



REPORT

Committee	PRUDENTIAL CODE STEERING GROUP		
Venue	Thistle Hotel, Charing Cross	Date	11 July 2002
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Subject	Issues paper – treatment of HRA		

PURPOSE

To consider issues paper on the treatment of the HRA for consideration for revisions to the draft Prudential Code.

REPORT

1 The Issue

The PCSG made the explicit decision not to address the details of how the Prudential Code interacts with the HRA in the first exposure draft of the Code, but to consider this later in the process when the statutory requirements for this in the new framework are clearer. Matters arising:

- (a) It has been indicated that in England and Wales the prudential framework will apply to the HRA but the details of this for the statutory framework of the HRA have not yet been decided.
- (b) It has been indicated that in Scotland the prudential framework will not apply to the HRA.

2 Ideas for consideration

- (a) It is suggested that there is a need to await further decisions on the statutory framework before the PCSG proceeds further on this issue.

RECOMMENDATION

The PCSG is asked to consider this issues paper on the treatment of the HRA for consideration for revisions to the draft Prudential Code.