

*Status: Point in time view as at 01/04/2012.*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, SCHEDULE 5. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 5

Sections 69, 71.

#### HOUSING ASSOCIATION FINANCE: SUPERSEDED SUBSIDIES, CONTRIBUTIONS AND GRANTS

#### PART I

#### RESIDUAL SUBSIDIES: ENGLAND AND WALES

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

**C1** Sch. 5 Pt. I modified by [Housing Act 1988 \(c. 50, SIF 61\)](#), 57(c)

*(ss. 72 and 73 of the Housing Finance Act 1972) Entitlement to residual subsidies*

- 1 (1) Basic residual subsidy is payable to a housing association in accordance with the following provisions where the association received payments from the Secretary of State for the financial year 1971-72 under certain enactments under which, in accordance with the <sup>M1</sup>Housing Finance Act 1972, no payments were to be made for 1972-73 or any subsequent year.
- (2) A housing association is entitled to basic residual subsidy for a financial year if—
- (a) it was entitled to basic residual subsidy under section 72 of the Housing Finance Act 1972 for the financial year 1972-73, and
  - (b) it has continued to be entitled to basic residual subsidy, under that section or this Schedule, for each succeeding financial year up to and including that immediately before the year in question.
- (3) The amount of basic residual subsidy payable to an association for any year is the amount (if any) by which the basic residual subsidy payable for the previous year exceeds the withdrawal factor.
- (4) Subject to any direction of the Secretary of State under paragraph 4(2), the withdrawal factor is the sum produced by multiplying £20 by the number of dwellings as at 31st March 1972 in respect of which the association's subsidies for 1971-72 (as defined in section 72(4) of the Housing Finance Act 1972) were payable.

##### Marginal Citations

**M1** 1972 c. 47.

- 2 (1) Special residual subsidy is payable to a housing association in accordance with the following provisions in respect of dwellings which—
- (a) were approved by the Secretary of State for the purposes of Part I of the <sup>M2</sup>Housing Subsidies Act 1967 before 10th August 1972, and

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- (b) were completed during the year 1972-73, 1973-74 or 1974-75.
- (2) A housing association is entitled to special residual subsidy for a financial year if—
- (a) it was entitled by virtue of section 73 of the Housing Finance Act 1972 to special residual subsidy for any of the years 1972-73, 1973-74 or 1974-75, and
  - (b) it has continued to be entitled to special residual subsidy, under that section or this Schedule, for each succeeding financial year up to and including that immediately before the year in question.
- (3) The amount of special residual subsidy payable to an association for any year is the amount (if any) by which the special residual subsidy payable for the previous year exceeds the reduction factor.
- (4) Subject to any direction of the Secretary of State under paragraph 4(2), the reduction factor is the sum produced by multiplying £20 by the number of dwellings satisfying the description in sub-paragraph (1).

**Marginal Citations**

**M2** 1967 c. 29.

- 3 No basic or special residual subsidy is payable to a co-operative housing association.

*Power to vary withdrawal factor or reduction factor*

- 4 (1) This paragraph applies where a housing association, by furnishing to the Secretary of State such information as to its financial position as he may require, satisfies him as regards any financial year that its income from its dwellings will be, or was, inadequate having regard to its normal sources of income to meet such expenditure (including loan charges) as in his opinion it would be, or was, reasonable for the association to incur for that financial year in the exercise of its housing functions.
- (2) Where this paragraph applies, the Secretary of State may direct that the amount of basic residual subsidy or special residual subsidy payable to the association for the financial year in question shall be determined—
- (a) by reference to a withdrawal factor or reduction factor calculated by reference to a smaller sum of money per dwelling than that mentioned in paragraph 1(4) or 2(4), or
  - (b) by reference to a withdrawal factor or reduction factor of zero.
- (3) A direction under this paragraph may be varied or revoked by the Secretary of State by a further direction.
- (4) In sub-paragraph (1) “housing functions” means—
- (a) constructing or improving, or facilitating or encouraging the construction or improvement, of dwellings,
  - (b) managing dwellings,
  - (c) the provision of dwellings by conversion, and
  - (d) the acquisition of dwellings;
- and includes functions which are supplementary or incidental to any of those functions.

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- (5) For the purposes of this paragraph “loan charges”, in relation to money borrowed by an association, means—
- (a) the sums required for the payment of interest on the money and for its repayment, either by instalments or by means of a sinking fund, and
  - (b) the expenses of managing the debt,
- and includes any such charges made by the association itself, whether in respect of borrowing from a capital fund kept by the association or in respect of borrowing between accounts kept by the association for different functions, or otherwise.

*Administrative provisions*

- 5
- (1) Payment of basic or special residual subsidy is subject to the making of a claim for the payment in such form, and containing such particulars, as the Secretary of State may from time to time determine.
  - (2) The amount of basic or special residual subsidy payable to a housing association for a financial year shall be calculated to the nearest pound by rounding up any odd amount of 50p or more and rounding down any lesser amount.
  - (3) Basic or special residual subsidy is payable . . . <sup>F1</sup> subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, . . . <sup>F1</sup>, impose.

**Textual Amendments**

- F1** Words repealed by [Housing Act 1988 \(c. 50, SIF 61\)](#), ss. 59(2)(3)(4), 140(2), Sch. 6 Pt. II para. 30(1) (a), [Sch. 18](#)

*Powers exercisable in case of disposal of dwellings by association*

- 6
- (1) The Secretary of State may reduce, suspend or discontinue the payment of basic or special residual subsidy to an association if the association leases for a term exceeding seven years or otherwise disposes of any of the dwellings in respect of which the association is entitled to the payment.
  - (2) If any dwellings of an association are leased for a term exceeding seven years to, or become vested in—
    - (a) another housing association, or trustees for another housing association, [<sup>F2</sup>or
    - (b) the Housing Corporation <sup>F3</sup>. . .,]

the Secretary of State may pay to them any basic or special residual subsidy which he would otherwise have paid to the former association for any financial year, beginning with that in which the dwellings are so leased or become so vested.
  - (3) For the purposes of this paragraph a lease shall be treated as being for a term exceeding seven years where the original term is for a lesser period but the lease confers on the lessee an option for renewal for a term which, together with the original term, exceeds seven years.

**Textual Amendments**

- F2** Sch. 5, Part 1, para. 6(2)(b) and preceding word repealed (E.W.) (1.4.2010) by [The Housing and Regeneration Act 2008 \(Consequential Provisions\) Order 2010 \(S.I. 2010/866\)](#), [Sch. 2 para. 56\(2\)](#).

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- F3** Words in Sch. 5 Pt. I para. 6(2)(b) repealed (1.11.1998) by 1998 c. 38, ss. 140, 152, Sch. 16 para. 52, Sch. 18 Pt. VI; S.I. 1998/2244, art. 5

*Saving for financial years beginning before the commencement of this Act*

- 7 (1) The preceding provisions apply in relation to the financial year 1986-87 and subsequent financial years.
- (2) The repeal by the <sup>M3</sup>Housing (Consequential Provisions) Act 1985 of the provisions of the <sup>M4</sup>Housing Finance Act 1972 relating to basic and special residual subsidies does not affect the operation of those provisions in relation to previous financial years.

**Marginal Citations**

- M3** 1985 c. 71.  
**M4** 1972 c. 47.

## PART II

### RESIDUAL SUBSIDIES: SCOTLAND

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

- C2** Sch. 5 Pt. II paras. 1–7 modified by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 57(c)

*(ss. 52 and 53 of the Housing (Financial Provisions)  
(Scotland) Act 1972) Entitlement to residual subsidies*

- 1 (1) Basic residual subsidy is payable to a housing association in accordance with the following provisions where the association received payments from the Secretary of State for the financial year 1971-72 under certain enactments under which, in accordance with the <sup>M5</sup>Housing (Financial Provisions) (Scotland) Act 1972, no payments were to be made for 1972-73 or any subsequent year.
- (2) A housing association is entitled to basic residual subsidy for a financial year if—
- (a) it was entitled to basic residual subsidy under section 52 of the Housing (Financial Provisions) (Scotland) Act 1972 for the financial year 1972-73, and
  - (b) it has continued to be entitled to basic residual subsidy, under that section or this Schedule, for each succeeding financial year up to and including that immediately before the year in question.
- (3) The amount of basic residual subsidy payable to an association for any year is the amount (if any) by which the basic residual subsidy payable for the previous year exceeds the withdrawal factor.
- (4) Subject to any direction of the Secretary of State under paragraph 4(2), the withdrawal factor is the sum produced by multiplying £20 by the number of houses as at 31st March 1972 in respect of which the association's subsidies for 1971-72 (as

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defined in section 52(4) of the Housing (Financial Provisions) (Scotland) Act 1972) were payable.

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

**C3** Sch. 5 Pt. II paras. 1–7 modified by [Housing Act 1988 \(c. 50, SIF 61\), s. 57\(c\)](#)

**Marginal Citations**

**M5** 1972 c. 46.

- 2
- (1) Special residual subsidy is payable to a housing association in accordance with the following provisions in respect of houses—
    - (a) the erection of which was approved by the Secretary of State for the purposes of sections 1 to 12 of the <sup>M6</sup>Housing (Financial Provisions) (Scotland) Act 1968 before 3rd August 1972, and
    - (b) which were completed by the association during the year 1972-73, 1973-74 or 1974-75.
  - (2) A housing association is entitled to special residual subsidy for a financial year if—
    - (a) it was entitled by virtue of section 53 of the <sup>M7</sup>Housing (Financial Provisions) (Scotland) Act 1972 to special residual subsidy for any of the years 1972-73, 1973-74 or 1974-75, and
    - (b) it has continued to be entitled to special residual subsidy, under that section or this Schedule, for each succeeding financial year up to and including that immediately before the year in question.
  - (3) The amount of special residual subsidy payable to an association for any year is the amount (if any) by which the special residual subsidy payable for the previous year exceeds the reduction factor.
  - (4) Subject to any direction of the Secretary of State under paragraph 4(2), the reduction factor is the sum produced by multiplying £20 by the number of houses satisfying the description in sub-paragraph (1).

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

**C4** Sch. 5 Pt. II paras. 1–7 modified by [Housing Act 1988 \(c. 50, SIF 61\), s. 57\(c\)](#)

**Marginal Citations**

**M6** 1968 c. 31.

**M7** 1972 c. 46.

- 3
- No basic or special residual subsidy is payable to a co-operative housing association.

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

**C5** Sch. 5 Pt. II paras. 1–7 modified by [Housing Act 1988 \(c. 50, SIF 61\), s. 57\(c\)](#)

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*Power to vary withdrawal factor or reduction factor*

- 4 (1) This paragraph applies where a housing association, by furnishing to the Secretary of State such information as to its financial position as he may require, satisfies him as regards any financial year that its income from its houses will be, or was, inadequate having regard to its normal sources of income to meet such expenditure (including loan charges) as in his opinion it would be, or was, reasonable for the association to incur for that financial year in the exercise of its housing functions.
- (2) Where this paragraph applies, the Secretary of State may direct that the amount of basic residual subsidy or special residual subsidy payable to the association for the financial year in question shall be determined—
- (a) by reference to a withdrawal factor or reduction factor calculated by reference to a smaller sum of money per house than that mentioned in paragraph 1(4) or 2(4), or
  - (b) by reference to a withdrawal factor or reduction factor of zero.
- (3) A direction under this paragraph may be varied or revoked by the Secretary of State by a further direction.
- (4) In sub-paragraph (1) “housing functions” means—
- (a) constructing or improving, or facilitating the construction or improvement, of houses,
  - (b) managing houses,
  - (c) the provision of houses by conversion, and
  - (d) the acquisition of houses;
- and includes functions which are supplementary or incidental to any of those functions.
- (5) For the purposes of this paragraph “loan charges”, in relation to money borrowed by an association includes loan charges made by the association itself (including charges for debt management), whether in respect of borrowing from a capital fund kept by the association or in respect of borrowing between accounts kept by the association for different functions, or otherwise.

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

C6 Sch. 5 Pt. II paras. 1–7 modified by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 57(c)

*Administrative provisions*

- 5 (1) Payment of basic or special residual subsidy is subject to the making of a claim for the payment in such form, and containing such particulars, as the Secretary for State may from time to time determine.
- (2) The amount of basic or special residual subsidy payable to a housing association for a financial year shall be calculated to the nearest pound by rounding up any odd amount of 50p or more and rounding down any lesser amount.
- (3) Basic or special residual subsidy is payable . . . <sup>F4</sup> subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, . . . <sup>F4</sup>, impose.

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#### Textual Amendments

- F4 Words repealed by [Housing Act 1988 \(c. 50, SIF 61\)](#), ss. 59(2)(3)(4), 140(2), Sch. 6 Pt. II para. 30(2), [Sch. 18](#)

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

- C7 Sch. 5 Pt. II paras. 1–7 modified by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 57(c)

#### *Powers exercisable in case of disposal of houses by association*

- 6 (1) The Secretary of State may reduce, suspend or discontinue the payment of basic or special residual subsidy to a housing association if the association leases for a term exceeding seven years or otherwise disposes of any of the houses in respect of which the association is entitled to the payment.
- (2) If any houses of an association are leased for a term exceeding seven years to, or become vested in—
- (a) another housing association, or trustees for another housing association, or
  - (b) the Housing Corporation,
- the Secretary of State may pay to that association or to the Corporation any basic or special residual subsidy which he would otherwise have paid to the former association for any financial year, beginning with that in which the houses are so leased or become so vested.
- (3) For the purposes of this paragraph a lease shall be treated as being for a term exceeding seven years where the original term is for a lesser period but the lease confers on the lessee an option for renewal for a term which, together with the original term, exceeds seven years.

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

- C8 Sch. 5 Pt. II paras. 1–7 modified by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 57(c)

#### *Saving for financial years beginning before the commencement of this Act*

- 7 (1) The preceding provisions apply in relation to the financial year 1986-87 and subsequent financial years.
- (2) The repeal by the <sup>M8</sup>Housing (Consequential Provisions) Act 1985 of the provisions of the <sup>M9</sup>Housing (Financial Provisions) (Scotland) Act 1972 relating to basic and special residual subsidies does not affect the operation of those provisions in relation to previous financial years.

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

- C9 Sch. 5 Pt. II paras. 1–7 modified by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 57(c)

#### Marginal Citations

- M8 1985 c. 71.  
M9 1972 c. 46.

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### PART III

#### CONTRIBUTIONS AND GRANTS UNDER ARRANGEMENTS WITH LOCAL AUTHORITIES

*(s. 12 of the Housing (Financial Provisions) Act 1958; s. 12 of the Housing Subsidies Act 1967; s. 21 of the Housing Act 1969)*

- 1 (1) Contributions by the Secretary of State in connection with arrangements made under section 121 of the <sup>M10</sup>Housing Act 1957 (arrangements between housing associations and local authorities for improvement of housing) remain payable—
- (a) under section 12 of the <sup>M11</sup>Housing (Financial Provisions) Act 1958 and section 12 of the <sup>M12</sup>Housing Subsidies Act 1967 as regards arrangements made before 25th August 1969, and
  - (b) under section 21 of the <sup>M13</sup>Housing Act 1969 as regards arrangements made on or after that date and approved under subsection (2) of that section before 1st April 1975.
- (2) The contributions are payable at such times and in such manner as the Treasury may direct, and subject to such conditions, as to records, certificates, audit or otherwise as the Secretary of State may, with the approval of the Treasury, impose.
- (3) Where such a contribution is paid to a local authority, the authority shall pay to the housing association by way of annual grant an amount not less than the contribution.

#### **Marginal Citations**

- M10** 1957 c. 56.  
**M11** 1958 c. 42.  
**M12** 1967 c. 29.  
**M13** 1969 c. 33.

- 2 If the Secretary of State is satisfied, in the case of contributions payable under section 12 of the Housing (Financial Provisions) Act 1958, that the housing association have made default in giving effect to the terms of the arrangements, he may, as he thinks just—
- (a) reduce the amount of the contribution payable to the local authority, or
  - (b) suspend or discontinue the payment;
- and the local authority may reduce to a proportionate or any less extent the annual grant payable by them to the association or, as the case may be, suspend the payment for a corresponding period or discontinue the payment.

*(s. 17 of the Housing (Financial Provisions) (Scotland) Act 1968)*

- 3 (1) Contributions by the Secretary of State under section 17 of the <sup>M14</sup>Housing (Financial Provisions) (Scotland) Act 1968 remain payable in connection with arrangements made under section 121 of the <sup>M15</sup>Housing (Scotland) Act 1950 or section 155 of the <sup>M16</sup>Housing (Scotland) Act 1966 (arrangements between housing associations and local authorities for improvement of housing) and approved on or after 16th August 1964 and before 1st April 1975.



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- (2) The contributions are payable at such times and in such manner as the Treasury may direct, and subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, with the approval of the Treasury, impose.
- (3) Where such a contribution is paid to a local authority, the authority shall pay to the housing association by way of annual grant an amount not less than the contribution.

#### **Marginal Citations**

**M14** 1968 c. 31.

**M15** 1950 c. 34.

**M16** 1966 c. 49.

- 4 (1) The Secretary of State may, in any of the circumstances mentioned in sub-paragraph (2), reduce the amount of the contributions in respect of a particular subsidised unit, or suspend or discontinue the payment of the contributions, or part of them, as he thinks just in the circumstances.
- (2) The circumstances referred to in sub-paragraph (1) are—
  - (a) that the housing association has made default in giving effect to the terms of the arrangements with the local authority, or
  - (b) that the subsidised unit has been converted, demolished or destroyed, is not fit to be used or has ceased to be used for the purpose for which it was intended, has been sold or leased for a stipulated duration exceeding twelve months or has been transferred, whether by sale or otherwise.
- (3) The local authority may reduce to a corresponding or less extent the annual grant payable by them to the association, or, as the case may be, suspend payment of the whole or a corresponding part of the payment for a corresponding period, or discontinue the payment or a corresponding part.

## **PART IV**

### **CONTRIBUTIONS UNDER ARRANGEMENTS WITH THE SECRETARY OF STATE IN SCOTLAND**

*(s. 16 of the Housing (Financial Provisions) (Scotland) Act 1968)*

- 1 (1) Contributions by the Secretary of State under section 16 of the Housing (Financial Provisions) (Scotland) Act 1968 remain payable in connection with arrangements made under—
  - section 14 of the <sup>M17</sup>Housing (Scotland) Act 1962, or
  - section 154 of the Housing (Scotland) Act 1966,(arrangements between Secretary of State and housing associations) and approved before 1st April 1975.
- (2) The Secretary of State may, in any of the circumstances mentioned in sub-paragraph (3), reduce the amount of the contributions in respect of a particular subsidised unit, or suspend or discontinue the payment of the contributions, or part of them, as he thinks just in the circumstances.
- (3) The circumstances referred to in sub-paragraph (2) are—

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- (a) that the housing association has made default in giving effect to the terms of the arrangements, or
- (b) the subsidised unit has been converted, demolished or destroyed, is not fit to be used or has ceased to be used for the purpose for which it was intended, has been sold or leased for a stipulated duration exceeding twelve months or has been transferred, whether by sale or otherwise.

**Marginal Citations**

**M17** 1962 c. 28.

**PART V**

SCHEMES FOR THE UNIFICATION OF GRANT CONDITIONS

*(s. 123 of the Housing Act 1957; s. 157 of the Housing (Scotland) Act 1966)*

- 1 A scheme under section 123 of the <sup>M18</sup>Housing Act 1957 (schemes for the unification of divergent grant conditions affecting the management of a housing association's houses) which was made before 10th August 1972 and is in force immediately before the commencement of this Act remains in force under this paragraph.

**Marginal Citations**

**M18** 1957 c. 56.

- 2 A scheme under section 157 of the <sup>M19</sup>Housing (Scotland) Act 1966 (schemes for the unification of divergent grant conditions affecting the management of a housing association's houses) which was made before 3rd August 1972 and is in force immediately before the commencement of this Act remains in force under this paragraph.

**Marginal Citations**

**M19** 1966 c. 49.

**PART VI**

NEW BUILDING SUBSIDY AND IMPROVEMENT SUBSIDY

*(s. 75 of the Housing Finance Act 1972; ss. 55 and 57 of the Housing (Financial Provisions) (Scotland) Act 1972)*

- 1 (1) The following subsidies remain payable in respect of building schemes or improvement schemes approved by the Secretary of State before 1st April 1975—

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- (a) new building subsidy under section 75 of the <sup>M20</sup>Housing Finance Act 1972 or section 55 of the <sup>M21</sup>Housing (Financial Provisions) (Scotland) Act 1972, and
  - (b) improvement subsidy under section 57 of the Housing (Financial Provisions) (Scotland) Act 1972.
- (2) Payment of the subsidy is subject to the making of a claim for the payment in such form, and containing such particulars as the Secretary of State may from time to time determine.
  - (3) The amount of the subsidy payable for a financial year shall be calculated to the nearest pound by rounding up any odd amount of 50p or more and rounding down any lesser amount.
  - (4) The subsidy is payable at such times and in such manner as the Treasury may direct, and subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, with the approval of the Treasury, impose.

#### Marginal Citations

**M20** 1972 c. 47.

**M21** 1972 c. 46.

- 2 (1) The Secretary of State may make reduced payments of subsidy, or suspend or discontinue such payments, if—
  - (a) he made his approval of the scheme subject to conditions and is satisfied that any of the conditions has not been complied with, or
  - (b) he is satisfied that a dwelling comprised in the scheme has been converted, demolished or destroyed, is not fit to be used or is not being used for the purpose for which it was intended, has been sold or leased for a term exceeding seven years or has ceased for any reason whatsoever to be vested in the association or trustees for the association.
- (2) If any of the dwellings comprised in the scheme become vested in, or are leased for a term exceeding seven years to—
  - (a) a housing association, or trustees for a housing association other than the association which received approval for the scheme, [<sup>F5</sup>or
  - (b) the Housing Corporation,]the Secretary of State may, for any year beginning with that in which they come to be so vested or are so leased, pay them the whole or any part of the subsidy which he would otherwise have paid to the association which received approval for the scheme.
- (3) For the purposes of this paragraph a dwelling shall be treated as leased for a term exceeding seven years if it is leased for a lesser term by a lease which confers on the lessee an option for renewal for a term which, together with the original term, exceeds seven years.

#### Textual Amendments

**F5** Sch. 5, Part 6, para. 2(2)(b) and preceding word repealed (E.W.) (1.4.2010) by [The Housing and Regeneration Act 2008 \(Consequential Provisions\) Order 2010 \(S.I. 2010/866\)](#), [Sch. 2 para. 56\(3\)](#).

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- 3
- (1) Where a housing association satisfies the Secretary of State, by furnishing him with such information as to its financial position as he may require, that the amount of new building subsidy for a year will be, or was, inadequate having regard to its normal sources of income to enable it to meet such expenditure (including loan charges) as in his opinion it would be, or was, reasonable for it to incur for that year in the exercise of its housing functions, he may direct that for that year the percentage of the initial deficit to be met by subsidy shall be greater than that otherwise applicable.
  - (2) The percentage shall not, however, be greater than 90 per cent. or the percentage met by subsidy for the immediately preceding year, whichever is less.
  - (3) This paragraph does not apply in relation to the year of completion or the second or third year for which new building subsidy is payable.
  - (4) In this paragraph—
    - “housing functions” means constructing, improving or managing, or facilitating or encouraging the construction or improvement of dwellings, the provision of dwellings by conversion and the acquisition of dwellings, and includes functions which are supplementary or incidental to any of those functions;
    - “loan charges” includes any loan charges made by a housing association (including charges for debt management) whether in respect of borrowing from a capital fund kept by the association or in respect of borrowing between accounts kept by the association for different functions or otherwise.
- 4
- (1) Where before 1st April 1976 a registered housing association made an application for housing association grant in respect of a housing project which was or included a building scheme or improvement scheme which had been previously approved for the purposes of any of the provisions mentioned in paragraph 1 and the Secretary of State gave his approval to that project for the purposes of housing association grant, no further payments of new building subsidy or improvement subsidy shall be made in respect of that approved scheme.
  - (2) A condition imposed by the Secretary of State in such a case by virtue of section 35(2) (b) of the <sup>M22</sup>Housing Act 1974, requiring the repayment of all or any of the payments of new building subsidy or improvement subsidy already paid, if in force immediately before the commencement of this Act, remains in force under this subparagraph.
  - (3) No account shall be taken under section 47(2)(b) (estimation of net cost of project for purposes of housing association grant: income to include subsidies) of payments of subsidy received which are required to be repaid in pursuance of such a condition.

**Marginal Citations**

**M22** 1974 c. 44.

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## PART VII

### PAYMENTS IN RESPECT OF HOSTELS UNDER PRE-1974 ENACTMENTS

*(s. 21 of the Housing (Financial Provisions) (Scotland) Act 1968)*

- 1 (1) Section 21 of the <sup>M23</sup>Housing (Financial Provisions) (Scotland) Act 1968 (exchequer contributions for hostels) continues to have effect in relation to buildings provided or converted by a housing association which were approved by the Secretary of State for the purposes of subsection (1) of that section before 1st April 1975.
- (2) A registered housing association may not make an application for housing association grant in respect of a housing project which consists of or includes the carrying out of works for the provision of hostels if before 1st April 1975 any contribution has been made under section 21 of the Housing (Financial Provisions) (Scotland) Act 1968.
- (3) If in a case where sub-paragraph (2) does not prevent the making of such an application a registered housing association makes an application for housing association grant in respect of a housing project falling within that sub-paragraph and the Secretary of State gives his approval to the project for the purposes of housing association grant, section 21 of the <sup>M24</sup>Housing (Financial Provisions) (Scotland) Act 1968 shall cease to have effect with respect to the provision of hostels referred to in that sub-paragraph.

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#### Marginal Citations

**M23** 1968 c. 31.

**M24** 1968 c. 31.

**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, SCHEDULE 5.