

## **EXECUTIVE NOTE**

### **THE HOUSING REVENUE ACCOUNT GENERAL FUND CONTRIBUTION LIMITS (SCOTLAND) ORDER 2010 (S.S.I. 2010/ 62 )**

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 2010-11 which local authorities may estimate, when setting their budgets, to transfer from their general services accounts (also known as their General Funds) to their Housing Revenue Accounts (HRAs).
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 2010-11. 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 contribution having to be paid from a council's general services account to its HRA.

**Scottish Government: Housing and Regeneration Directorate  
February 2010**