EXECUTIVE NOTE

THE HOUSING REVENUE ACCOUNT GENERAL FUND CONTRIBUTION LIMITS (SCOTLAND) ORDER 2009
SSI/2009/43

1. The above instrument was made in exercise of the powers conferred by section 204 of the Housing (Scotland) Act 1987. The instrument is subject to negative resolution procedure.

Policy Objectives

2. This instrument sets at nil the amount of contribution for financial year 2009-10 which local authorities may estimate, when setting their budgets, to transfer from their general funds to their housing revenue accounts (HRA).

3. General Fund Contributions (GFCs') are effectively a subsidy from council tax payers to council house rent payers. This instrument prevents councils from budgeting for GFCs and so avoids additional pressure on council tax levels.

Consultation

4. Scottish Government will write to individual local authorities and the Convention of Scottish Local Authorities on the intention to continue the policy not to allow any GFCs in the financial year 2009-10. No council in Scotland has been permitted to budget for a GFC since the early 1990s.

Financial Effects

5. This instrument ensures that there are no additional pressures on council tax payers as a result of a cross subsidy from councils general services account to the HRA.

Scottish Government: Housing and Regeneration Directorate
February 2009