

Status: Point in time view as at 01/04/2012.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

SCHEDULES

SCHEDULE 5

HOUSING ASSOCIATION FINANCE: SUPERSEDED SUBSIDIES, CONTRIBUTIONS AND GRANTS

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—
- (a) new building subsidy under section 75 of the ^{M1}Housing Finance Act 1972 or section 55 of the ^{M2}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

M1 1972 c. 47.

M2 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.

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- (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, ^{F1}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

- F1** 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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- (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.
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- (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.

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- (2) A condition imposed by the Secretary of State in such a case by virtue of section 35(2)(b) of the ^{M3}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

M3 1974 c. 44.

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