



21 January 2019

Sent to: Chief Executives of all registered providers with DPF balances

Dear Chief Executive

Disposal Proceeds Fund balance

You will be aware that the Housing and Regeneration Act 2008 (HRA) places an obligation on private registered providers of social housing (providers) to identify a *Disposal Proceeds Fund* (DPF) in their accounts and restricts the use of the proceeds. The regulator's published documents, setting out the requirements¹ around management and use of DPF and guidance² are available on our website.

De-regulatory measures contained in the Housing and Planning Act 2016 (HPA) removed the requirement for proceeds of new disposals to be identified in the DPF. It also contained provisions for existing balances to be wound down over the period up to 6 April 2020 when all requirements around DPF will cease. In 2017, the regulator published additional guidance³ which reflected the HPA provisions.

Having reviewed the 2017/18 accounts, we note that your organisation has a balance in the DPF. We are now contacting all providers in this position to request the following information:

1. Confirmation of the current DPF balance
2. An outline of how your organisation proposes to use the totality of funds in your DPF before the cut-off date of 6 April 2020.
3. Confirmation of the amount within this balance which has been there for three years and is now due to be returned to the grant funding authority (GLA within London and Homes England outside of London). You are reminded that there is a requirement to notify the regulator where funds cannot be used within the three year time period, and that the funds should be returned or otherwise permission sought to roll over the sums concerned. Decisions about any roll-over of sums are made on a case by case basis and you would be notified of the outcome.

Please submit the information requested by the end of February 2019, using the regulator's notifications mailbox: RNTeam@rsh.gov.uk. If it appears from your scrutiny of the DPF that you should have made, or should now make, a notification to the regulator with request for permission to roll over certain sums, then you should make this notification on the relevant form⁴ as soon as possible.

¹ Disposal Proceeds Fund Requirements: <https://www.gov.uk/government/publications/disposal-proceeds-fund>

² Disposal Proceeds Fund Guidance: <https://www.gov.uk/government/publications/disposal-proceeds-fund>

³ Guidance on the effect of the Housing and Planning Act 2016 on Disposal Proceeds Fund Requirements: <https://www.gov.uk/government/publications/disposal-proceeds-fund>

⁴ Form DPFN: <https://www.gov.uk/government/publications/disposal-proceeds-fund>



If you have any queries or would like to discuss any points in relation to this letter, please contact Catherine Grannum, Regulatory Framework Advisor on 0207 393 2058 or catherine.grannum@rsh.gov.uk.

Your cooperation in this matter is appreciated.

Yours sincerely

A handwritten signature in black ink, appearing to read "A E Houghton". The signature is written in a cursive style with a horizontal line at the end.

Althea Houghton

Acting Assistant Director
Registrations, Notifications and Small Providers