



Housing (Financial Provisions) (Scotland) Act 1972

1972 CHAPTER 46

PART I

HOUSING SUBSIDIES

*Housing subsidies payable to development corporations
and the Scottish Special Housing Association*

8 The residual subsidy

- (1) This section has effect as to the circumstances in which residual subsidy is payable to a development corporation and the Scottish Special Housing Association.
- (2) For the purpose of determining the amount of residual subsidy payable to a development corporation for the year 1972-73 and subsequent years, a calculation shall be made of the residual entitlement of the development corporation as defined in subsection (3) below.
- (3) The residual entitlement of a development corporation shall consist of—
 - (a) the amount of exchequer contributions to which they are entitled for the year 1971-72 under the enactments described in Part II of Schedule 1 to this Act, as finally determined by the Secretary of State under paragraph 5 of Schedule 8 to this Act, and
 - (b) the further amount of such exchequer contributions to which they would be entitled for the year 1971-72 if houses, in respect of which proposals for their provision were submitted to the Secretary of State in a form acceptable to him before 1st December 1971 for his approval but which were not completed in that year, had been completed in that year; and accordingly the provisions of Part I of the Act of 1968 relating to the calculation of exchequer contributions payable thereunder shall apply for the purpose of calculating the amount referred to in this paragraph as if such houses had been so completed, and

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- (c) the amount of any contribution which they are entitled to receive for the year 1971-72 from a local authority under section 9(4)(b) of the Housing and Town Development (Scotland) Act 1957 in pursuance of an overspill agreement.
- (4) The residual entitlement shall be expressed as a sum per house for the year 1971-72.
- (5) Subject to subsection (6) below, the amount of residual subsidy payable to a development corporation for the year 1972-73 shall be an amount per house which is £18 less than the residual entitlement as expressed in subsection (4) above; and in each subsequent year the amount per house of residual subsidy payable to a development corporation shall be £20 less than the amount per house payable for the immediately preceding year, and so on until the amount becomes zero.
- (6) Where any houses of a development corporation referred to in subsection (3)(b) above have not been completed by the end of the year 1974-75, then any residual subsidy which has been paid to the development corporation on the basis that those houses had been completed shall, if the Secretary of State so requires, be repaid to him on such terms as he may determine.
- (7) Any question as to the residual entitlement and as to the number of development corporation houses shall be determined by the Secretary of State.
- (8) Subsections (2) to (7) of this section shall apply to the Scottish Special Housing Association as they apply to a development corporation, except that—
 - (a) in subsection (3)(a) for the reference to Part II of Schedule 1 to this Act there shall be substituted a reference to Parts III and IV of that Schedule,
 - (b) subsection (3)(c) shall be omitted,
 - (c) in subsection (7) for the reference to development corporation houses there shall be substituted a reference to Scottish Special Housing Association houses.

9 The housing expenditure subsidy

- (1) This section has effect as to the circumstances in which housing expenditure subsidy is payable to a development corporation and the Scottish Special Housing Association.
- (2) Subject to the provisions of this section, a development corporation shall be entitled to housing expenditure subsidy if for the year 1972-73 or any subsequent year there is an increase in the development corporation's expenditure per house which exceeds £6 or such other sum as the Secretary of State may by order from time to time determine.
- (3) In this section " the qualifying amount" means, in relation to the year 1972-73 and subsequent years, the excess mentioned in subsection (2) above multiplied by the number of development corporation houses.
- (4) If there is such a qualifying amount for any year (in this section called, in relation to the qualifying amount, " the base year") then for the base year and for each subsequent year housing expenditure subsidy shall be payable to the development corporation of an amount equal to the qualifying amount; and accordingly, housing expenditure subsidy for any year (later than 1972-73) may comprise elements by reference to qualifying amounts for two or more different base years.
- (5) Housing expenditure subsidy for which the base year is any of the years 1972-73 to 1977-78 shall not be payable for the year 1982-83 or any subsequent year, and housing

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expenditure subsidy for which the base year is 1978-79 or any subsequent year shall not be payable for more than five years (including the base year).

- (6) For the purposes of this section, there is an increase in a development corporation's expenditure per house if—
 - (a) the development corporation's expenditure for the year as determined by the Secretary of State divided by the number of development corporation houses for that year exceeds
 - (b) such expenditure for the immediately preceding year divided by the number of development corporation houses for that year,and the excess is the amount of the increase per house.
- (7) Section 14 of this Act shall apply to an order under subsection (2) above.
- (8) Subsections (2) to (7) of this section shall apply to the Scottish Special Housing Association as they apply to a development corporation except that in subsection (6) for the reference to development corporation houses there shall be substituted a reference to Scottish Special Housing Association houses.

10 The high cost subsidy

- (1) This section has effect as to the circumstances in which high cost subsidy is payable to a development corporation and the Scottish Special Housing Association.
- (2) Subject to the provisions of this section, a development corporation shall be entitled to high cost subsidy for any year if—
 - (a) the amount of income per house which would have been receivable by them for the year from standard rents if no high cost subsidy had been payable for that year or any previous year (in this section referred to as " the development corporation rent income") exceeds the Scottish rent income for that year by more than such amount as the Secretary of State may from time to time determine; and
 - (b) the amount of expenditure per house of the development corporation for that year as determined by the Secretary of State exceeds the Scottish average expenditure for that year by more than such amount as the Secretary of State may from time to time determine.
- (3) In this section " the qualifying amount " means the amount, if any, (multiplied by the number of development corporation houses for the year in question), required to be deducted from the development corporation rent income to make that income equal to the Scottish rent income plus the amount determined by the Secretary of State under subsection (2)(a) above.
- (4) If, under subsection (2) above, a development corporation are entitled to high cost subsidy, then high cost subsidy shall be payable to the development corporation of an amount equal to the qualifying amount.
- (5) In this section, " the Scottish rent income " and " the Scottish average expenditure " have the same meanings respectively as they have in subsection (2)(a) and (b) of section 4 of this Act, and subsection (6) of that section shall apply for the purposes of this section as it applies for the purposes of that section.
- (6) This section shall apply to the Scottish Special Housing Association as it applies to a development corporation except that—

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- (a) for any reference to development corporation houses and the development corporation rent income there shall be substituted respectively references to Scottish Special Housing Association houses and the Scottish Special Housing Association rent income ;
- (b) in paragraphs (a) and (b) of subsection (2) for the words " such amount as the Secretary of State may from time to time determine " there shall be substituted the words " more than £39 ";
- (c) in subsection (3) for the words from " amount determined " to the end there shall be substituted the words " sum referred to in subsection (2)(a) above or, as the case may be, that sum as varied by an order under subsection (5A) below ";
- (d) after subsection (5) there shall be inserted the following subsection—
 - “(5A) The Secretary of State may from time to time by order vary the sums referred to in subsection (2) above and section 14 of this Act shall apply to any such order.”

11 The rent rebate subsidy

- (1) Subject to subsection (2) below, rent rebate subsidy shall be payable to a development corporation for any year of an amount equal to the standard amount of rent rebates of the development corporation for the year as defined for the purposes of Part II of this Act.
- (2) For the purposes of this section, a development corporation may add to their standard amount of rent rebates for the year 1972-73 such expenditure as the Secretary of State may approve as being incurred by the development corporation in granting rent rebates between the beginning of that year and 30th September 1972.
- (3) This section shall apply to the Scottish Special Housing Association as it applies to a development corporation.

12 Additional payment towards certain deficits of the Scottish Special Housing Association

Where the Secretary of State is satisfied that the total net annual expenditure (as calculated in accordance with rules made by the Secretary of State) necessarily incurred in the year 1972-73 or in any subsequent year by the Scottish Special Housing Association, acting otherwise than as agents,—

- (a) in providing new houses ; and
- (b) In improving housing accommodation, whether by the provision of dwellings by means of the conversion of houses or other buildings or by the improvement of dwellings; and
- (c) in providing housing accommodation, being accommodation acquired by the Association from any such body as is mentioned in section 25(1)(e) of the Act of 1968 ; and
- (d) in improving the amenities of a predominantly residential area in accordance with arrangements made between the Association and a local authority ;

is greater than the sum of—

- (i) the subsidies paid to them under this Part of this Act for the year in question, and
- (ii) any exchequer contributions made to them for the year in question under section 16 of the Act of 1968, and

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(iii) any grant paid to the Association for the year in question under section 59(7)(b) of the Act of 1969,
the Secretary of State may, with the approval of the Treasury, make such further payment to the Association in respect of the excess as he may determine.