



Housing Associations Act 1985

1985 CHAPTER 69

PART I

REGULATION OF HOUSING ASSOCIATIONS

Control of payments to members, etc.

13 Payments by way of gift, dividend or bonus.

- (1) A registered housing association shall not make a gift or pay a sum by way of dividend or bonus to—
 - (a) a person who is or has been a member of the association, or
 - (b) a person who is a member of the family of a person within paragraph (a), or
 - (c) a company of which a person within paragraph (a) or (b) is a director, or
 - (d) a Scottish firm of which a person within paragraph (a) or (b) is a member, except as permitted by this section.
- (2) The following are permitted—
 - (a) the payment of a sum which, in accordance with the rules of the association concerned, is paid as interest on capital lent to the association or subscribed by way of shares in the association;
 - (b) the payment by a fully mutual housing association to a person who has ceased to be a member of the association, of a sum which is due to him either under his tenancy agreement with the association or under the terms of the agreement under which he became a member of the association.
- (3) Where an association which is a society registered under the 1965 Act pays a sum or makes a gift in contravention of this section the association may recover the sum or the value of the gift, and proceedings for its recovery shall be taken by the association if the [^{F1}Corporation] so directs.

Status: Point in time view as at 01/02/1991.

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Cross Heading: Control of payments to members, etc.. (See end of Document for details)

Textual Amendments

F1 Words substituted by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 59(2)(3)(4), [Sch. 6 Pt. I para. 2](#)

14 Maximum amounts payable by way of fees, expenses, etc.

- (1) The [^{F2}Corporation] may from time to time specify the maximum amounts which may be paid by a registered housing association which is a society registered under the 1965 Act—
- (a) by way of fees or other remuneration, or by way of expenses, to a member of the association who is not a member of its committee or an officer or employee of the association,
 - (b) by way of expenses to a member of its committee (including a co-opted member) who is not an officer or employee of the association, or
 - (c) by way of expenses to an officer of the association who does not have a contract of employment with the association;
- and different amounts may be so specified for different purposes.
- (2) Where such an association makes a payment in excess of the specified maximum, the association may recover the excess and proceedings for its recovery shall be taken by the association if the Corporation so directs.

Textual Amendments

F2 Words substituted by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 59(2)(3)(4), [Sch. 6 Pt. I para. 2](#)

15 Payments and benefits to committee members, etc.

- (1) A registered housing association which is a society registered under the 1965 Act shall not make a payment or grant a benefit to—
- (a) a committee member (including a co-opted member), officer or employee of the association, or
 - (b) a person who at any time within the preceding twelve months has been a person within paragraph (a), or
 - (c) a close relative of a person within paragraph (a) or (b), or
 - (d) a business trading for profit of which a person falling within paragraph (a), (b) or (c) is a principal proprietor or in the management of which such a person is directly concerned,
- except as permitted by this section [^{F3}or by section 15A of this Act].
- (2) The following are permitted—
- (a) payments made or benefits granted to an officer or employee under his contract of employment with the association;
 - (b) the payment of expenses to a committee member (including a co-opted member) or to an officer of the association who does not have a contract of employment with the association;
 - (c) any such payment as may be made in accordance with section 13(2) (interest payable in accordance with the rules and certain sums payable by a fully mutual housing association to a person who has ceased to be a member);

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- (d) the grant or renewal of a tenancy by a co-operative housing association;
 - (e) where a tenancy of a house has been granted to, or to a close relative of, a person who later became a committee member (including a co-opted member), officer or employee, the grant to that tenant of a new tenancy, whether of the same or another house.
 - ^{F4}(f) except in the case of housing associations registered in the register maintained by Scottish Homes, payments made or benefits granted by an association in such class or classes of case as may be specified in a determination made by the Corporation with the approval of the Secretary of State;
 - (g) in the case of housing associations registered in the register maintained by Scottish Homes, payments made or benefits granted by such an association with the approval of Scottish Homes (which approval may be given only in relation to a class or classes of case).]
- ^{F5}[The Housing Corporation and Housing for Wales may make different determinations ^{F6}(2A)] for the purposes of subsection (2)(f) above and, before making such a determination, the Corporation shall consult such bodies appearing to it to be representative of housing associations as it considers appropriate; and after making such a determination the Corporation shall publish the determination in such manner as it considers appropriate for bringing it to the notice of the associations concerned.]
- (3) Where an association pays a sum or grants a benefit in contravention of this section, the association may recover the sum or the value of the benefit, and proceedings for its recovery shall be taken by the association if the ^{F7}[Corporation] so directs.

Textual Amendments

- F3** Words added (S.) by [Housing \(Scotland\) Act 1986 \(c. 65, SIF 61\)](#), s. 25(1), [Sch. 2 para. 4\(3\)](#)
- F4** [S. 15\(2\)\(f\)\(g\)](#) inserted by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 59(2)(3)(4), [Sch. 6 Pt. I para. 9\(1\)](#)
- F5** [S. 15\(2A\)](#) inserted by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 59(2)(3)(4), [Sch. 6 Pt. I para. 9\(2\)](#)
- F6** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\)](#), s. 194(1), [Sch. 11 para. 111](#)
- F7** Words substituted by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 59(2)(3)(4), [Sch. 6 Pt. I para. 2](#)

^{F8}15A Payments etc. in community-based housing associations in Scotland.

- (1) In relation to a community-based housing association in Scotland the following are also permitted, notwithstanding section 15(1)—
- (a) payments made by the association in respect of the purchase of a dwelling, or part of a dwelling, owned and occupied by a person described in subsection (2) who is not an employee of the association; but only if—
 - (i) such payments constitute expenditure in connection with housing projects undertaken for the purpose of improving or repairing dwellings; and
 - (ii) the purchase price does not exceed such value as may be placed on the dwelling, or as the case may be part, by the district valuer;
 - (b) the granting of the tenancy of a dwelling, or part of a dwelling, to such a person; but only if the person—
 - (i) lives in the dwelling or in another dwelling owned by the association; or

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- (ii) has at any time within the period of twelve months immediately preceding the granting of the tenancy lived in the dwelling (or such other dwelling) whether or not it belonged to the housing association when he lived there.
- (2) The persons mentioned in subsection (1) are—
- (a) a committee member or voluntary officer of the association; or
 - (b) a person who at any time in the twelve months preceding the payment (or as the case may be the granting of the tenancy) has been such a member or officer; or
 - (c) a close relative of a person described in paragraph (a) or (b).
- (3) For the purposes of subsection (1), a housing association is “community-based” if—
- (a) prior to the specified date, it was designated as such by the Housing Corporation; or
 - (b) on or after that date, it is designated as such by Scottish Homes;
- and, in this subsection, “specified date” has the same meaning as in section 3 of the Housing (Scotland) Act 1988.
- (4) Scottish Homes—
- (a) shall make a designation under subsection (3) only if it considers that the activities of the housing association relate wholly or mainly to the improvement of dwellings, or the management of improved dwellings, within a particular community (whether or not identified by reference to a geographical area entirely within any one administrative area); and
 - (b) may revoke such a designation (including a designation made by the Housing Corporation under subsection (3) above as originally enacted) if it considers, after giving the association an opportunity to make representations to it as regards such revocation, that the association’s activities have ceased so to relate.]

Textual Amendments

- F8** S. 15(A) inserted (S.) by [Housing \(Scotland\) Act 1986 \(c. 65, SIF 61\)](#), s. 14 (which s. 14 was repealed 1.4.1989 by virtue of [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 140(2), [Sch. 18: S.I. 1989/404](#)) and as so inserted s. 15A is substituted (1.4.1989: cf. [S.I. 1989/404](#)) by virtue of [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 59(2)(3)(4), [Sch. 6 Pt. I para. 10](#)

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