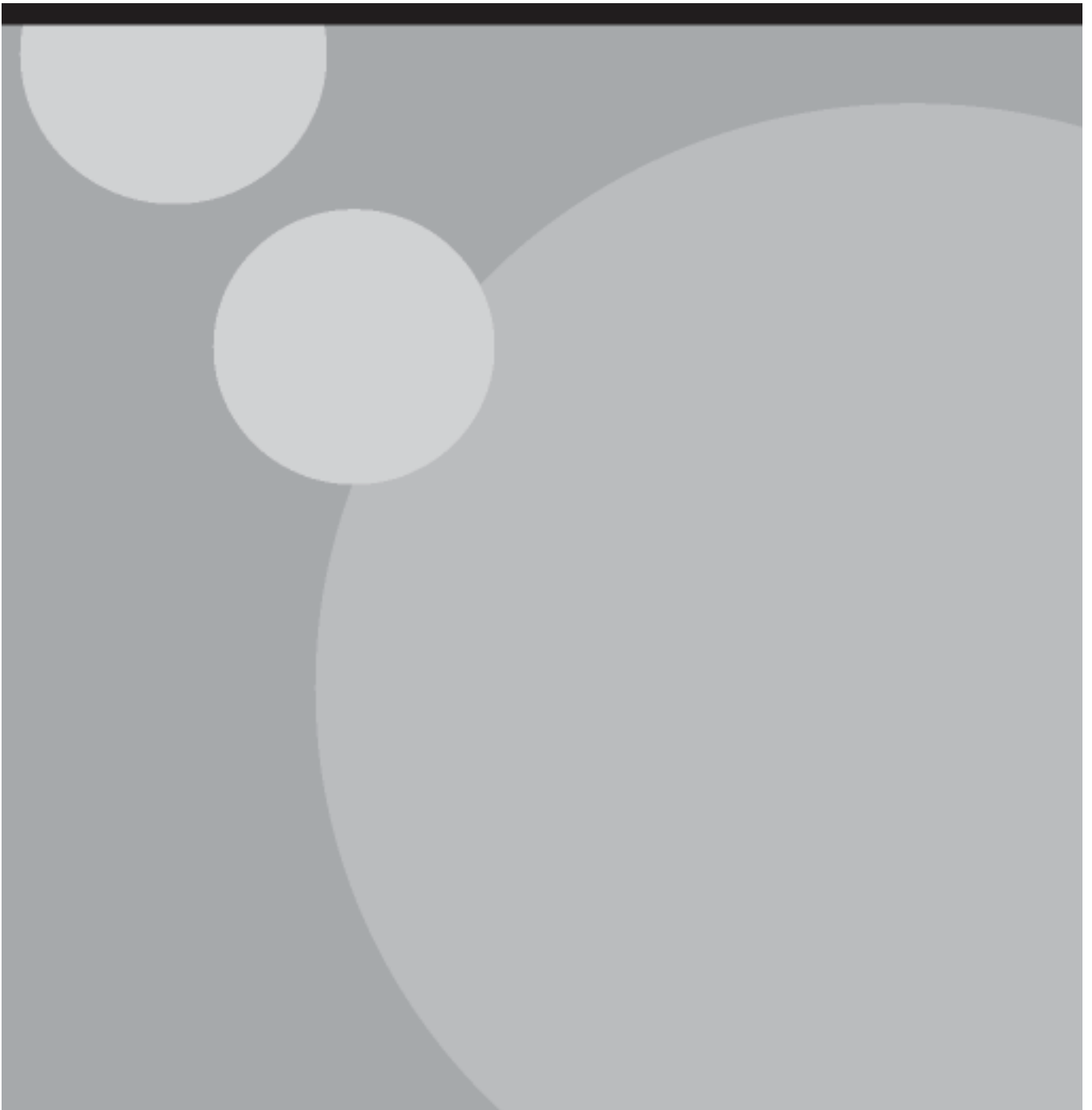




The Housing Revenue Account Self-financing Determinations

Consultation



These determinations are concerned with the exercise of the Secretary of State's powers conferred by sections 168 to 175 of the Localism Act 2011 and 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.

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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.

"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

"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

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

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 (PWLB) loans held by the authority. The percentage for each authority will be calculated according to the value of PWLB 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 PWLB

- 3.4.3 Where an authority's PWLB debt is less than the settlement payment, the Secretary of State will redeem all the loans held with the PWLB 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	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
Adur	12,887	64,402	51,515
Arun	10,728	82,045	71,317
Ashford	5,951	120,251	114,300
Babergh	9,585	93,582	83,998
Barking	0	265,605	265,605
Barnet	137,462	240,710	103,248
Barnsley	275,354	299,235	23,881
Barrow	18,952	36,367	17,415
Basildon	170,689	223,379	52,690
Bassetlaw	78,983	106,500	27,517
Birmingham	709,196	1,052,120	342,924
Bolsover	17,964	112,807	94,843
Bournemouth	23,608	66,618	43,009
Brentwood	3,578	68,020	64,442
Brighton & Hove	137,056	156,500	19,444
Bristol	210,656	258,974	48,318

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
Broxtowe	16,740	83,629	66,888
Bury	57,587	136,845	79,258
Cambridge	10,473	224,858	214,384
Cannock Chase	25,784	85,546	59,762
Canterbury	15,843	113,290	97,446
Castle Point	1,018	37,626	36,607
Central Beds UA	0	165,690	165,690
Charnwood	8,647	88,402	79,755
Cheltenham	25,447	53,328	27,881
Cheshire West UA	15,978	107,331	91,354
Chesterfield	38,442	156,388	117,946
City of London	14,094	25,263	11,169
City of York	22,944	145,327	122,383
Colchester	66,581	140,919	74,338
Corby	1,340	72,425	71,085
Cornwall UA	44,513	127,629	83,116
Crawley	2,776	264,159	261,383
Croydon	105,016	329,848	224,832
Dacorum	0	355,276	355,276
Darlington	32,714	66,510	33,796
Dartford	0	87,478	87,478
Derby	208,440	237,933	29,492
Dover	305	91,285	90,980

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
Dudley	97,361	435,425	338,064
Durham UA	187,281	241,935	54,654
East Devon	2,821	87,603	84,782
East Riding	18,908	228,121	209,213
Enfield	169,226	198,833	29,607
Epping Forest	0	186,199	186,199
Exeter	0	57,345	57,345
Fareham	7,187	56,742	49,555
Gloucester	59,941	63,186	3,245
Gosport	0	57,334	57,334
Gravesham	10,651	117,538	106,887
Great Yarmouth	31,615	103,637	72,022
Guildford	2,412	195,613	193,201
Harlow	0	209,780	209,780
Harrogate	16,214	84,597	68,383
Harrow	50,994	140,064	89,070
Havering	43,755	209,960	166,206
High Peak	30,751	68,930	38,180
Hillingdon	105,852	298,658	192,805
Hinckley	4,262	72,256	67,993
Hounslow	264,137	265,421	1,284
Ipswich	45,282	145,696	100,414
Kensington	196,627	222,538	25,911

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
Kettering	6,243	79,543	73,300
Kingston upon Hull	239,411	309,679	70,268
Kingston upon Thames	33,766	149,887	116,120
Lancaster	28,952	60,673	31,721
Lewes	16,258	73,322	57,064
Lincoln	41,085	66,746	25,662
Luton	40,383	130,695	90,312
Mansfield	42,919	95,699	52,781
Medway Towns	26,702	46,187	19,485
Melton	5,931	33,742	27,811
Mid Devon	7,153	54,033	46,879
Mid Suffolk	20,508	78,033	57,525
Milton Keynes	88,932	260,686	171,754
NE Derbyshire	51,062	178,984	127,922
New Forest	12,833	156,192	143,359
Newark	74,307	110,921	36,614
North Kesteven	20,828	78,066	57,238
North Tyneside	142,392	272,225	129,834
North Warwick	3,417	63,265	59,848
Northampton	15,480	209,712	194,232
Northumberland UA	95,199	106,273	11,074
Norwich	88,091	239,734	151,643
Nuneaton	18,195	90,266	72,071

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
NW Leicester	13,476	90,700	77,224
Oadby & Wigston	3,654	21,898	18,243
Oxford City	34,489	234,099	199,610
Poole	45,864	90,234	44,370
Portsmouth	91,869	182,235	90,366
Reading	56,235	204,747	148,512
Redbridge	39,936	100,612	60,677
Redditch	0	99,512	99,512
Richmondshire	6,232	28,584	22,352
Rotherham	314,731	332,000	17,269
Rugby	9,956	83,342	73,386
Runnymede	235	103,956	103,721
Sandwell	478,830	507,520	28,690
Sedgemoor	14,129	61,840	47,710
Selby	5,335	63,395	58,060
Shepway	21,324	61,827	40,503
Shropshire UA	7,130	90,912	83,781
Slough	41,562	178,164	136,602
Solihull	110,194	180,719	70,525
South Cambridge	0	205,719	205,719
South Derby	9,429	67,162	57,733
South Holland	7,245	75,073	67,829
South Kesteven	13,519	135,800	122,280

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made to Secretary of State on or before 28 March 2012
	£'000	£'000	£'000
South Lakeland	13,124	83,502	70,378
South Tyneside	223,836	286,418	62,581
Southampton	122,225	197,747	75,521
Southend-on-Sea	66,247	101,524	35,277
St Albans	10,027	186,558	176,531
Stevenage	0	218,626	218,626
Stoke-on-Trent	109,554	185,827	76,273
Stroud	4,025	96,211	92,186
Sutton	32,744	174,527	141,783
Swindon	31,147	170,812	139,665
Tamworth	34,739	79,887	45,148
Tandridge	2,422	72,959	70,538
Taunton Deane	30,585	116,348	85,763
Tendring	24,305	60,609	36,304
Thurrock	26,175	188,141	161,966
Uttlesford	735	89,448	88,713
Wandsworth	106,397	542,337	435,941
Warwick	13,840	150,672	136,832
Waveney	18,974	87,691	68,717
Waverley	3,238	192,741	189,503
Wealden	16,448	64,718	48,270
Welwyn Hatfield	0	305,888	305,888
West Lancashire	3,936	92,916	88,980

Local Housing Authority	SCFR £'000	Self-financing Valuation £'000	Payment to be made to Secretary of State on or before 28 March 2012 £'000
Westminster	257,093	326,669	69,576
Wigan	254,543	356,376	101,834
Wiltshire UA	3,813	123,169	119,356
Winchester	9,764	167,157	157,393
Woking	4,190	102,665	98,475
Wokingham	6,846	102,710	95,864
Wycombe	0	202,630	202,630

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	80,702	8,732
Blackpool	73,416	32,135	41,281
Brent	397,291	200,364	196,927
Camden	558,156	518,664	39,492
Doncaster	329,673	271,906	57,766
Ealing	398,253	195,942	202,311
Eastbourne	71,820	41,650	30,170
Gateshead	353,057	333,305	19,752
Greenwich	435,509	310,883	124,627
Hackney	905,196	157,969	747,228
Hammersmith	451,971	255,219	196,752
Haringey	561,388	329,577	231,811
Islington	859,618	495,825	363,794
Kirklees	276,969	247,727	29,242
Lambeth	573,287	409,717	163,571
Leeds	829,984	722,675	107,309

Local Housing Authority	SCFR	Self-financing Valuation	Payment to be made by Secretary of State on 28 March 2012
	£'000	£'000	£'000
Leicester	224,308	218,038	6,270
Lewisham	263,617	128,658	134,959
Manchester	442,862	157,006	285,855
Newcastle upon Tyne	663,623	372,875	290,748
Newham	791,669	248,737	542,932
Nottingham	383,646	319,706	63,940
Oldham	28,795	-3,459	32,254
Rochdale	240,777	118,847	121,930
Salford	127,399	67,102	60,297
Sheffield	905,145	390,347	514,799
Southwark	773,937	578,740	195,197
Stockport	172,890	148,303	24,587
Thanet	28,349	27,770	578
Tower Hamlets	423,055	183,108	239,948
Waltham Forest	312,030	192,845	119,185
Wolverhampton	404,518	359,256	45,262

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 paragraphs 2.2 and 2.3.
- 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 [2012]. For the avoidance of doubt this figure includes the effects 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 2012-2013. 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 Amending Determination [2012].

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 PWLB 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 PWLB 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. The limits for consultation in November are indicative amounts based on the methodology described in paragraph 2.1 of this determination and using estimates of the closing HRA CFR for 2011-2012.

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Adur	64,402	0	64,402	51,515	17,727	69,242	69,242
Arun	82,045	0	82,045	71,317	2,342	73,659	82,045
Ashfield	80,702	0	80,702	-8,732	86,568	77,836	80,702
Ashford	120,251	4,668	124,919	114,300	8,577	122,877	124,919
Babergh	93,582	0	93,582	83,998	14,201	98,199	98,199
Barking	265,605	11,736	277,342	265,605	-2,779	262,827	277,342
Barnet	240,710	0	240,710	103,248	98,759	202,006	240,710
Barnsley	299,235	3,445	302,680	23,881	268,655	292,536	302,680
Barrow	36,367	0	36,367	17,415	9,010	26,425	36,367

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Basildon	223,379	92	223,471	52,690	167,779	220,468	223,471
Bassetlaw	106,500	0	106,500	27,517	68,655	96,172	106,500
Birmingham	1,052,120	12,277	1,064,397	342,924	799,614	1,142,538	1,142,538
Blackpool	32,135	3,845	35,979	-41,281	58,036	16,755	35,979
Bolsover	112,807	0	112,807	94,843	6,512	101,355	112,807
Bournemouth	66,618	3,200	69,818	43,009	15,180	58,189	69,818
Brent	200,364	0	200,364	-196,927	338,425	141,499	200,364
Brentwood	68,020	0	68,020	64,442	8,420	72,862	72,862

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Brighton & Hove	156,500	1,702	158,202	19,444	114,165	133,608	158,202
Bristol	258,974	907	259,881	48,318	199,092	247,411	259,881
Broxtowe	83,629	1,289	84,917	66,888	9,525	76,414	84,917
Bury	136,845	0	136,845	79,258	40,887	120,146	136,845
Cambridge	224,858	6,793	231,651	214,384	1,176	215,561	231,651
Camden	518,664	8,824	527,488	-38,229	480,304	442,075	527,488
Cannock Chase	85,546	0	85,546	59,762	22,762	82,524	85,546
Canterbury	113,290	945	114,235	97,446	9,195	106,642	114,235
Castle Point	37,626	0	37,626	36,607	-2,070	34,537	37,626

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Central Beds UA	165,690	0	165,690	165,690	-7,739	157,951	165,690
Charnwood	88,402	362	88,764	79,755	-570	79,185	88,764
Cheltenham	53,328	0	53,328	27,881	18,730	46,611	53,328
Cheshire West UA	107,331	0	107,331	91,354	5,245	96,599	107,331
Chesterfield	156,388	220	156,608	117,946	25,731	143,677	156,608
City of London	25,263	0	25,263	11,169	11,147	22,316	25,263
City of York	145,327	1,476	146,803	122,383	18,794	141,177	146,803
Colchester	140,919	0	140,919	74,338	50,883	125,221	140,919
Corby	72,425	3,832	76,256	71,085	9,086	80,171	80,171

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Cornwall UA	127,629	0	127,629	83,116	29,535	112,651	127,629
Crawley	264,159	800	264,959	261,383	0	261,383	264,959
Croydon	329,848	4,170	334,019	224,832	87,592	312,425	334,019
Dacorum	355,276	0	355,276	355,276	-8,115	347,161	355,276
Darlington	66,510	3,522	70,032	33,796	41,093	74,889	74,889
Dartford	87,478	0	87,478	87,478	-2,789	84,689	87,478
Derby	237,933	2,005	239,937	29,492	218,388	247,880	247,880
Doncaster	271,906	0	271,906	-57,766	302,003	244,237	271,906
Dover	91,285	0	91,285	90,980	-4,967	86,014	91,285

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Dudley	435,425	7,731	443,156	338,064	127,792	465,856	465,856
Durham UA	241,935	5,574	247,509	54,654	174,411	229,064	247,509
Ealing	195,942	4,545	200,487	-202,311	352,488	150,177	200,487
East Devon	87,603	646	88,249	84,782	630	85,412	88,249
East Riding	228,121	26,380	254,501	209,213	25,357	234,570	254,501
Eastbourne	41,650	1,310	42,960	-30,170	67,209	37,039	42,960
Enfield	198,833	0	198,833	29,607	130,785	160,392	198,833
Epping Forest	186,199	0	186,199	186,199	-31,881	154,318	186,199
Exeter	57,345	0	57,345	57,345	0	57,345	57,345

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Fareham	56,742	396	57,138	49,555	4,536	54,091	57,138
Gateshead	333,305	5,127	338,432	-19,752	366,954	347,202	347,202
Gloucester	63,186	0	63,186	3,245	53,813	57,058	63,186
Gosport	57,334	0	57,334	57,334	4,938	62,272	62,272
Gravesham	117,538	385	117,923	106,887	162	107,049	117,923
Great Yarmouth	103,637	0	103,637	72,022	18,939	90,961	103,637
Greenwich	310,883	5,714	316,597	-124,627	459,579	334,952	334,952
Guildford	195,613	0	195,613	193,201	3,999	197,200	197,200
Hackney	157,969	16,008	173,977	-747,228	819,790	72,562	173,977

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Hammersmith	255,219	0	255,219	-196,752	414,829	218,077	255,219
Haringey	329,577	0	329,577	-231,811	491,704	259,893	329,577
Harlow	209,780	0	209,780	209,780	-8,198	201,582	209,780
Harrogate	84,597	0	84,597	68,383	7,789	76,172	84,597
Harrow	140,064	0	140,064	89,070	61,001	150,071	150,071
Havering	209,960	0	209,960	166,206	15,164	181,370	209,960
High Peak	68,930	0	68,930	38,180	25,823	64,003	68,930
Hillingdon	298,658	5,823	304,481	192,805	67,752	260,557	304,481
Hinckley	72,256	0	72,256	67,993	2,545	70,538	72,256

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Hounslow	265,421	0	265,421	1,284	234,518	235,802	265,421
Ipswich	145,696	0	145,696	100,414	35,151	135,565	145,696
Islington	495,825	7,022	502,847	-363,794	799,332	435,538	502,847
Kensington	222,538	0	222,538	25,911	185,204	211,115	222,538
Kettering	79,543	0	79,543	73,300	4,819	78,119	79,543
Kingston upon Hull	309,679	0	309,679	70,268	280,531	350,799	350,799
Kingston upon Thames	149,887	0	149,887	116,120	14,357	130,477	149,887
Kirklees	247,727	2,000	249,727	-29,242	243,294	214,052	249,727
Lambeth	409,717	0	409,717	-163,571	425,355	261,785	409,717

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Lancaster	60,673	0	60,673	31,721	15,303	47,024	60,673
Leeds	722,675	8,554	731,229	-107,309	808,096	700,787	731,229
Leicester	218,038	8,333	226,371	-6,270	227,655	221,385	226,371
Lewes	73,322	0	73,322	57,064	10,942	68,007	73,322
Lewisham	128,658	0	128,658	-134,959	219,887	84,928	128,658
Lincoln	66,746	0	66,746	25,662	33,701	59,363	66,746
Luton	130,695	0	130,695	90,312	19,802	110,114	130,695
Manchester	157,006	13,970	170,976	-285,855	403,573	117,718	170,976
Mansfield	95,699	2,577	98,276	52,781	35,191	87,971	98,276

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Medway Towns	46,187	0	46,187	19,485	22,013	41,499	46,187
Melton	33,742	0	33,742	27,811	4,282	32,093	33,742
Mid Devon	54,033	0	54,033	46,879	-139	46,740	54,033
Mid Suffolk	78,033	0	78,033	57,525	33,644	91,169	91,169
Milton Keynes	260,686	0	260,686	171,754	83,623	255,377	260,686
NE Derbyshire	178,984	0	178,984	127,922	40,423	168,345	178,984
New Forest	156,192	800	156,992	143,359	1,897	145,256	156,992
Newark	110,921	2,089	113,010	36,614	68,910	105,524	113,010
Newcastle upon Tyne	372,875	513	373,388	-290,748	687,015	396,267	396,267

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Newham	248,737	0	248,737	-542,932	709,802	166,870	248,737
North Kesteven	78,066	2,374	80,440	57,238	13,216	70,454	80,440
North Tyneside	272,225	0	272,225	129,834	162,631	292,465	292,465
North Warwick	63,265	906	64,171	59,848	4,393	64,241	64,241
Northampton	209,712	0	209,712	194,232	2,437	196,669	209,712
Northumberland UA	106,273	1,900	108,173	11,074	89,645	100,719	108,173
Norwich	239,734	0	239,734	151,643	52,866	204,509	239,734
Nottingham	319,706	2,126	321,832	-63,940	340,163	276,223	321,832
Nuneaton	90,266	0	90,266	72,071	9,108	81,179	90,266

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
NW Leicester	90,700	0	90,700	77,224	3,335	80,559	90,700
Oadby & Wigston	21,898	0	21,898	18,243	-108	18,136	21,898
Oldham	-3,459	0	-3,459	-32,254	20,941	-11,313	-3,459
Oxford City	234,099	8,100	242,199	199,610	17,894	217,504	242,199
Poole	90,234	0	90,234	44,370	55,861	100,231	100,231
Portsmouth	182,235	1,212	183,447	90,366	55,719	146,085	183,447
Reading	204,747	4,451	209,197	148,512	56,481	204,993	209,197
Redbridge	100,612	0	100,612	60,677	6,005	66,682	100,612
Redditch	99,512	0	99,512	99,512	18,528	118,040	118,040

Local authority	Valuation	Capital financing to support HCA new build scheme	Total 1	Settlement payment	Forecast end-year HCFR (excluding settlement payment)	Total 2	Forecast borrowing cap
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Richmondshire	28,584	0	28,584	22,352	2,572	24,924	28,584
Rochdale	118,847	0	118,847	-121,930	219,805	97,875	118,847
Rotherham	332,000	6,703	338,704	17,269	281,471	298,740	338,704
Rugby	83,342	0	83,342	73,386	5,365	78,751	83,342
Runnymede	103,956	120	104,076	103,721	0	103,721	104,076
Salford	67,102	4,235	71,338	-60,297	122,048	61,752	71,338
Sandwell	507,520	2,978	510,498	28,690	425,849	454,540	510,498
Sedgemoor	61,840	0	61,840	47,710	8,481	56,191	61,840
Selby	63,395	0	63,395	58,060	-854	57,206	63,395

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Sheffield	390,347	1,539	391,885	-514,799	864,126	349,328	391,885
Shepway	61,827	0	61,827	40,503	15,403	55,906	61,827
Shropshire UA	90,912	5,094	96,006	83,781	2,461	86,242	96,006
Slough	178,164	0	178,164	136,602	23,130	159,732	178,164
Solihull	180,719	0	180,719	70,525	105,501	176,026	180,719
South Cambridge	205,719	0	205,719	205,719	0	205,719	205,719
South Derby	67,162	0	67,162	57,733	0	57,733	67,162
South Holland	75,073	0	75,073	67,829	2,797	70,626	75,073
South Kesteven	135,800	0	135,800	122,280	2,159	124,439	135,800

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
South Lakeland	83,502	0	83,502	70,378	0	70,378	83,502
South Tyneside	286,418	2,848	289,266	62,581	207,105	269,686	289,266
Southampton	197,747	3,546	201,292	75,521	103,844	179,366	201,292
Southend-on-Sea	101,524	0	101,524	35,277	67,466	102,744	102,744
Southwark	578,740	2,204	580,944	-195,197	650,204	455,007	580,944
St Albans	186,558	0	186,558	176,531	15,159	191,690	191,690
Stevenage	218,626	0	218,626	218,626	-3,810	214,816	218,626
Stockport	148,303	0	148,303	-24,587	151,263	126,676	148,303
Stoke-on-Trent	185,827	0	185,827	76,273	89,172	165,445	185,827

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Stroud	96,211	0	96,211	92,186	-6,738	85,448	96,211
Sutton	174,527	0	174,527	141,783	17,915	159,698	174,527
Swindon	170,812	2,684	173,495	139,665	11,915	151,580	173,495
Tamworth	79,887	0	79,887	45,148	23,395	68,543	79,887
Tandridge	72,959	0	72,959	70,538	2,889	73,426	73,426
Taunton Deane	116,348	0	116,348	85,763	14,451	100,214	116,348
Tendring	60,609	0	60,609	36,304	18,941	55,245	60,609
Thanet	27,770	368	28,138	-578	23,966	23,388	28,138
Thurrock	188,141	0	188,141	161,966	5,882	167,847	188,141

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
Tower Hamlets	183,108	2,966	186,074	-239,948	305,874	65,926	186,074
Uttlesford	89,448	390	89,838	88,713	-333	88,380	89,838
Waltham Forest	192,845	1,949	194,794	-119,185	284,015	164,830	194,794
Wandsworth	542,337	3,077	545,414	435,941	39,043	474,984	545,414
Warwick	150,672	0	150,672	136,832	-370	136,462	150,672
Waveney	87,691	0	87,691	68,717	9,838	78,555	87,691
Waverley	192,741	0	192,741	189,503	3,512	193,015	193,015
Wealden	64,718	7,307	72,025	48,270	12,404	60,673	72,025
Welwyn Hatfield	305,888	0	305,888	305,888	-2,555	303,334	305,888

Local authority	Valuation £'000	Capital financing to support HCA new build scheme £'000	Total 1 £'000	Settlement payment £'000	Forecast end-year HCFR (excluding settlement payment) £'000	Total 2 £'000	Forecast borrowing cap £'000
Calculation	[A]	[B]	[A] + [B]	[C]	[D]	[C] + [D]	MAX [Total 1, Total 2]
West Lancashire	92,916	914	93,829	88,980	-12,505	76,475	93,829
Westminster	326,669	0	326,669	69,576	220,805	290,381	326,669
Wigan	356,376	2,814	359,190	101,834	218,984	320,818	359,190
Wiltshire UA	123,169	2,578	125,747	119,356	4,272	123,627	125,747
Winchester	167,157	0	167,157	157,393	10,131	167,523	167,523
Woking	102,665	0	102,665	98,475	24,133	122,608	122,608
Wokingham	102,710	0	102,710	95,864	1,079	96,943	102,710
Wolverhampton	359,256	0	359,256	-45,262	401,691	356,429	359,256
Wycombe	202,630	0	202,630	202,630	-10,975	191,654	202,630

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 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 PWLB 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 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 201[2]

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 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 in advance to make the payment and the interest payable on the self-financing settlement payment between the date the payment is made to the Secretary of State and 31st March 2012; 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 [date of Royal Assent] 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 CFR 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 in 2011-2012 to the Public Works Loan Board 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. The self financing payment includes both loan repayments made to the PWLB 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 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 HRA under item 8 of Part I of Schedule 4 to the 1989 Act shall be calculated as follows for the year 2012-2013 and the four subsequent 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 HRA 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 calculated in accordance with proper accounting practice. It is nil where the calculation results in a positive amount.

Interest on notional cash balance means the notional cash balance attributed to the HRA, the HRA Repairs Account and the Major Repairs Reserve and is calculated in accordance with proper accounting practice. It is nil where the calculation results in a positive amount.

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 HRA.

PFI subsidy payments are payments made to an authority by DCLG for HRA Private Finance Initiative (PFI) schemes approved by the Secretary of State that are a service concession within the meaning of IFRIC 12^[a], such that in accordance with proper accounting practice the provisions of IFRIC 12 need to be considered.

Transfer from Major Repairs Reserve is a transfer from the Major Repairs Reserve. Where depreciation for dwellings within the authority's HRA, 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 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 Major Repairs Reserve has been included on a transitional basis to allow local authorities time to develop a component-based approach to depreciation.

Impairments Adjustment allows local authorities to reverse impairment charges out of the HRA in the Statement of Movement on the HRA balance sheet where the HRA revaluation reserve cannot meet the impairment charge. This applies for a transitional period for the year 2012-2013 and the four subsequent years.

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

a International Financial Reporting Interpretations Committee 12 (IFRIC 12), published by the International Accounting Standards Board (IASB), provides guidance on how service concession arrangements should be accounted for under International Financial Reporting Standards.

Item 8 of Part II – Debit to the Account

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 = 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 + transfer to Major Repairs Reserve + impairment charges

where:

Interest on loans means the interest on loans, both external and internal, in relation to the HRA Capital Financing Requirement and is calculated in accordance with proper practices.

Depreciation on both council dwellings and other assets within the HRA should be calculated in accordance with proper accounting practice.

Debt repayments are where authorities choose to repay debt from the HRA.

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 an HRA PFI scheme in respect of housing land which is no longer in the authority’s HRA are not PFI scheme payments for the purposes of this determination.

Interest on notional cash balance means the interest charged on the debits and liabilities of the HRA. It is calculated in accordance with proper accounting practice and is nil where the authority has a credit balance.

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

Premium charges for early repayment of debt are calculated in accordance with proper accounting practice.

Transfer to Major Repairs Reserve. Where decent homes backlog funding has been credited to the HRA 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 HRA 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 impairment charges in respect of land, houses or other property within the authority's HRA calculated in accordance with proper accounting practice where the HRA Revaluation Reserve cannot meet the impairment charge.