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*Status: Point in time view as at 01/04/2012.*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, Paragraph 3. (See end of Document for details)*

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#### HOUSING ASSOCIATION FINANCE: SUPERSEDED SUBSIDIES, CONTRIBUTIONS AND GRANTS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

- 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.

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