



Housing (Financial Provisions) (Scotland) Act 1972

1972 CHAPTER 46

PART I

HOUSING SUBSIDIES

Housing subsidies payable to local authorities

4 The high cost subsidy and associated rate fund contribution

- (1) This section has effect as to the circumstances in which—
 - (a) high cost subsidy is payable to a local authority, and
 - (b) a contribution out of the general rate fund associated with the high cost subsidy is to be made by the local authority.
- (2) Subject to the provisions of this section, a local authority 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 or associated contribution out of the general rate fund had been payable for that year or any previous year (in this section referred to as "the local authority rent income") exceeds the amount of income per house receivable by all the local authorities in Scotland for that year from standard rents (in this section referred to as "the Scottish rent income") by more than £39; and
 - (b) the amount of expenditure per house falling on the housing revenue account of the local authority for that year in so far as approved by the Secretary of State exceeds the amount of expenditure per house falling on the housing revenue accounts of all the local authorities in Scotland for that year (in this section referred to as "the Scottish average expenditure") by more than £39.
- (3) In this section "the qualifying amount" means the amount, if any (multiplied by the number of houses to which the housing revenue account relates for the year in

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question), required to be deducted from the local authority rent income to make that income equal to the Scottish rent income plus the sum referred to in subsection (2)(a) above or, as the case may be, that sum as varied by an order under subsection (7) below.

- (4) If, under subsection (2) above, a local authority are entitled to high cost subsidy for any year, then—
- (a) high cost subsidy shall be payable to the local authority of an amount equal to 75 per cent. of the qualifying amount, and
 - (b) the local authority shall make an associated contribution out of the general rate fund of an amount equal to 25 per cent. of the qualifying amount together with an amount equal to the amount which would have been carried to the credit of the housing revenue account under paragraph 1(5) of Schedule 4 to this Act for that year if no high cost subsidy had been payable to the authority for that year or any previous year.
- (5) For the purposes of this section, the local authority rent income shall be determined under section 28 or 29 of this Act as if the expenditure specified in Schedule 4 to this Act had been such expenditure in so far as approved by the Secretary of State.
- (6) For the purposes of this section, the Secretary of State may for any year by order determine the Scottish rent income and the Scottish average expenditure.

An order under this subsection may be varied or revoked by a subsequent order under this subsection and shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

- (7) 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.