

**2014 (NO.4)**

**HOUSING, WALES**

**The Housing Revenue Account Subsidy (Wales)  
Determination 2014-2015**

*Made:* 30 January 2014

*Coming into force:* 31 January 2014

The Welsh Ministers make the following Determination as respects all local housing authorities in Wales. The Determination is made in exercise of the powers conferred by sections 80 and 87 of the Local Government and Housing Act 1989, and which are now vested in the Welsh Ministers<sup>1</sup>.

The Welsh Ministers have consulted such representatives of local government and relevant professional bodies as appear to them to be appropriate in accordance with section 87(2):

**1 Title, application and commencement**

- 1.1 The title of this Determination is the Housing Revenue Account Subsidy (Wales) Determination 2014-2015 and has effect for the year beginning 1 April 2014.
- 1.2 Subject to paragraph 1.3 the Housing Revenue Account Subsidy (Wales) Determination 2013-2014 (2013 No.1) is hereby revoked.
- 1.3 The Housing Revenue Account Subsidy (Wales) Determination 2013-2014 shall continue to have effect for the purpose of the determination of Housing Revenue Account subsidy for the year beginning 1 April 2013 and in so far as may be necessary for the purposes of any calculation to be made under this or any other determination relating to the calculation of Housing Revenue Account subsidy.

**Interpretation**

- 2.1 In this Determination -

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<sup>1</sup> The functions of the Secretary of State under sections 80 and 87 of the 1989 Act, so far as exercisable in relation to Wales, were transferred to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 and were subsequently transferred to the Welsh Ministers by section 162 of, and paragraph 30 of Schedule 11 to, the Government of Wales Act 2006.

"the 1985 Act" means the Housing Act 1985;

"the 1989 Act" means the Local Government and Housing Act 1989;

"the 2003 Regulations" means the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, as amended;

"authority" means a local housing authority in Wales;

"cluster" means a group of rooms in a house in multiple occupation serving as separate accommodation for 2 or more persons but sharing a common kitchen, bathroom and lavatory; where such a house accommodates 6 or fewer than 6 persons this shall count as one cluster; where such a house accommodates more than 6 persons the number of clusters shall be calculated by dividing the number of persons by 6, with any balance counting as one cluster;

"capital financing requirement" means the amount determined as the capital financing requirement in accordance with the proper practices contained in the "Prudential Code for Capital Finance in Local Authorities" published by CIPFA (as amended or reissued from time to time) and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 – a Statement of Recommended Practice published by the CIPFA/LASAAC SoRP Board (**2008 SORP**), except that the effect of all finance leases is to be excluded.

For the avoidance of doubt, the capital financing requirement, for the purpose of this Determination, **excludes** the effect of the recognition of PFI schemes (whether HRA or Council Fund) on a local authority balance sheet arising from the amended requirements of the Code of Practice on Local Authority Accounting (based on International Financial Reporting Standards) as published by CIPFA ('the Code'). The Code makes provision for PFI assets to be treated as 'on-balance sheet'. Authorities should note that for the purpose of calculating HRAS and HRA Capital Finance Requirement, PFI assets should still be treated as 'off-balance sheet', in line with the **2008 SORP**.

"dwelling" means a building or part of a building which is provided for occupation by a single family unit (i.e. an individual or a family in either case together with any lodger), a cluster or a group of 3 bed spaces in a hostel (for this purpose the number of groups of bed spaces shall be calculated by dividing the number of bed spaces by three, with any balance counting as one dwelling), together with any yard, garden, outhouses and appurtenances belonging to or usually enjoyed with that building or part; a dwelling which is put to another use which is not a permanent change of use shall continue to be treated as a dwelling for the purposes of this Determination;

"HRA" means the Housing Revenue Account of the authority whose entitlement to Housing Revenue Account Subsidy is under consideration;

"shared ownership dwelling" means a dwelling which is subject to a shared ownership lease granted under section 622 of the 1985 Act;

"year" means the period of 12 months beginning on 1 April;

"2013-2014" means the year beginning 1 April 2013;

"2014-2015" means the year beginning 1 April 2014.

2.2 For the purposes of this Determination the number of dwellings in the HRA in 2014-2015 shall be calculated as follows:

- (i) where the number of dwellings in the HRA at the end of 31 March in the year is not more than 10% greater or less than the corresponding number at the beginning of 1 April in the year, the number of dwellings in the HRA for the year shall be calculated by taking the aggregate of the number of those dwellings in the HRA at the beginning of 1 April in the year and at the end of 31 March in the year, and dividing by 2;
- (ii) where paragraph 2.2 (i) does not apply then there shall be added to the number of dwellings in the HRA throughout the year a proportion in relation to any dwelling in the HRA for part only of the year calculated as follows:

$$\frac{\text{number of whole days the dwelling is in the HRA}}{365}$$

- (iii) where the product of the division in paragraphs 2.2(i) or 2.2(ii) does not result in a whole number then that product shall be rounded up to the nearest whole number.

2.3 The calculation of the number of dwellings in the HRA shall not include:

- the share in a shared ownership dwelling which has been acquired by the tenant.
- properties leased for the purpose of housing homeless people as part of the Private Sector Leasing Subsidy scheme.

2.4 References to another Determination are to be read as references to that Determination as amended or revoked and replaced as the case may be.

2.5 In this Determination, unless the contrary intention appears, reference to an Act or Statutory Instrument is a reference to the Act or Statutory Instrument as amended.

## **General Formula**

- 3.1 The amount of Housing Revenue Account Subsidy “HRAS” payable to, or recoverable from, an authority for 2014-2015 shall be calculated as follows:

HRAS is (notional allowance for management and maintenance + charges for capital + other items of reckonable expenditure) - (notional rent + interest on receipts + other items of reckonable income);

**where:** the “notional allowance for management and maintenance” is calculated in accordance with paragraph 4 below;

“charges for capital” and “interest on receipts” are calculated in accordance with paragraph 5 below;

“other items of reckonable expenditure” are calculated in accordance with paragraph 6 below;

“notional rent” is calculated in accordance with paragraph 7 below;

“other items of reckonable income” are calculated in accordance with paragraph 8 below.

- 3.2 Expressions are used in paragraph 3.1 for convenience and not to define the items.
- 3.3 Where an authority changes its accounting practices or changes any other practice with the predominant purpose of affecting the calculations under this Determination, then those calculations shall be made as if such changes had not taken place.

## **MANAGEMENT AND MAINTENANCE**

- 4.1 The Management and Maintenance allowance per dwelling for 2014-2015 is £2,769.
- 4.2 The total Management and Maintenance allowance shall be calculated by multiplying the allowance per dwelling for 2014-2015 by the number of dwellings in the HRA in 2014-2015, calculated in accordance with paragraph 2.2 above.

## **CHARGES FOR CAPITAL AND INTEREST ON RECEIPTS**

### **Calculation of Interest on Receipts**

5.1 Interest on receipts shall be calculated as follows -

$$(A \times B) + C$$

where:

**A** is nil if the mid-year subsidy capital financing requirement (calculated in accordance with paragraph 5.2 below), is a positive amount or nil, and is the equivalent positive amount if the mid-year subsidy capital financing requirement is a negative amount;

**B** is the rate of interest represented by "B" in paragraph 3 of the (Wales) General Determination of the Item 8 Credit and Item 8 Debit 2014-2015<sup>2</sup>;

**C** is the interest paid to the authority relating to 2014-2015 in respect of any loan (including a part of the purchase price left outstanding) made to enable the borrower to acquire a dwelling in the HRA.

### **Calculation of Charges for Capital**

5.1.2 Charges for capital shall be calculated in accordance with the following formula -

$$E + (F \times H) + I$$

where:

**E** is the admissible minimum revenue provision for 2014-2015 (as defined in paragraph 5.4.5 below);

**F** is the mid-year subsidy capital financing requirement, (calculated in accordance with paragraph 5.2 below), except that where that is a negative amount "F" shall be nil;

**H** is the consolidated rate of interest (calculated in accordance with paragraph 5.5.1 below);

**I** is a proportion of the authority's debt management expenses for 2014-2015 calculated in accordance with proper practices to reflect the proportion which the HRA should bear.

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<sup>2</sup> 2014 (No. 5)

## **Mid-Year Subsidy Capital Financing Requirement**

5.2 The mid-year subsidy capital financing requirement means the aggregate of the opening subsidy capital financing requirement for 2014-2015 (calculated in accordance with paragraph 5.3 below) and the adjustments required in paragraphs 5.2.1 and 5.2.2 below. For the avoidance of doubt, finance leases and the effect of the changes relating to PFI schemes should be excluded (see paragraph 2.1 of this Determination).

### **5.2.1 Items to be aggregated with the opening subsidy capital financing requirement for 2014-2015**

- (i) one half of the capital expenditure financed by supported borrowing by means of borrowing or credit arrangements that is incurred in 2014-2015 on either new or existing land, dwellings or other property in the HRA (as defined in paragraph 5.4.1 below); and
- (ii) one half of the sum of the capital costs of any leasehold interests acquired in the year in dwellings or other property in the HRA; and
- (iii) one half of the certified value of land, dwellings or other property which commences or recommences to be accounted for in the HRA in 2014-2015 for a reason other than acquisition (whether by appropriation for the purposes of part II of the 1985 Act or otherwise)

### **5.2.2 Items to be deducted from the aggregate of the opening subsidy capital financing requirement for 2014-2015 and the items in paragraph 5.2.1**

- (i)(a) save where paragraph 5.2.2 (i)(b) below applies, in respect of HRA capital receipts which become payable in 2014-2015 for land, dwellings, or other property in the HRA, the aggregate of the amounts as reduced by defraying those costs falling within the description contained in Regulation 18(6) of the 2003 Regulations, calculated on the reduced amount as follows:
  - 37.5% of receipts (other than those referred to below) in respect of the disposal of dwellings;
  - 25% of receipts (other than those referred to below) in respect of the disposal of other property (other than dwellings) in the HRA; and
  - 0% of a disposal falling within the description contained in regulation 10(9) of the 2003 Regulations

- (b) where the number of dwellings in the HRA at the end of 31 March 2015 has increased or decreased by 10% or more from the number in the HRA at the beginning of 1 April 2014, the aggregate of the share of the HRA capital receipts which become payable in 2014-2015 for dwellings, or other property in the HRA, calculated in accordance with the following formula

$$\frac{Y \times Z}{365}$$

where –

- Y** is the part of the capital receipt for land, dwellings or other property in the HRA which becomes payable in 2014-2015, and shall be:
- 75% of receipts (other than those referred to below) in respect of the disposal of dwellings;
  - 50% of receipts (other than those referred to below) in respect of the disposal of other property (other than dwellings) in the HRA; and
  - 0% of a disposal falling within the description contained in regulation 10(9) of the 2003 Regulations
- Z** is the number of whole days remaining in 2014-2015 from the date from which the capital receipt becomes payable to the authority;
- (ii) one half of the admissible minimum revenue provision for 2014-2015 (as defined in paragraph 5.4.5 below);
- (iii) in respect of the value of dwellings or other property which ceases to be accounted for in the HRA in 2014-2015 for a reason other than disposal (whether by appropriation from the purposes of Part II of the 1985 Act or otherwise):
- 37.5% of the certified value of dwellings; and
  - 25% of the certified value of other property (other than dwellings).

### **Opening Subsidy Capital financing requirement**

- 5.3 For the purposes of paragraph 5, "opening subsidy capital financing requirement" means the authority's opening subsidy capital financing requirement for 2013-2014 calculated under paragraph 5.3 of the Housing Revenue Account Subsidy (Wales) Determination 2013-2014 (2013 No.1), together with the items in paragraph 5.3.1 below and minus the items in paragraph 5.3.2 below. For the avoidance of doubt, the effect of the changes relating to PFI schemes should be excluded (see

paragraph 2.1 of this Determination).

**5.3.1 Items to be aggregated with the opening Capital financing requirement for 2013-2014**

- (i) the amount of capital expenditure financed by supported borrowing by means of borrowing or credit arrangements that is incurred in 2013-2014 on either new or existing land, dwellings or other property in the HRA (as defined in paragraph 5.4.1 below);
- (ii) the sum of the capital costs of any leasehold interests acquired in dwellings or other property in the HRA during 2013-2014; and
- (iii) the certified value of land, dwellings and other property that commenced or recommended to be accounted for in the HRA in 2013-2014 for any reason other than acquisition (whether by appropriation to the purposes of Part II of the 1985 Act or otherwise).

**5.3.2 Items to be deducted from the aggregate of the opening Capital financing requirement for 2013-2014 and the items in paragraph 5.3.1**

- (i) in respect of HRA capital receipts which become payable in 2013-2014 for land, dwellings, or other property in the HRA, the aggregate of the amounts as reduced by defraying those costs falling within the description contained in Regulation 18(6) of the 2003 Regulations, calculated on the reduced amount as follows:
  - 75% of receipts (other than those referred to below) in respect of the disposal of dwellings;
  - 50% of receipts (other than those referred to below) in respect of the disposal of other property (other than dwellings) in the HRA; and
  - 0% of a disposal falling within the description contained in regulation 10(9) of the 2003 Regulations;
- (ii) the admissible minimum revenue provision for 2013-2014;
- (iii) in respect of dwellings, or other property which ceased to be accounted for in the HRA in 2013-2014 for a reason other than disposal (whether by appropriation from the purposes of Part II of the 1985 Act or otherwise):
  - 75% of the certified value of dwellings, and
  - 50% of the certified value of land or other property.



## Other Defined Terms

5.4 For the purposes of paragraph 5 (unless the context otherwise requires)

5.4.1 "supported borrowing" means

- (i) Hypothecated Supported Borrowing (HSB) available for and used for HRA capital purposes in 2014-2015
- (ii) such other supported borrowing used for capital purposes related to land or other property within the HRA, up to the limit of the specified amount as set out in column 1 of Schedule 1 to this Determination, less the amount of any deduction required under paragraph 5.4.2 below.

5.4.2 The amount specified for any one year for an authority in accordance with sub-paragraph (ii) of the definitions of supported borrowing in paragraphs 5.4.1 above, shall be reduced by the Capital Cost of any leasehold interest acquired by the authority in the year in dwellings or other property in the HRA.

5.4.3 "Capital Costs" means:

(a) in relation to a leasehold interest, not treated as acquired in accordance with paragraph 5.4.4. below the capital cost of the lease concerned; or

(b) in relation to a leasehold interest treated as acquired in accordance with paragraph 5.4.4. below, such of the adjusted cost of the lease concerned as is attributable to the variation of terms in question; and for this purpose the adjusted cost is the adjusted cost calculated for supported borrowing available for and used for HRA capital purposes in 2014-15, in accordance with proper practices as defined in regulations 5 and 25 of the 2003 Regulations;

so that in the making of any calculation of capital cost as aforementioned, rent which is reckonable expenditure pursuant to the relevant Head in Table B under paragraph 6.1 below, shall be ignored.

5.4.4 The variation of the terms of a credit arrangement, where the arrangement is a lease, is to be treated as an acquisition of a leasehold interest for the purposes of supported borrowing within the meaning of proper practices in accordance with regulations 5 and 25 of the 2003 Regulations.

- 5.4.5 Save where paragraph 5.4.5 (ii) applies, “admissible minimum revenue provision” for 2014-2015 means -
- (i) 2 per cent of the authority’s opening Subsidy capital financing requirement for the relevant year (if that is positive); or
  - (ii) where the number of dwellings in the authority’s HRA on 31 March in the relevant year has increased or decreased by 10% or more than the number of dwellings in the HRA on 1 April for that year, the admissible minimum revenue provision is:
    - (a) the amount calculated under paragraph (i) above: less
    - (b) 2 per cent of the aggregate of the proportions of the capital receipts which become payable during the relevant year in respect of dwellings or other property in the HRA, such proportions being calculated in accordance with those set out for Y in paragraph 5.2.2.
- 5.4.6 The certified value of dwellings or other property shall be the market value certified by the District Valuer or by a qualified valuer employed by the authority.

**Consolidated Rate of Interest**

5.5.1 For the purpose of paragraph 5.1.2 above, H is a percentage amount calculated to two decimal places as follows:

$$\frac{[(M \times N) + \{(P - M) \times Q\}]}{P}$$

except that where M is equal to or greater than P, H shall be N.  
For the purposes of this paragraph:

**M** is the amount outstanding by way of money borrowed by the authority during 2014-2015 (calculated on a weighted average basis which takes into account fluctuations in such amounts outstanding during the year). For the avoidance of doubt, finance leases and the effect of the changes relating to PFI schemes (see paragraph 2.1 of this Determination) should be excluded from the calculation of M.

**N** is an amount calculated to two decimal places in accordance with the following formula:

$$\frac{U + V - W}{M}$$

where -

**U** is the amount of interest (calculated on an accruals basis) payable during 2014-2015 on the amount represented by M as defined above;

**V** is the aggregate amount -

- (a) of any premium payable by the authority on or after 1 April 1996 on the early redemption of a fixed rate loan or any part thereof;

divided by, in each case, the unexpired period of the loan (in years and days, with any days expressed as a proportion of a year) or 10 years whichever is less, and

multiplied by, in each case, the unexpired period of the loan which falls in 2014-2015 (expressed in days), divided by 365;

**W** is the aggregate amount -

- (a) of any discount earned by the authority on or after 1 April 1996 on the early redemption of a fixed rate loan or any part thereof;

- (b) divided by, in each case, the unexpired period of the loan (in years and days, with any days expressed as a proportion of a year) or 10 years, whichever is less; and

- (c) multiplied by, in each case, the unexpired period of the loan which falls in 2014-2015 (expressed in days), divided by 365;

**P** is the higher of –

- (a) the sum of the authority's capital financing requirement (as defined in paragraph 2.1 of this Determination) at the beginning of 1 April 2014 and the sum of the capital financing requirement (as defined in paragraph 2.1 of this Determination) at the end of 31 March 2015, divided by 2, **less** Adjustment A; **or**

- (b) the authority's mid-year HRA capital financing requirement (as defined in paragraph 2.1 of this Determination) for 2014-2015;

where "Adjustment A" is the adjustment "A" figure that was used in the preparation of the authority's 2004-05 Audited Financial Statements.

**Q** is the average Daily Sterling interbank lending rate, 3 month, (mean LIBID/LIBOR) calculated by aggregating the rates published on the last working day of each week throughout 2014-2015 and dividing the total number of weeks in the year.

## **OTHER ITEMS OF RECKONABLE EXPENDITURE**

6.1 The amount for other items of reckonable expenditure shall be the aggregate of the amounts arising for 2014-2015 under Heads 1 - 8 in Table B below in relation to property in the HRA, **less any amount arising under Head 9** in Table B.

### **TABLE B**

<b>Head</b>	<b>Type of Expenditure</b>	<b>Amount of Reckonable Expenditure</b>
<b>Rents of Leasehold Property</b>		
1	Rent for an interest in dwellings and other property acquired before 1 April 1981.	The lower of (a) the rent payable or (b) the certified market rent.
2	Rent for an interest in land for development acquired on or after 1 April 1981 except in the circumstances specified in paragraph 6.3 below.	The lower of (a) the rent payable or (b) the certified market rent.
3	Rent of an interest in dwellings acquired between 1 April 1981 and 14 September 1989 for which a premium is payable; provided that unless the interest was acquired before 6 July 1988, the accommodation is in separate and self-contained premises or sets of premises.	The lower of (a) the rent payable or (b) the certified market rent.
4	Rent for an interest in dwellings acquired between 1 April 1981 and 14 September 1989 for which no premium is payable, where the rent has not changed since 14 September 1989; provided that unless the interest was acquired before 6 July 1988, the accommodation is in separate and self-contained premises or sets of premises.	The lower of:  (a) the rent payable; or  (b) the estimated fair rent within the meaning of the Rent Act 1977.

- 5 Rent for a leasehold interest in dwellings for a term not exceeding 10 years (whether or not a premium is payable) except in the circumstances specified in paragraph 6.3 below.

The rent payable by the authority in 2014-2015 but excluding:-  
(a) any amount by which the rent charged by the authority to the tenant exceeds such payments, and  
(b) any rent payable by the authority which is attributable to maintenance

Please note Private Sector Leasing Subsidy does not form part of this Determination.

### **Property Transferred from Another Authority**

- 6 The payments made in 2014-2015 by the authority to another authority in respect of dwellings, other land or other property transferred

The lower of:  
(a) the periodic payments payable in respect of the capital and interest elements of the outstanding debt, or

(b) the amount of such periodic payments which would have been payable but for any increase in such payments since the arrangements were first entered into (other than arising as a result of a change in interest rates provided for under the arrangements) whether such increase is effected pursuant to the terms of the arrangement or by new arrangements being entered into in relation to the property or otherwise.

### **Leased Equipment**

- 7 Annual payments for leased equipment (whether or not the contract includes a provision for purchase) in new build or renovation schemes where the authority became the lessee on or before 21 December 1989, and the terms of the lease have not been varied since that date: and for this purpose, where the work of installation of equipment was started, or (where it is earlier) the contract for

The payments, excluding any payments for purchase.

the installation was let, on or before 21 December 1989, and where there was in existence on that day an agreement under which the authority would become the lessee of the equipment, then the new authority shall be deemed to have become the lessee on 21 December 1989, provided that the authority did in fact become the lessee of the equipment on or before 30 September 1990.

### **Interest payments not covered by paragraph 5 or Head 9**

- 8 Interest payments to which the authority is committed under arrangements which would have been credit arrangements under section 48 of the 1989 Act if they had been entered into on or after 1 April 1990, provided that the following conditions apply-
- The lower of:
- (a) the payments, or
  - (b) the interest which would be payable if the interest rate under the arrangements was the consolidated rate of interest as defined in paragraph 5.5 of this Determination.

(i) the payments are not reckonable expenditure under paragraph 5 above or Head 9 below;

(ii) the arrangements were used to meet expenditure on property, works or equipment which would otherwise have been debited to the HRA;

(iii) the terms of the arrangements have not been varied since 21 December 1989, except in the case of arrangements to which section 52(2)(d) of the 1989 Act applied until 31 March 2004.

### **Disposal of Leasehold property**

- 9 Expenditure following any disposal of leasehold property.
- Any amount which has been included in the calculation under the foregoing provisions of this Table, to the extent that the amount in question is in respect of any period after the disposal of the property.

## **Interpretation of Heads 1-9 in Table B**

- 6.2 For the purposes of Table B, the variation of the terms of a credit arrangement should be treated in accordance with proper practices as defined in regulations 5 and 25 of the 2003 Regulations. References to rent in Table B do not include such part of any rent, as following such a variation, was taken into account in determining:
- (i) the amount of the supported borrowing (as defined in paragraph 5.4.1) used for the purpose of the acquisition represented by the variation; or
  - (ii) the Capital Cost (as defined in paragraph 5.4.3) of the acquisition represented by the variation.
- 6.3 The circumstances specified under Heads 2 and 5 of Table B are that an authority enters into a lease of land or dwellings which is a credit arrangement, and the authority's capital financing requirement would have been increased in accordance with regulation 5 of the 2003 Regulations if the authority had used Supported Borrowing.
- 6.4 In Table B, "certified" in the expression "certified market rent" means certified by the District Valuer or by a qualified valuer employed by the authority.
- 6.5 Where a question arises under Table B as to whether property or an interest in property was acquired before, on or after a particular date, the property or interest is to be treated as acquired before, on or after that date if the authority entered into a binding contract to acquire it before, on or after that date.
- 6.6 For the purposes of Head 6 of Table B "periodic" means occurring at regular intervals (including annually) throughout the term of the arrangements.
- 6.7 Head 8 may include payments of interest under restitution or other compromise agreements reached by the authority with the financing body when the authority has decided that the original arrangements were or may be ultra vires; but an amount included for such payments shall be either the lower of the amount which would have been eligible under that Head if payments under the arrangements had continued, or payments which are of interest under the restitution or compromise agreement.

## **RENT**

- 7.1 The amount of rent shall be calculated by applying, to the result of the formula in paragraph 7.2, the calculation specified in paragraph 7.3.

7.2 The notional guideline rent per week for the authority is calculated as the lower of either:

- a) the benchmark rent for the authority as specified in Column 2 of Schedule 3 to this determination; or
- b) the result of the formula

$$A + \{ \{ [ (B \times 0.06) + 2,769 ] - (A \times 52) \} \times 0.0401 \} \div 52$$

rounded to the nearest whole penny, where:

**A** is the notional guideline rent per week for the authority in 2013-2014, as specified in Column 1 of Schedule 3 of the Determination;

**B** is the average value of dwellings within the HRA which have been sold as individual dwellings by the authority to sitting tenants in each of the four years which expired one, two, three and four years before the commencement of 2014-2015. For these purposes:

(i) values are to be calculated in accordance with Section 127 of the Housing Act 1985; and

(ii) dwellings are to be treated as sold when the freehold is conveyed or a lease having at least 21 years unexpired is assigned or granted.

7.3 The result of the formulae in paragraph 7.2 shall then be multiplied

- (a) by 52; and
- (b) then by the number of dwellings in the HRA in 2014-2015.



## **OTHER ITEMS OF RECKONABLE INCOME**

8. The amount of other items of reckonable income shall be the aggregate of the amounts received in relation to 2014-2015 under the Head specified in Table C below in relation to property in the HRA.

### **TABLE C**

<b>Head</b>	<b>Description of income</b>	<b>Amount of reckonable income</b>
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#### **Transferred Property**

- |    |  |  |
|----|--|--|
| 1. | The payments received in 2014-2015 by the authority from another authority in respect of dwellings, other land or other property transferred and in the HRA. | The interest element of payments received. |
|----|--|--|

Signed: **C Sargeant**

**The Minister for Housing and Regeneration**  
**One of the Welsh Ministers**

Date: **30-1-14**