supply Affordable Rent, and enter the number of starts and completions in the relevant columns (optional);

Row K Record the amount of DPF attributable to delivery of new supply social rent as part of the AHP 16 to 21 programme, and enter the number of starts and completions in the relevant columns (optional). This row should only include DPF used to fund units solely with disposal proceeds and not disposal proceeds combined with new grant.

Row L Record the amount of DPF attributable to the delivery of new supply social rent outside of the AHP 16 to 21 programme and enter the number of starts and completions in the relevant columns (mandatory). This row should only include DPF used to fund units solely with disposal proceeds and not disposal proceeds combined with new grant;

Row M Record the amount of DPF attributable to re-improvements of your stock where currently void and enter the number of starts and completions in the relevant columns (optional);
Row N  Record the amount of DPF attributable to provide rehab and existing satisfactory purchase property as part of the 16 to 21 programme, and enter the number of starts and completions in the relevant columns (optional). This row should only include DPF used to fund units solely with disposal proceeds and not disposal proceeds combined with new grant;

Row O  Record the amount of DPF attributable to provide rehab and existing satisfactory purchase property outside of the 16 to 21 programme, and enter the number of starts and completions in the relevant columns (mandatory). This row should only include DPF used to fund units solely with disposal proceeds and not disposal proceeds combined with new grant;

Row P  Record the amount of DPF attributable to conversion or re-improvement of existing owned larger properties into smaller units for Affordable Rent and enter the number of starts and completions in the relevant columns (optional). This row should only include DPF used to fund units solely with disposal proceeds and not disposal proceeds combined with new grant;

Row Q  Record the amount of DPF attributable to major works, miscellaneous works to existing stock to avoid demolition;

Row R  Record the amount of DPF that has been combined with new allocations of Social Housing Grant and or Social Housing Assistance and sums in providers’ Recycled Capital Grant Funds as part of the 16 to 21 programme, and enter the number of starts and completions in the relevant columns (optional);

Row S  Record the amount of DPF that has been combined with sums in providers’ Recycled Capital Grant Funds outside of the 16 to 21 programme, and enter the number of starts and completions in the relevant columns (mandatory);

Row T  Record the amount of DPF that has been transferred to another Registered Provider;
Row U  Record the amount of DPF repaid to the Regulator of Social Housing. This should include amounts repaid on a voluntary basis, requested in year by the Regulator of Social Housing and any unspent DPF requested following the 3 year review;

Row V  Record the amount of DPF attributable towards the delivery of new rental units and enter the number of starts and completions in the relevant columns (optional);

Row W  Record DPF that is committed expenditure. Committed expenditure should only include those amounts that are subject to a formal agreement to be spent within the next 6 months, but have not actually been drawn down during the year;

Row X  Record the amount of DPF that is attributed towards land acquisitions;

Row Y  Record the amount of DPF that is attributed towards ‘other’ permitted expenditure;

Row Z  Where a prior year adjustment is required this needs to be recorded here. This can be either a positive or negative amount. For negative sums precede the amount with a minus sign (such as -5,000). A comment must be entered to explain the reason for the adjustment;

Row AA  Will be system generated to show the closing balance, and will be carried forward to be shown as the next year’s opening balance;

Row AB  Sums in your DPF are time limited therefore you are required to identify and record amounts that have been in your fund for less than a year;

Row AC  Identify and record amounts here that have been in your fund for more than one year but less than two;

Row AD  Identify and record amounts here that have been in your fund for more than two years, but less than three;

Details on how to calculate three-year-old amounts can be found in the Regulator of Social Housing’s Disposal Proceeds Fund guidance. Simply adjust this to reflect one and two-year-old amounts.
Row AE  Identify and record amounts here that have been in your DPF for three years or more as of 31 March 2019;

Note: In exceptional circumstances, registered providers may request permission to roll over three-year-old DPF or to undertake a scheme that does not exactly fit within DPF criteria. Please refer to the Social Housing Regulator's published DPF Direction and Requirements, along with accompanying guidance for the process of rolling over uncommitted three-year-old DPF amounts.

Line AF  For sums recorded in row AE, calculate and enter the amount of interest due on those sums for the year ending 31 March 2019. This figure should be included in and not separate from the total interest figure shown in line I;

When you are satisfied the data is correct, click in the tick box to confirm your data entry and then save. If the tick box is left blank you may save the screen and return to it to amend data.

Select the forward arrow at the top of the screen to go to the next screen.

At this stage ignore the 'errors found' message when moving to the next screen.
3.4 Completing the ‘Unit Outputs’ window

This screen is used to record the number of rental units developed and or acquired to replace those lost through previous RTA, SHB or Preserved RTB sales.

Line A – units under construction at the start of the year will be system generated from your previous year’s return. Should an error have occurred on the previous year’s return this figure can be over written.

Enter data for lines B to D as appropriate.

Lines E and F will be system generated.

Enter data in the appropriate columns using the tab key. A tick will appear by each line to show it is complete.

When you are satisfied the data is correct, click in the tick box to confirm data entry and then save. If the tick box is left blank you may save the screen and return to it to amend.

Select the forward arrow at the top of the screen to go to the next screen.

At this stage ignore the ‘errors found’ message when moving to the next screen.
3.5 Completing the ‘Analysis of Expenditure’ window

This screen is designed to capture further detail in respect of the units recorded in Part C, together with sums spent on other permitted DPF uses.

This window records how much of your Disposal Proceeds your organisation has spent and how it has been spent during the year; and helps the Regulator of Social Housing build a national picture of how Disposal Proceeds have been used.

Only include units completed during the year in question, but record their total cost even if their development began and some costs were incurred in a previous year.

There is validation in place to check that total scheme costs equal the sum of contributions. Amounts entered in the Disposal Proceeds column should be analysed by type of funding i.e. from Receipts and/or Reserves. The total scheme cost should therefore equal the sum of disposal proceeds, other public subsidy and private finance.

Exclude any units produced with a combination of other recycled grant and new grant to avoid double counting, as these will be recorded via the IMS programme delivery screens. This applies to nil grant schemes recorded through IMS.

Exclude major repairs and miscellaneous works as you should have recorded these in Row Q of the “Financial” window but include re-improvements from row M of the “Financial” window.
In mixed schemes, create separate rows for units according to the main column headings: rent, sale, and re-improvements.

Create a new row by inserting a new scheme without IMS number, using the button at the centre bottom of the window.

This screen is larger than the others and you should use the scroll functionality to move to the left or right to view all the fields.

A smaller window will request you to input the Operating Area – enter the OA where the scheme is located. You will then be required to enter the relevant local authority area – use the drop down menu for this purpose as this should auto-populate the local authority code. You will then be required to enter the name and address of the scheme. You can enter data on new lines for units in the same local authority. Repeat the process for new units in different local authority or Operating Areas. Clicking the select and save button will then ‘copy’ the address information to the main Part D window.

**Address**

This information will auto-populate provided that the correct scheme number has been entered, if it does it will appear in grey to prevent being overwritten. If not it will appear white and you may simply type in the address of the new unit/s.

**Units**

Place the cursor in the column and enter the number of units developed, acquired, converted or extended.

**Property Type**

Place the cursor in the column and select the property type from the drop down menu, noting the key towards the bottom of the screen.

**Property Code**

Place the cursor in the column and select the property code from the drop down menu, noting the key towards the bottom of the screen.
LA Code

As with the address, this may have auto-populated in which case it will appear in grey. If not it will be in white and you can type in the details or overwrite them.

LA Area

See above.

Spend

Place the cursor in the column and a drop down menu will appear - select the relevant spend.

Total Scheme costs

Place the cursor in the “£” column and enter the total scheme costs.

Funded from

Use the appropriate column/s to indicate the total amount of DPF drawn down, and also from which of the various receipts types this amount was generated i.e., RTA, VPG, SHB, PRTB and disposals by for profit Registered Providers of not for profit stock, or your own reserves.

Other Public Subsidy

Where appropriate place the cursor in this column to enter any details of other public subsidy that has contributed towards the total scheme costs; this should include any RCGF.

Private Finance

Where applicable place the cursor in this column to enter the amount of any private finance that has contributed towards the total scheme costs.
Adding additional schemes

To input the next 'scheme', tab to the next line.

Deleting Rows

To delete a row highlight the row by placing the cursor in the scheme address and left click, then click on the delete icon.

When you are satisfied the data is correct, click in the tick box to confirm data entry and then save. If the tick box is left blank you may save the screen and return to it to amend

At this stage please review the errors found message before moving to the next and final screen.

Select the forward arrow from the main menu to go to the next screen.
3.6 Completing the ‘RP Certification and Signature’ window

By completing this screen you are advising that you have complied with the various requirements indicated. Ticking the box at the bottom left of this screen signifies that your organisation is satisfied that the return is correct and complete and is submitting it electronically to Homes England. Before finally ticking this box you should ensure that you do not need to amend any of the previous screens.

An authorised user will be required to enter the date the return has been completed in the date box and complete the ‘sign off’ by ticking on the tick box. When in the date box, right clicking your mouse should open a ‘calendar’.

Your Registered Provider user code and submission date field will automatically be displayed.

Click ‘save’ to save the screen. If previous screens contain errors or omissions the screen will not save and a dialogue box will be displayed. Click on ‘yes’ to view errors. The errors that are listed must be rectified before attempting to save the return again.

If having tried to rectify any errors and saved the data again, they are still listed as an error please contact the Homes England service desk in the first instance on 01908 353604.
3.7 Late Submissions

Returns that are submitted in IMS after the deadline of 30 June 2019 are identified by the system as late returns, and as such you will be required to complete the “Late Submission Comment” field giving an explanation for the delay. The late submission comment must be greater than 20 characters and not more than 400 characters including spaces, in length.

To return to the main menu, close and save, exit (F3) or press this icon.

4 External auditors

Your external auditors must have regard to the disclosure of DPF balances and transactions within their sign-off of your accounts, and it is recommended you use the print function to provide them with a hard copy of your return. If you should cancel the sign off and make changes, print another copy for your external auditors.