

CIPFA

The Chartered Institute of
Public Finance & Accountancy

CIPFA/LASAAC

Sub Group on Housing Tenancies and Leases

CL 08 06 20

Background

- The Financial Reporting Advisory Board (FRAB) members have provided feedback on the adaptation for HRA tenancies which was discussed at the February meeting.

- CIPFA/LASAAC agreed to establish a sub-group to review:
 - the adaptation proposed regarding IFRS 16 *Leases* relating to Housing Revenue Account tenancies, and
 - the extent of application of IAS 17 *Leases* and impact on HRA.

Key Issues

- HRA exclusion - adaptation of IFRS 16 needs to be further explored
- As IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease* were not currently generally applied to HRA tenancies, this is viewed as a core issue.
- Explore potential alternative to specify that HRA tenancies are treated as operating leases

Objectives of the Group

- To review the commentaries from FRAB and the adaptation to the 2020/21 Code
- Outcomes taken forward into the consultation on the 2021/22 Code. It will consider:
 - impact on HRA tenancies including the option of limiting this to operating lease treatment and/or disclosures
 - WGA implications
- Liaise with the FRC and Housing SORP constituent members clarifying potential future plans affecting wider social housing provider reporting.

Thoughts and Feedback