

SCHEDULES

SCHEDULE 5

HOUSING

PART I

THE HOUSING SUBSIDY

The elements of the subsidy

- 1 (1) The Board shall be entitled to the basic element of the subsidy payable under section 18 of this Act ("the subsidy") if the relevant development corporation was entitled to the basic element in the housing subsidy payable under section 2 of the Housing Rents and Subsidies Act 1975 for that corporation's qualifying year.
- (2) The Board shall, if it is entitled under sub-paragraph (1) above to the basic element of the subsidy, be entitled to that element of the subsidy for each financial year beginning on or after the relevant appointed day.
- (3) The amount of the basic element of the subsidy shall be equal to the amount of the basic element of the housing subsidy payable to the relevant development corporation for that corporation's qualifying year.
- 2 (1) The Board shall be entitled to the new capital costs element of the subsidy for any financial year beginning on or after the relevant appointed day in which there falls to be debited to the Board's housing account reckonable expenditure attributable to—
 - (a) admissible capital costs which have been incurred by the Board ; or
 - (b) costs which have been incurred by the relevant development corporation and were admissible capital costs for the purposes of the new capital costs element of the housing subsidy payable to the corporation.
- (2) The amount of the new capital costs element for any financial year shall be an amount equal to the appropriate percentage of the reckonable expenditure for that year attributable to the costs mentioned in sub-paragraph (1) above and, if there are different percentages attributable to different costs, it shall be an amount equal to the aggregate of those percentages.
- (3) Subject to sub-paragraph (4) below, the Secretary of State shall have power to determine that the whole or part of any rent under a lease payable by the Board and debited to the Board's housing account shall be treated for the purposes of this paragraph as reckonable expenditure attributable to admissible capital costs.
- (4) The Secretary of State may not make a determination under sub-paragraph (3) above in respect of rent under the lease if a whole year's rent under it was debited to the housing account of the relevant development corporation for a financial year previous to the year 1975-76 and the rent under the lease becomes payable after the relevant appointed day by the Board.

- (5) In this paragraph—
- " admissible capital costs " means such capital costs as the Secretary of State may determine ;
- " appropriate percentage ", in relation to any capital costs means 66 per cent., or such other percentage of the reckonable expenditure attributable to them as may be specified in an order applying to those costs ; and
- " reckonable expenditure " means so much of the expenditure falling to be debited to the Board's housing account as the Secretary of State may determine.
- 3 (1) Subject to sub-paragraph (2) below, the Board shall be entitled to the high costs element of the subsidy for any financial year beginning on or after the relevant appointed day if their relevant expenditure for that year exceeds the standard level of expenditure.
- (2) The Secretary of State shall determine the basis for the calculation of the high costs element, and in particular for determining what expenditure is relevant and whether it exceeds the standard level.
- (3) In making any determination for the purposes of this paragraph, the Secretary of State shall apply, as near as circumstances permit, the same principles as he applies in making a like determination for the purposes of paragraph 7 of Schedule 1 to the Housing Rents and Subsidies Act 1975 (the high costs element in the housing subsidy under that Act). .

Reduction or discontinuance of the subsidy

- 4 (1) Subject to paragraph 5 below, the Secretary of State may reduce or discontinue the Board's basic element or new capital costs element of the subsidy for any financial year if the Board has demolished or disposed of houses or other property within the Board's housing account, or in any other circumstances which he considers relevant.
- (2) The Secretary of State shall have power to determine, for the purposes of sub-paragraph (1) above—
- (a) to which houses and other property regard is or is not to be had;
- (b) the circumstances in which houses and other property are to be treated as having been disposed of;
- (c) to which circumstances other than demolition or disposal of houses and other property regard is to be had ; and
- (d) the method by which the reduction in the element is to be calculated.
- 5 (1) Where the Board has made an agreement to which this paragraph applies with a society, company or body of trustees for the time being approved by the Secretary of State for the purposes of this paragraph (in this paragraph referred to as a "housing co-operative "), neither the fact that the Board has made the agreement nor any letting of land in pursuance of it shall be treated as a ground for the reduction or discontinuance of the subsidy under paragraph 4 above.
- (2) The agreements to which this paragraph applies are agreements with the Board for the exercise by the housing co-operative, on such terms as may be provided in the agreement, of any of the Board's powers under this Act relating to land in which the Board has a legal estate.

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

- (3) An agreement to which this paragraph applies may only be made with the approval of the Secretary of State and the terms of such an agreement shall be approved by him.
- (4) The Secretary of State's approval, both to the making and to the terms of such an agreement, may be given either generally or in relation to any particular agreement and may be given unconditionally or subject to conditions.
- (5) Without prejudice to the power to let land conferred by section 4(1) of this Act, the terms of an agreement to which this paragraph applies may include terms providing for the letting of land to the housing co-operative by the Board.
- (6) A housing association which is registered under Part II of the Housing Act 1974 shall not be entitled to a grant under Part III of that Act in respect of land for the time being comprised in an agreement to which this paragraph applies.

Interpretation

6 In this Part of this Schedule—

" relevant development corporation " means the Mid-Wales New Town Development Corporation established by the Mid-Wales New Town (Development Corporation) Order 1967 ;

" relevant appointed day " means the day specified in an order of the Secretary of State under section 3(2)(a) of this Act dissolving the relevant development corporation as the day on which that corporation is dissolved ;

" qualifying year ", in relation to the relevant development corporation means the financial year which ends next before the relevant appointed day ;

" the subsidy " has the meaning given by paragraph 1 above.