

LOCALISM ACT 2011

EXPLANATORY NOTES

COMMENTARY

Part 7: Housing

Chapter 3: Housing Finance

Sections 167 to 175: Housing Finance

387. [Sections 167 to 175](#) and Schedule 15 provide for a new system of council housing finance. The Housing Revenue Account subsidy system will end and councils that operate a Housing Revenue Account will keep all of their rental income and use it to support their own housing stock.
388. [Section 168](#) sets out the framework for calculating the value of each local housing authority's housing service. To implement the new system some local housing authorities will be required to make a payment to Government and other local housing authorities will receive a payment from Government. The framework will be used in calculating the values of those payments, known as "the settlement payment", the details of which will be provided in a determination published by the Secretary of State.
389. [Section 169](#) allows the Secretary of State to issue a further determination if there has been a change in any matter that was taken into account when the settlement payment was calculated.
390. [Section 170](#) provides for the Secretary of State to require that payments to or by central government under sections 168 and 169 are made in a certain way.
391. [Section 171](#) gives the Secretary of State the power to set a maximum amount of housing debt that can be held by each local housing authority.
392. [Section 172](#) requires local housing authorities to provide information necessary to exercise powers in this Chapter.
393. [Section 173](#) allows determinations issued according to powers in this Chapter to apply to all local housing authorities, groups of local housing authorities or individual local housing authorities and requires the Secretary of State to consult before making a determination
394. [Section 174](#) amends the Local Government Act 2003 to enable the Secretary of State to continue to enter into agreements with local authorities to exempt certain council homes from the requirement, in regulations made under that Act, that a percentage of the net receipt be surrendered to central Government should those homes be sold.