

## **EXECUTIVE NOTE**

### **The Housing Revenue Account General Fund Contribution Limits (Scotland) Order 2008 SSI/2008/34**

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 2008-09 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. The Convention of Scottish Local Authorities has been informed of the intention to continue the policy not to allow any GFCs in the financial year 2008-09 (no council has been permitted to budget for a GFC since the early nineties).

#### **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 Executive Development Department  
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