



# Housing Act 1985

## 1985 CHAPTER 68

### PART XIII

#### GENERAL FINANCIAL PROVISIONS

##### *Housing subsidy*

#### **421 Housing subsidy.**

- (1) Housing subsidy is payable for each year to [<sup>F1</sup>new town corporations and the Development Board for Rural Wales].
- (2) Housing subsidy shall be credited [<sup>F2</sup>to the body's housing account]
- (3) Housing subsidy shall be paid by the Secretary of State at such times, in such manner and subject to such conditions as to records, certificates, audit or otherwise as he may, with the agreement of the Treasury, determine.
- (4) Payment of housing subsidy is subject to the making of a claim for it in such form, and containing such particulars, as the Secretary of State may from time to time determine.

#### **Textual Amendments**

- F1** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\), Sch. 11 para. 77\(1\)\(3\)](#)
- F2** Words substituted for s. 421(2)(a)(b) by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\), Sch. 11 para. 77\(2\)\(3\)](#)

#### **Modifications etc. (not altering text)**

- C1** [Ss. 421–427A](#): by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 79\(3\)](#) it is provided that [sections 421 to 427A](#) of the Housing Act 1985 (which are superseded, in their application to local housing authorities, by that section 79 and sections 80 and 86 of that 1989 Act) shall cease to apply in relation to such authorities

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## 422 Calculation of housing subsidy for local housing authorities.

- (1) The amount of the housing subsidy payable to a [<sup>F3</sup>new town corporation] for a year (the year of account) shall be calculated from the amounts which, in accordance with sections 423 to 425, are the [<sup>F3</sup>corporation's]—
- (a) base amount (BA),
  - (b) housing costs differential (HCD), and
  - (c) local contribution differential (LCD),
- for the year, and shall be so calculated by using the formula BA+HCD-LCD.
- (2) If the amount so calculated is nil or a negative amount, no housing subsidy is payable to the [<sup>F4</sup>corporation] for that year.

### Textual Amendments

- F3** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\)](#), s. 194(1), Sch. 11 paras. 77(3), **78(1)**
- F4** Word substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\)](#), s. 194, Sch. 11 paras. 77(3), **78(2)**

### Modifications etc. (not altering text)

- C2** [Ss. 421–427A](#): by [Local Government and Housing Act 1989 \(c. 42, SIF 61\)](#), **s. 79(3)** it is provided that [sections 421 to 427A](#) of the Housing Act 1985 (which are superseded, in their application to local housing authorities, by that section 79 and sections 80 and 86 of that 1989 Act) shall cease to apply in relation to such authorities

## 423 The base amount.

- (1) A [<sup>F5</sup>new town corporation's] base amount for a year of account is, subject to any adjustment under subsection (2), the amount calculated for the preceding year under section 422, that is to say, the amount of the housing subsidy payable to the [<sup>F5</sup>corporation] for that year or, if none was payable, nil or a negative amount, as the case may be.
- (2) If the Secretary of State is of opinion that particular circumstances require it, he may adjust the base amount for any year by increasing or decreasing it, either generally or in relation to . . . <sup>F6</sup> any particular authority.

### Textual Amendments

- F5** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\)](#), s. 194(1), **Sch. 11 para. 79(1)**
- F6** Words repealed by [Local Government and Housing Act 1989 \(c. 42, SIF 61\)](#), s. 194(1)(4), Sch. 11 para. 79(2), **Sch. 12 Pt. II**

### Modifications etc. (not altering text)

- C3** [Ss. 421–427A](#): by [Local Government and Housing Act 1989 \(c. 42, SIF 61\)](#), **s. 79(3)** it is provided that [sections 421 to 427A](#) of the Housing Act 1985 (which are superseded, in their application to local housing authorities, by that section 79 and sections 80 and 86 of that 1989 Act) shall cease to apply in relation to such authorities

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#### 424 The housing costs differential.

- (1) A [<sup>F7</sup>new town corporation's] housing costs differential for a year of account is the amount by which their reckonable expenditure for that year exceeds their reckonable expenditure for the preceding year (and accordingly is nil or, as the case may be, a negative amount if the reckonable expenditure for the year is the same as or less than that for the preceding year).
- (2) A [<sup>F8</sup>new town corporation's] reckonable expenditure for a year is the aggregate of—
  - (a) so much of the expenditure incurred by the [<sup>F8</sup>corporation] in that year and falling to be debited to [<sup>F8</sup>the corporation's housing account] as the Secretary of State may determine, and
  - (b) so much of any other expenditure incurred by the [<sup>F8</sup>corporation] in that year, or treated as so incurred in accordance with a determination made by the Secretary of State, as the Secretary of State may determine to be taken into account for the purposes of housing subsidy.
- [<sup>F9</sup>(3) A determination may be made for all new town corporations or different determinations may be made for individual corporations; and a determination may be varied or revoked in relation to all or any of the corporations for which it was made.]
- (4) Before making a determination for all [<sup>F10</sup>new town corporations] the Secretary of State shall consult organisations appearing to him to be representative of [<sup>F10</sup>new town corporations].

##### Textual Amendments

- F7** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\), Sch. 11 para. 80\(1\)](#)
- F8** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\), Sch. 11 para. 80\(2\)](#)
- F9** [S. 424\(3\)](#) substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\), Sch. 11 para. 80\(3\)](#)
- F10** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\), Sch. 11 para. 80\(4\)](#)

##### Modifications etc. (not altering text)

- C4** [Ss. 421–427A](#): by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 79\(3\)](#) it is provided that [sections 421 to 427A](#) of the Housing Act 1985 (which are superseded, in their application to local housing authorities, by that section 79 and sections 80 and 86 of that 1989 Act) shall cease to apply in relation to such authorities

#### 425 The local contribution differential.

- (1) A [<sup>F11</sup>new town corporation's] local contribution differential for a year of account is the amount by which their reckonable income for that year exceeds their reckonable income for the preceding year (and accordingly is nil or, as the case may be, a negative amount if their reckonable income for the year is the same as or less than that for the preceding year).
- (2) [<sup>F12</sup>A corporation's] reckonable income for a year is the amount which, in accordance with any determination made by the Secretary of State, the [<sup>F13</sup>corporation] are

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assumed to receive for that year as income which they are required to carry to their [<sup>F12</sup>housing account] including—

- (a) any contribution made by the [<sup>F13</sup>corporation] out of their [<sup>F12</sup>general revenue account], and
- (b) any rent rebate subsidy payable under [<sup>F14</sup>section 135 of the Social Security Administration Act 1992],

but excluding any other subsidy, grant or contribution.

- (3) A determination shall state the assumptions on which it is based and the method of calculation used in it, and in making it the Secretary of State shall have regard, amongst other things, to past and expected movements in incomes, costs and prices.
- [<sup>F15</sup>(4) A determination may be made for all new town corporations or different determinations may be made for different corporations or groups of corporations.]
- (5) Before making a determination for all [<sup>F16</sup>new town corporations] the Secretary of State shall consult organisations appearing to him to be representative of [<sup>F16</sup>new town corporations].
- (6) A determination shall be made known to the [<sup>F17</sup>corporations] for which it is made in the year preceding the year of account for which it is to have effect.

#### Textual Amendments

- F11** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\), Sch. 11 para. 81\(1\)](#)
- F12** Words substituted by [Local Government and Housing Act 1989 \(c.42, SIF 61\), s. 194\(1\), Sch. 11 para. 81\(2\)](#)
- F13** Word substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\), Sch. 11 para. 81\(2\)](#)
- F14** Words in s. 425(2)(b) substituted (1.7.1992) by virtue of [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\), ss. 4, 7\(2\), Sch. 2 para.70](#)
- F15** S. 425(4) substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\), Sch. 11 para. 81\(3\)](#)
- F16** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\), Sch. 11 para. 81\(4\)](#)
- F17** Word substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\), Sch. 11 para. 81\(5\)](#)

#### Modifications etc. (not altering text)

- C5** [Ss. 421–427A](#): by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 79\(3\)](#) it is provided that [sections 421 to 427A](#) of the Housing Act 1985 (which are superseded, in their application to local housing authorities, by that section 79 and sections 80 and 86 of that 1989 Act) shall cease to apply in relation to such authorities

#### [<sup>F18</sup>426 Calculation of housing subsidy for Board.

- (1) Sections 422 to 425 (calculation of housing subsidy) apply in relation to the Development Board for Rural Wales as they apply in relation to new town corporations, but subject to subsections (2) and (3).

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- (2) Section 425(2)(a) (reckonable income to include contributions from corporation's general revenue account) has effect with the substitution for the reference to any contribution made by the corporation out of their general revenue account of a reference to any contribution made by the Board out of revenue.
- (3) The consultation required by section 424(4) or 425(5) (consultation before making general determinations) shall be with the Board.]

#### Textual Amendments

**F18** S. 426 substituted by Local Government and Housing Act 1989 (c. 42, SIF 61), s. 194(1), **Sch. 11 para. 82**

#### Modifications etc. (not altering text)

**C6** Ss. 421–427A: by Local Government and Housing Act 1989 (c. 42, SIF 61), s. 79(3) it is provided that sections 421 to 427A of the Housing Act 1985 (which are superseded, in their application to local housing authorities, by that section 79 and sections 80 and 86 of that 1989 Act) shall cease to apply in relation to such authorities

### 427 Recoupment of subsidy in certain cases.

- (1) Where housing subsidy has been paid to a [<sup>F19</sup>new town corporation or the Development Board for Rural Wales] and it appears to the Secretary of State that—
  - (a) the purpose for which it was paid has not been fulfilled or not completely or adequately or not without unreasonable delay, and
  - (b) that the case falls within rules published by him,he may recover from [<sup>F19</sup>that body] the whole or such part of the payment as he may determine in accordance with the rules, with interest from such time and at such rates as he may so determine.
- (2) A sum recoverable under this section may, without prejudice to other methods of recovery, be recovered by withholding or reducing housing subsidy.
- (3) The withholding or reduction under this section of housing subsidy for a year does not affect the base amount for the following year.

#### Textual Amendments

**F19** Words substituted by Local Government and Housing Act 1989 (c. 42, SIF 61), s. 194(1), **Sch. 11 para. 83**

#### Modifications etc. (not altering text)

**C7** Ss. 421–427A: by Local Government and Housing Act 1989 (c. 42, SIF 61), s. 79(3) it is provided that sections 421 to 427A of the Housing Act 1985 (which are superseded, in their application to local housing authorities, by that section 79 and sections 80 and 86 of that 1989 Act) shall cease to apply in relation to such authorities

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**[<sup>F20</sup>427A Entitlement to subsidy in case of land subject to management agreement.**

The fact that a [<sup>F21</sup>new town corporation or the Development Board for Rural Wales] has entered into a management agreement, and any letting of land in connection with such an agreement—

- (a) shall be disregarded in determining [<sup>F21</sup>that body's] reckonable income or expenditure for the purposes of housing subsidy, and
- (b) shall not be regarded as a ground for recovering, withholding or reducing any sum under section 427 (recoupment of housing subsidy).]

**Textual Amendments**

**F20** S. 427A inserted by [Housing and Planning Act 1986 \(c. 63, SIF 61\), s. 24\(2\)](#), **Sch. 5 Pt. II para. 32**

**F21** Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 194\(1\)](#), **Sch. 11 para. 84**

**Modifications etc. (not altering text)**

**C8** Ss. 421–427A: by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 79\(3\)](#) it is provided that [sections 421 to 427A](#) of the Housing Act 1985 (which are superseded, in their application to local housing authorities, by that section 79 and sections 80 and 86 of that 1989 Act) shall cease to apply in relation to such authorities

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