

EXECUTIVE NOTE

The Housing (Scotland) Act 2001 (Alteration of Housing Finance Arrangements) Order 2007 SSI/2007/74

1. The above instrument was made in exercise of the powers conferred by sections 94(1), (2) and (3) and 109(2) of the Housing (Scotland) Act 2001. The instrument is subject to negative resolution procedure.

Policy Objectives

2. This instrument enables 2 councils, Argyll and Bute and Comhairle nan Eilean Siar, who have transferred their housing stock to close their Housing Revenue Accounts (HRA). The instrument also removes the requirement for Scottish Ministers to calculate Housing Support Grant entitlements for these councils. A similar instrument was laid in 2004 in respect of 3 other councils which closed their HRAs with effect from 31 March 2004.
3. The Order allows residual HRA assets to be transferred to the General Fund and requires the councils to keep a separate accounting record of these assets. Under the provisions contained in section 94 of the Housing (Scotland) Act 2001, this will enable Scottish Ministers to make a direction that any receipt from the disposal of residual HRA land be applied, by the authority, for housing related functions.

Consultation

4. The 2 councils have all indicated that they would wish to close their HRAs at the end of this financial year. They are also aware of the direction making powers of Scottish Ministers in terms of the disposal of residual HRA land.

Financial Effects

5. There are no direct financial consequences for the Executive in terms of the closure of councils' HRAs. As indicated in paragraph 3 above Scottish Ministers have a direction making power in terms the use of any receipt from the sale of any retained HRA land or other assets.

**Scottish Executive Development Department
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