

# HOUSING AND REGENERATION ACT 2008

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## EXPLANATORY NOTES

### STRUCTURE OF THE ACT

#### **Part 2 – Regulation of Social Housing**

#### *Chapter 5 - Disposal of property*

#### **Proceeds**

#### *Section 177 - Separate accounting*

521. This section requires that the accounts of a registered provider must show its net disposal proceeds as a separate “disposal proceeds fund”. It sets out what constitutes “net disposal proceeds”, including the proceeds of specified forms of sale, grant received under specified powers, repayments of specified discounts, and other proceeds of sale and grants specified by the regulator.
522. This section also requires the regulator to determine amounts to be deducted in determining the proceeds of sale, to make a direction governing the method of constituting the fund, and to make a determination governing how interest is added to the fund. It specifies that section 127 (5) to (7) and sections 141 and 142 apply in relation to a direction under this section as they apply to a direction under section 127.
523. It also specifies that where this section applies in relation to the proceeds of sale arising on disposal, section 32 of this Act, section 27 of the 1996 Act and section 52 of the Housing Act 1988 do not apply. This ensures that net disposal proceeds in the disposal proceeds fund may not be recovered by the Homes and Communities Agency under its grant recovery powers.