

Housing Associations Act 1985

1985 CHAPTER 69

PART II

HOUSING ASSOCIATION FINANCE

Modi	ifications etc. (not altering text)	
C1	Pt. II (ss. 41–73) excluded (S.) by Housing (Scotland) Act 1987 (c. 26, SIF 61), ss. 199, 335, Sch. 12 para. 1(7)	
C2	Pt. II (ss. 41–73): power to apply certain functions conferred (E.W.) by Housing Act 1988 (c. 50, SIF 61), s. 65(2)(b)(4)	
41— 51.	F1	
Textı	nal Amendments	
F1	Ss. 41–51, 75(1)(<i>d</i>) repealed by Housing Act 1988 (c. 50, SIF 61), s. 140(2), Sch. 18	
52	F2	
Textu	ial Amendments	
F2	S. 52 repealed (with a saving in S.I. 1989/404, art. 3(a)) by Housing Act 1988 (c. 50, SIF 61), s. 140(2), Sch. 18 , and as to s. 52(3) repealed (S.) by Housing (Scotland) Act 1986 (c. 65, SIF 61), s. 25(2), Sch. 3 , and s. 52(4) repealed by Land Registration Act 1988 (c. 3, SIF 98:2), ss. 1(e), 2, Sch.	
53	F3	

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)

To4-	ıal Amendments
F3	S. 53 repealed (with a saving in S.I. 1989/404, art. 3(b)) by Housing Act 1988 (c. 50, SIF 61), s. 140(2), Sch. 18
	Deficit grants
54	F4
Textı	ıal Amendments
F4	S. 54 repealed (with a saving in S.I. 1989/404, art. 3(c)) by Housing Act 1988 (c.50, SIF 61), s. 140(2), Sch. 18
^{F5} 55	
Texti	ıal Amendments
F5	Ss. 55-57 repealed (1.4.1991) by Housing Act 1988 (c. 50, SIF 61), s. 140(2), Sch. 18; S.I. 1989/404, art. 2 and S.I. 1991/954, arts, 2, 3 (by art. 3 it is provided that the repeal shall not apply in relation to hostel deficit grants payable to an association for a period which expires before 1.4.1991)
56 ^{F6}	
Textı	ıal Amendments
F6	Ss. 55-57 repealed (1.4.1991) by Housing Act 1988 (c. 50, SIF 61), s. 140(2), Sch. 18 ; S.I. 1989/404, art. 2 and S.I. 1991/954, arts. 2 , 3 (by art. 3 it is provided that the repeal shall not apply in relation to hostel deficit grants payable to an association for a period which expires before 1.4.1991)
57 ^{F7}	

Textual Amendments

F7 Ss. 55-57 repealed (1.4.1991) by Housing Act 1988 (c. 50, SIF 61), s. 140(2), Sch. 18; S.I. 1989/404, art. 2 and S.I. 1991/954, arts.2, 3 (by art. 3 it is provided that the repeal shall not apply in relation to hostel deficit grants payable to an association for a period which expires before 1.4.1991)

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)

Arrangements with local authorities

[F858 Powers of local authorities to promote and assist housing associations: England and Wales.

- (1) A local authority may promote the formation or extension of a housing association.
- (2) A local authority may for the assistance of a housing association subscribe for share or loan capital of the association.
- (3) A local authority may make a loan to an unregistered self-build society for the purpose of enabling it to meet the whole or part of the expenditure incurred, or to be incurred by it, in carrying out its objects.
- (4) This section does not apply where the housing association is [F9—
 - (a) a private registered provider of social housing, or
 - (b)] a registered social landlord (for which corresponding provision is made by section 22 of the Housing Act 1996).]

Textual Amendments

- F8 S. 58 substituted (1.10.1996) by S.I. 1996/2325, art. 5(1), Sch. 2 para. 15(22)
- Words in s. 58(4) inserted (1.4.2010) by The Housing and Regeneration Act 2008 (Consequential Provisions) Order 2010 (S.I. 2010/866), art. 1(2), Sch. 2 para. 42 (with art. 6, Sch. 3)

Modifications etc. (not altering text)

C3 S. 58 excluded (1.10.1996) by 1985 c. 69, **s. 58(4)** (as substituted by S.I. 1996/2325, art. 5(1), **Sch. 2** para. 15(22))

[F1059 Powers of local authorities to promote and assist housing associations: Scotland.

- (1) A local authority ^{F11}. . . may promote the formation or extension of or, subject to section 60 (assistance restricted to registered housing associations), assist a housing association whose objects include the erection, improvement or management of housing accommodation.
- (2) A local authority F11. . . may, with the consent of and subject to any regulations or conditions made or imposed by the Secretary of State, for the assistance of such an association—
 - (a) make grants or loans to the association,
 - (b) subscribe for share or loan capital of the association, or
 - (c) guarantee or join in guaranteeing the payment of the principal of, and interest on, money borrowed by the association (including money borrowed by the issue of loan capital) or of interest on share capital issued by the association,

on such terms and conditions as to rate of interest and repayment or otherwise and on such security as the local authority ^{F11}... think fit.

(3) A term of an agreement for such a grant or loan is void if it purports to relate to the rent payable in respect of a house to which the agreement relates or the contributions payable towards the cost of maintaining such a house.

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)

- (4) Regulations under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- [Sections 6, 15, 320 and 329 of the Housing (Scotland) Act 1987 (general provisions F12(5) with respect to housing functions of local authorities etc.) apply in relation to this section and section 61, as they apply in relation to the provisions of that Act.]]

Textual Amendments

- F10 S. 59 repealed (1.11.2001) by 2001 asp 10, s. 112, Sch. 10 para. 11(4), S.S.I. 2001/336, art. 2(3), Sch. Pt. II Table (subject to transitional provisions and savings in art. 3)
- **F11** Words in s. 59(1)(2) repealed (1.4.1996) by 1994 c. 39, s. 180(1)(2), Sch. 13 para. 143(2), **Sch. 14**; S.I. 1996/323, art. 4(1)(c)(d), **Sch. 2**
- F12 S. 59(5) added by Housing (Scotland) Act 1987 (c. 26, SIF 61), ss. 335, 339(2), Sch. 23 para. 31(7)

F1360

Textual Amendments

F13 S. 60 repealed (E.W.) (1.10.1996) by S.I. 1996/2325, art. 4(1), Sch. 1 Pt. I (with art. 4(2)(3)) and repealed (S.) (1.11.2001) by 2001 asp 10, s. 112, Sch. 10 para. 11(4); S.S.I. 2001/336, art. 2(3), Sch. Pt. II Table (subject to transitional provisions and savings in art. 3)

[F1461 Power of local housing authority to supply furniture to housing association tenants.

- (1) A local housing authority may sell, or supply under a hire-purchase agreement, furniture to the occupants of houses provided by a housing association under arrangements made with the authority, and may buy furniture for this purpose.
- (2) In this section "hire-purchase agreement" means a hire-purchase agreement or conditional sale agreement within the meaning of the MIConsumer Credit Act 1974.

[This section does not apply where the housing association is [F16—

- (a) a private registered provider of social housing, or
 - (b)] a registered social landlord (for which corresponding provision is made by section 22 of the Housing Act 1996).]]

Textual Amendments

- F14 S. 61 repealed (S.) (1.11.2001) by 2001 asp 10, s. 112, Sch. 10 para. 11(4); S.S.I. 2001/336, art. 2(3), Sch. Pt. II Table (subject to transitional provisions and savings in art. 3)
- F15 S. 61(3) inserted (E.W.) (1.10.1996) by S.I. 1996/2325, art. 5(1), Sch. 2 para. 15(23)
- **F16** Words in s. 61(3) inserted (1.4.2010) by The Housing and Regeneration Act 2008 (Consequential Provisions) Order 2010 (S.I. 2010/866), art. 1(2), Sch. 2 para. 43 (with art. 6, Sch. 3)

Marginal Citations

M1 1974 c. 39.

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)

62^{F17}

Textual Amendments

F17 S. 62 repealed (with saving) by Housing Act 1988 (c. 50, SIF 61), s. 140(2), Sch. 18: S.I. 1989/404, art. 3(d))

63—^{F18}

Textual Amendments

F18 Ss. 63–66 repealed by Building Societies Act 1986 (c. 53, SIF 16), ss. 54(3)(a)(5), 119(5), 120(1)(2), Sch. 18 Pt. I para. 19(2), **Sch. 19 Pt. I** (and s. 64(4) is also expressed to be repealed (5.11.1993) by 1993 c. 50, s. 1(1), **Sch. 1 Pt.XIV** Gp. 2).

Loans by Public Works Loan Commissioners

^{F19}67

Textual Amendments

F19 S. 67 repealed (1.10.1996) by 1996 c. 52, s. 227, Sch. 19 Pt. I; S.I. 1996/2402, art. 3 (subject to transitional provisions and savings in Sch.)

68 Loans by Public Works Loan Commissioners: Scotland.

- (1) The Public Works Loan Commissioners may lend money to a [F20 registered housing association]—
 - (a) for the purpose of constructing or improving, or facilitating or encouraging the construction or improvement of, houses,
 - (b) for the purchase of houses, and
 - (c) for the purchase and development of land.
- (2) A loan for any of those purposes shall be secured with interest by a heritable security over—
 - (a) the land in respect of which that purpose is to be carried out, and
 - (b) such other land, 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 Loan Commissioners, of the estate or interest in the land proposed to be burdened.
- (3) Loans may be made by instalments as the building of houses or other work on the land burdened under subsection (2) progresses (so, however, that the total loans do not at any time exceed the amount specified in that subsection); and the heritable security may be granted accordingly to secure such loans so to be made.

Status: Point in time view as at 01/04/2012.

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)

(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 Loan Commissioners shall require, in addition to such a heritable security as is mentioned in that subsection, such further security as they may 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 the security of any land unless the estate or interest proposed to be burdened is either ownership or a lease of which a period of not less than 50 years remains unexpired at the date of the loan.
- (6) Where a loan under this section is made for the purposes 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 heritable security over a lease recorded under the M2 Registration of Leases (Scotland) Act 1857 of which a period of not less than ten years in excess of the period fixed for the repayment of the loan remains unexpired at the date of the loan.

Textual Amendments

F20 Words substituted by Housing and Planning Act 1986 (c. 63, SIF 61), s. 24(1), Sch. 5 Pt. I para. 13(b)

Marginal Citations

M2 1857 c. 26.

Miscellaneous

69 Power to vary or terminate certain agreements with housing associations.

- (1) This section applies to agreements of the following descriptions—
 - (a) an agreement for a loan to a housing association by the Housing Corporation under section 2 of the M3Housing Act 1964 [F21 F22 (including such an agreement under which rights and obligations have been transferred to Housing for Wales [F23 and then to the Secretary of State])]; [F21 under which rights and obligations have been transferred to the Regulator of Social Housing;]
 - (b) an agreement which continues in force under Part I of Schedule 4 (arrangements with local authority for the provision or improvement of housing);
 - (c) an agreement to which Part II of Schedule 4 applies (subsidy agreements with local authorities);
 - (d) an agreement which continues in force under Part III of Schedule 4 (special arrangements with the Secretary of State);
 - [F24(e) an agreement for a loan or grant to a housing association under section 58(2) or 59(2) (financial assistance by local authorities);
 - (f) a scheme which continues in force under Part V of Schedule 5 (schemes for unification of grant conditions).
 - [F25] an agreement for a loan or grant to a registered housing association under section 24 of the Local Government Act 1988 (power to provide financial assistance for privately let housing accommodation).]]

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)

- (2) [F27If any person (other than the Secretary of State) who is a party to an agreement to which this section applies makes an application to the Secretary of State, he] may, if he thinks fit, direct—
 - (a) that the agreement shall have effect with such variations, determined by him or agreed by the parties, as may be specified in the direction, or
 - (b) that the agreement shall be terminated.

[F28] and where the Secretary of State is a party to such an agreement, he may agree that it shall have effect with any variations or that it shall be terminated.]

- [F29][F30](2A) In the case of an agreement under which rights and obligations have been transferred to Housing for Wales [F31] and then to the Secretary of State], the reference to a party to the agreement includes a reference to [F32] the Secretary of State].]]
 - [F33(2B) In the case of an agreement under which rights and obligations have been transferred to the Regulator of Social Housing, the reference to a party to the agreement includes a reference to the Regulator of Social Housing.]
 - (3) No variation shall be directed under subsection (2) which would have the effect of including in an agreement a term—
 - (a) limiting the aggregate amount of rents payable in respect of dwellings to which the agreement relates or contributions towards the cost of maintaining such dwellings, or
 - (b) specifying a limit which the rent of a dwelling is not to exceed.

This subsection does not extend to Scotland.

(4) No variation shall be directed under subsection (2) which would have the effect of including in an agreement a term relating to the rent payable in respect of a house to which the agreement relates or contributions towards the cost of maintaining such a house.

This subsection extends to Scotland only.

Textual Amendments

- F21 Words in s. 69(1)(a) substituted (E.W.) (1.4.2010) by The Housing and Regeneration Act 2008 (Consequential Provisions) Order 2010 (S.I. 2010/866), art. 1(2), Sch. 2 para. 44(2) (with art. 6, Sch. 3)
- F22 Words added by Housing Act 1988 (c. 50, SIF 61), s. 59(2)(3)(b), Sch. 6 Pt. II para. 28(1)
- **F23** Words in s. 69(1)(a) inserted (1.11.1998) by 1998 c. 38, s. 140, **Sch. 16 para. 27(2)** (with ss. 139(2), 143(2)); S.I. 1998/2244, **art. 5**
- **F24** S. 69(1)(e) repealed (E.W.) (1.10.1996) by 1996 c. 52, ss. 55(1), 227, Sch. 3 para. 4, **Sch. 19 Pt. I**; S.I. 1996/2402, **art. 3** (subject to transitional provisions and savings in Sch.)
- **F25** S. 69(1)(g) repealed (E.W.) (1.10.1996) by 1996 c. 52, ss. 55(1), 227, Sch. 3 para. 4, **Sch. 19 Pt. I**; S.I. 1996/2402, **art. 3** (subject to transitional provisions and savings in Sch.)
- F26 S. 69(1)(g) inserted by Local Government Act 1988 (c. 9, SIF 81:1), s. 24(5)(c)
- **F27** Words in s. 69(2) substituted (1.11.1998) by 1998 c. 38, s. 140, **Sch. 16 para. 27(3)(a)** (with ss. 139(2), 143(2)); S.I. 1998/2244, **art. 5**
- **F28** Words in s. 69(2) inserted (1.11.1998) by 1998 c. 38, s. 140, **Sch. 16 para. 27(3)(b)** (with ss. 139(2), 143(2)); S.I. 1998/2244, **art. 5**
- F29 S. 69(2A) inserted by Housing Act 1988 (c. 50, SIF 61), s. 59(2)(3)(b), Sch. 6 Pt. II para. 28(2)
- **F30** S. 69(2A) repealed (E.W.) (1.4.2010) by The Housing and Regeneration Act 2008 (Consequential Provisions) Order 2010 (S.I. 2010/866), art. 1(2), Sch. 2 para. 44(3), **Sch. 4** (with art. 6, Sch. 3)

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)

- **F31** Words in s. 69(2A) inserted (1.11.1998) by 1998 c. 38, s. 140, **Sch. 16 para. 27(4)(a)** (with ss. 139(2), 143(2)); S.I. 1998/2244, **art. 5**
- **F32** Words in s. 69(2A) substituted (1.11.1998) by 1998 c. 38, s. 140, **Sch. 16 para. 27(4)(b)** (with ss. 139(2), 143(2)); S.I. 1998/2244, **art. 5**
- F33 S. 69(2B) inserted (E.W.) (1.4.2010) by The Housing and Regeneration Act 2008 (Consequential Provisions) Order 2010 (S.I. 2010/866), art. 1(2), Sch. 2 para. 44(4) (with art. 6, Sch. 3)

Modifications etc. (not altering text)

- C4 S. 69 modified (E.W.) (1.12.2008) by The Transfer of Housing Corporation Functions (Modifications and Transitional Provisions) Order 2008 (S.I. 2008/2839), arts. 1(1), 3, Sch. para. 3 (with art. 6) (see S.I. 2008/3068, art. 2(1)(b))
- C5 S. 69: transfer of functions (E.W.) (1.12.2008) by The Transfer of Housing Corporation Functions (Modifications and Transitional Provisions) Order 2008 (S.I. 2008/2839), arts. 1(1), 2 (see S.I. 2008/3068, art. 2(1)(b))

Marginal Citations

M3 1964 c. 56.

[F34]F3569Aand subject to housing management agreement.

A housing association is not entitled to a [F36grant under section 50 (housing association grant) or section 51 (revenue deficit grant) of the Housing Act 1988] in respect of land comprised in—

- (a) 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), or
- (b) an agreement to which section [F3722 of the Housing (Scotland) Act 1987] applies (agreements for exercise by housing co-operatives of certain local authority housing functions).]]

Textual Amendments

- F34 S. 69A inserted by Housing and Planning Act 1986 (c. 63, SIF 61), s. 24(2), Sch. 5 Pt. II para. 42
- F35 S. 69A repealed (E.W.) (1.4.2010) by The Housing and Regeneration Act 2008 (Consequential Provisions) Order 2010 (S.I. 2010/866), art. 1(2), Sch. 1 para. 5, Sch. 4 (with art. 6, Sch. 3)
- **F36** Words substituted by Housing Act 1988 (c. 50, SIF 61), s. 59(2)(3)(4), **Sch. 6 Pt. II para. 29** (which substitution has a saving in S.I. 1989/404, **arts. 3(c)(ii)**, 4)
- F37 Words "22 of the Housing (Scotland) Act 1987" substituted (S.) for "5 of the Housing Rents and Subsidies (Scotland) Act 1975" by Housing (Scotland) Act 1987 (c.26, SIF 61), ss. 335, 339(2), Sch. 23 para. 31(8)

70 Continuation of arrangements under repealed enactments.

The provisions of Schedule 4 have effect in relation to certain arrangements affecting housing associations which continue in force despite the repeal of the enactments under or by reference to which they were made, as follows—

Part I —Arrangements with local authorities for the provision or improvement of housing.

Part II —Subsidy agreements with local authorities.

Part III —Special arrangements with the Secretary of State in Scotland.

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)

71 Superseded contributions, subsidies and grants.

The provisions of Schedule 5 have effect with respect to superseded subsidies, contributions and grants, as follows—

Part I —Residual subsidies: England and Wales.

Part II —Residual subsidies: Scotland.

Part III—Contributions and grants under arrangements with local authorities.

Part IV—Contributions under arrangements with the Secretary of State in Scotland.

Part V —Schemes for the unification of grant conditions.

Part VI—New building subsidy and improvement subsidy.

Part VII—Payments in respect of hostels under pre-1974 enactments.

Supplementary provisions

[F3872 Minor definitions.

In t	his Part—	
		F39
		F39
		F39
	"registered charity" has the same	meaning as in Part I l

Textual Amendments

F38 S. 72 repealed (E.W.) (1.10.1996) by S.I. 1996/2325, art. 4(1), Sch. 1 Pt. I (with art. 4(2)(3))

F39 Definitions repealed by Building Societies Act 1986 (c. 53, SIF 16), **ss. 54(3)**(*a*)(5), 120(1)(2), Sch. 18 Pt. I para. 19(2), Sch. 19 Pt. I

73 Index of defined expressions: Part II.

The following Table shows provisions defining or explaining expressions used in this Part (other than provisions defining or explaining an expression in the same section);

F40	F40
 F41	 F41
 F41	 F41
co-operative housing association	section 1(2)
dwelling	section 106
[F42 fully mutual (in relation to a housing association)]	[^{F42} section 1(2)]
[F42heritable security]	[F42 section 106]

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)

hostel section 106 . . . F43 F43 section 106 house [F42housing activities] [F42 section 106] housing association section 1(1)F43 F43 F43 F43 local authority section 106 local housing authority section 104 F44 F44 F45 [F42 section 72] [F42registered charity] [F46registered housing association section 2B] [F47registered social landlord section 2B] F40 F40 self-build society section 1(3) F48 F48 F40 F40 [F49unregistered (in relation to a housing section 2B] association)

Textual Amendments

- **F40** Entry repealed by Housing Act 1988 (c. 50, SIF 61), s. 140(2), Sch. 18
- **F41** Entries repealed by Building Societies Act 1986 (c. 53, SIF 16), **ss. 54(3)**(*a*)(5), 120(1)(2), Sch. 18 Pt. I para. 19(2), Sch. 19 Pt. I
- **F42** S. 73: definitions repealed (E.W.) (1.10.1996) by S.I. 1996/2325, art. 4(1), **Sch. 1 Pt. I** (with art. 4(2) (3))
- **F43** Entries repealed by Housing Act 1988 (c. 50, SIF 61), s. 140(2), Sch. 18
- F44 Entry repealed by Building Societies Act 1986 (c. 53, SIF 16), ss. 54(3)(a), 120(1)(2), Sch. 18 Pt. I para. 19(2), Sch. 19 Pt. I
- **F45** S. 73: definition repealed (1.10.1996) by S.I. 1996/2325, art. 4(1), Sch. 1 Pts. I, **II** (with savings in art. 4(2)(3))
- **F46** S. 73: definition inserted (S.) (1.10.1996) by S.I. 1996/2325, art. 5(1), **Sch. 2 para. 24(a)**
- **F47** S. 73: definition inserted (1.10.1996) by S.I. 1996/2325, art. 5(1), **Sch. 2 para. 24(b)**

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)

F48 By Housing and Planning Act 1986 (c. 63, SIF 61), s. 24(1), Sch. 5 Pt. I para. 8(2) an entry relating to shared ownership agreement was inserted in s. 73 at the appropriate place and by Housing Act 1988 (c. 50, SIF 61), s. 140(2), Sch. 18 that entry was repealed

F49 S. 73: definition inserted (1.10.1996) by S.I. 1996/2325, art. 5(1), Sch. 2 para. 24(c)

Status:

Point in time view as at 01/04/2012.

Changes to legislation:

There are currently no known outstanding effects for the Housing Associations Act 1985, Part II.