



# Housing Act 1996

## 1996 CHAPTER 52

### PART I

#### SOCIAL RENTED SECTOR

### CHAPTER III

#### GRANTS AND OTHER FINANCIAL MATTERS

##### *Grants and other financial assistance*

#### **18 Social housing grants**

- (1) The Corporation may make grants to registered social landlords in respect of expenditure incurred or to be incurred by them in connection with their housing activities.
- (2) The Corporation, acting in accordance with such principles as it may from time to time determine, shall specify in relation to grants under this section—
  - (a) the procedure to be followed in relation to applications for grant,
  - (b) the circumstances in which grant is or is not to be payable,
  - (c) the method for calculating, and any limitations on, the amount of grant, and
  - (d) the manner in which, and time or times at which, grant is to be paid.
- (3) In making a grant under this section, the Corporation may provide that the grant is conditional on compliance by the landlord with such conditions as the Corporation may specify.
- (4) The Corporation may, with the agreement of a local housing authority, appoint the authority to act as its agent in connection with the assessment and payment of grant under this section.

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*Status: This is the original version (as it was originally enacted).*

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- (5) The appointment shall be on such terms as the Corporation may, with the approval of the Secretary of State given with the consent of the Treasury, specify; and the authority shall act in accordance with those terms.
- (6) Where—
- (a) a grant under this section is payable to a registered social landlord, and
  - (b) at any time property to which the grant relates becomes vested in, or is leased for a term of years to, or reverts to, another registered social landlord, or trustees for another such landlord,
- this section (including this subsection) shall have effect after that time as if the grant, or such proportion of it as is specified or determined under subsection (7), were payable to the other landlord.
- (7) The proportion mentioned in subsection (6) is that which, in the circumstances of the particular case—
- (a) the Corporation, acting in accordance with such principles as it may from time to time determine, may specify as being appropriate, or
  - (b) the Corporation may determine to be appropriate.
- (8) Where one of the landlords mentioned in subsection (6) is registered by the Housing Corporation and another is registered by Housing for Wales, the determination mentioned in subsection (7) shall be such as shall be agreed between the two Corporations.

## **19 Land subject to housing management agreement**

A registered social landlord is not entitled to a grant under section 18 (social housing grant) in respect of land comprised in a management agreement within the meaning of the Housing Act 1985 (see sections 27(2) and 27B(4) of that Act: delegation of housing management functions by certain authorities).

## **20 Purchase grant where right to acquire exercised**

- (1) The Corporation shall make grants to registered social landlords in respect of discounts given by them to persons exercising the right to acquire conferred by section 16.
- (2) The amount of the grant for any year shall be the aggregate value of the discounts given in that year.
- (3) The Corporation, acting in accordance with such principles as it may from time to time determine, shall specify in relation to grants under this section—
  - (a) the procedure to be followed in relation to applications for grant,
  - (b) the manner in which, and time or times at which, grant is to be paid.
- (4) In making a grant the Corporation may provide that the grant is conditional on compliance by the registered social landlord with such conditions as the Corporation may specify.

## **21 Purchase grant in respect of other disposals**

- (1) The Corporation may make grants to registered social landlords in respect of discounts on disposals by them of dwellings to tenants otherwise than in pursuance of the right conferred by section 16.
- (2) The Corporation shall make such a grant if the tenant was entitled to exercise the right conferred by section 16 in relation to another dwelling of the landlord's.

The amount of the grant in such a case shall not exceed the amount of the discount to which the tenant would have been entitled in respect of the other dwelling.

- (3) The Corporation, acting in accordance with such principles as it may from time to time determine, shall specify in relation to grants under this section—
  - (a) the procedure to be followed in relation to applications for grant;
  - (b) the circumstances in which grant is or is not to be payable;
  - (c) the method for calculating, and any limitations on, the amount of grant; and
  - (d) the manner in which, and time or times at which, grant is to be paid.
- (4) In making a grant under this section, the Corporation may provide that the grant is conditional on compliance by the registered social landlord with such conditions as the Corporation may specify.

## **22 Assistance from local authorities**

- (1) A local authority may promote—
  - (a) the formation of bodies to act as registered social landlords, and
  - (b) the extension of the objects or activities of registered social landlords.
- (2) A local authority may for the assistance of any registered social landlord subscribe for share or loan capital of the landlord.
- (3) A local authority may for the assistance of a registered social landlord—
  - (a) make grants or loans to the landlord, or
  - (b) guarantee or join in guaranteeing the payment of the principal of, and interest on, money borrowed by the landlord (including money borrowed by the issue of loan capital) or of interest on share capital issued by the landlord.
- (4) A local housing authority may sell or supply under a hire-purchase agreement furniture to the occupants of houses provided by a registered social landlord, and may buy furniture for that purpose.

In this subsection “hire-purchase agreement” means a hire-purchase agreement or conditional sale agreement within the meaning of the Consumer Credit Act 1974.

## **23 Loans by Public Works Loans Commissioners**

- (1) The Public Works Loans Commissioners may lend money to a registered social landlord—
  - (a) for the purpose of constructing or improving, or facilitating or encouraging the construction or improvement, of dwellings,
  - (b) for the purchase of dwellings which the landlord desires to purchase with a view to their improvement, and
  - (c) for the purchase and development of land.

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- (2) A loan for any of those purposes, and interest on the loan, shall be secured by a mortgage of—
- (a) the land in respect of which that purpose is to be carried out, and
  - (b) such other lands (if any) as may be offered as security for the loan;
- and the money lent shall not exceed three-quarters (or, if the payment of the principal of, and interest on, the loan is guaranteed by a local authority, nine-tenths) of the value, to be ascertained to the satisfaction of the Public Works Commissioners, of the estate or interest in the land proposed to be so mortgaged.
- (3) Loans may be made by instalments as the building of dwellings or other work on the land mortgaged under subsection (2) progresses (so, however, that the total amount lent does not at any time exceed the amount specified in that subsection); and a mortgage may accordingly be made to secure such loans to be so made.
- (4) If the loan exceeds two-thirds of the value referred to in subsection (2), and is not guaranteed as to principal and interest by a local authority, the Public Works Loans Commissioners shall require, in addition to such a mortgage as is mentioned in that subsection, such further security as they think fit.
- (5) Subject to subsection (6), the period for repayment of a loan under this section shall not exceed 40 years, and no money shall be lent on mortgage of any land unless the estate proposed to be mortgaged is either an estate in fee simple absolute in possession or an estate for a term of years absolute of which not less than 50 years are unexpired at the date of the loan.
- (6) Where a loan under this section is made for the purpose of carrying out a scheme for the provision of houses approved by the Secretary of State, the maximum period for the repayment of the loan is 50 instead of 40 years, and money may be lent on the mortgage of an estate for a term of years absolute of which a period of not less than ten years in excess of the period fixed for the repayment of the sums advanced remains unexpired at the date of the loan.