



Housing (Scotland) Act 1987

1987 CHAPTER 26

PART XIII

LOCAL AUTHORITY GRANTS FOR IMPROVEMENT, REPAIR AND CONVERSION

Improvement grants

236 Power of local authorities to make improvement grants

- (1) Subject to the provisions of this Part, a local authority may give assistance by making an improvement grant in respect of—
 - (a) works required for the provision of houses by the conversion of houses or other buildings;
 - (b) works required for the improvement of houses.
- (2) Subject to subsection (4), in this Part—
 - (a) "improvement", in relation to a house, includes—
 - (i) alteration and enlargement, and
 - (ii) in relation to a house for a disabled occupant, the doing of works required for making it suitable for his accommodation, welfare or employment;
 - (b) any reference to works required for the provision or improvement of a house, whether generally or in any particular respect, includes a reference to any works of repair or replacement needed in the opinion of the local authority paying the grant for the purpose of enabling the house to which the improvement relates to attain a good state of repair, and "improved" shall be construed accordingly.
- (3) In this section—

"disabled occupant" means a disabled person for whose benefit it is proposed to carry out works in respect of which an improvement grant is sought;

"disabled person" means a person who is substantially handicapped by illness, injury or congenital deformity;

"house for a disabled occupant" means a house which—

- (a) is a disabled occupant's only or main residence when an application for an improvement grant in respect of it is made; or
 - (b) is likely in the opinion of the local authority to become a disabled occupant's only or main residence not later than the expiry of a reasonable period after the completion of the works in respect of which an improvement grant is sought.
- (4) Any reference in this Part to works required for the improvement of a house does not include a reference to works specified in a notice under section 162 (which empowers a local authority to require the provision of means of escape in the case of fire in a house in multiple occupation) or to works required in connection with works so specified.

237 Form of application

An application for an improvement grant shall be in such form as may from time to time be prescribed and shall contain full particulars of—

- (a) the works which are proposed to be or are being carried out together with plans and specifications of the works;
- (b) the land on which those works are proposed to be or are being carried out; and
- (c) the expenses (including any professional fees) estimated to be incurred in executing the works, and where the application relates to the provision or improvement of more than one house, the estimate shall specify the proportion of the expenses attributable to each house proposed to be provided or improved.

238 Powers of local authority

- (1) Subject to this Part, a local authority may approve, or refuse to approve, such an application.
- (2) If it approves the application, it shall make an improvement grant.

239 Consent of Secretary of State

- (1) The Secretary of State may give directions to a local authority or to local authorities generally, requiring that an application for an improvement grant or all such applications of any class specified in the directions shall not be approved except with the consent of the Secretary of State and subject to any conditions which he may impose.
- (2) It shall be the duty of any local authority to comply with any such directions.

240 Conditions for approval of applications for improvement grant other than applications relating exclusively to the provision of standard amenities

- (1) A local authority shall not approve an application for an improvement grant—
 - (a) unless they are satisfied that the owner of every parcel of land on which the improvement works are to be or are being carried out, (other than land proposed to be sold or leased under section 9(4)), has consented in writing

- to the application and to being bound by any conditions imposed by or under section 246;
- (b) if the improvement works specified in it have been begun, unless they are satisfied that there were good reasons for beginning the works before the application was approved.
- (2) A local authority shall not approve any such application, other than an application to which section 244 (provision of standard amenities) applies—
- (a) unless, subject to subsection (6), they are satisfied that—
- (i) the house or houses to which the application for an improvement grant relates will provide satisfactory housing accommodation for such period and conform with such requirements with respect to construction and physical condition and the provision of services and amenities as may be specified for the time being for the purposes of this section by the Secretary of State, and
- (ii) in a case where the house or houses to which the said application relates is or are comprised in a building containing more than one house, the works to be carried out on the house or houses will not prevent the improvement of any other house in that building;
- (b) if the application is in respect of the improvement or conversion of a house provided after 15th June 1964, but the Secretary of State may give directions, either generally or with respect to any particular case, as to the waiving of this provision;
- (c) if, subject to subsections (3) to (6), it is made by the owner of the house to which the application relates or by a member of his family and the house or any part thereof is to be occupied by that owner or by a member of his family after completion of the works and—
- (i) the rateable value of the occupied premises exceeds the prescribed limit; or
- (ii) if it is to be provided by the conversion of two or more houses, the aggregate of the rateable values of those houses exceeds the prescribed limit:

Provided that where sub-paragraph (i) applies, a local authority may approve such an application if it is made in relation to a part of the house which after completion of the works will be self-contained and is not to be occupied by the owner or by a member of his family.

- (3) Paragraph (c) of subsection (2) shall not apply—
- (a) where the house to which the application relates is in a housing action area for improvement declared under section 90 and is listed in the final resolution under section 92(4)(b) or (c) as requiring improvement or integration;
- (b) where the house to which the application relates is subject to an improvement order made under section 88(1);
- (c) in relation to an application for an improvement grant for the conversion of a building which does not at the date of the application consist of or include a house; or
- (d) to a house which is to be occupied by a disabled person (as defined in section 236(3)) in so far as the application is in respect of works which his disability renders necessary if the house is to be suitable for his accommodation, welfare or employment.

- (4) In paragraph (c) of subsection (2)—

"prescribed limit" means such limit of rateable value as the Secretary of State with the consent of the Treasury may prescribe; and different limits may be so prescribed for different cases and for different classes of cases; and a limit so prescribed shall be prescribed by order of the Secretary of State made by statutory instrument which shall be subject to annulment by resolution of either House of Parliament; and

"rateable value" means the rateable value entered in the valuation roll and in force on the date of the application.

- (5) The Secretary of State may by order made in a statutory instrument which shall be subject to annulment by resolution of either House of Parliament vary the provisions of paragraph (c) of subsection (2).
- (6) The local authority may, with the approval of the Secretary of State, disregard any requirement specified by him under subsection (2)(a)(i) in any case where, in the opinion of the local authority, conformity with that requirement would not be practicable at a reasonable expense.

241 Approval of application for improvement grant

- (1) Where a local authority approve an application made under the provisions of this Part for an improvement grant, they shall notify the applicant and where appropriate, the owner, of the amount of the expense (as estimated in the application) approved by them as being attributable to each house proposed to be provided or improved (an amount hereinafter referred to in relation to improvement works as the "approved expense" of executing those works), and of the amount payable, expressed as a percentage of the approved expense and as a cash amount.
- (2) In approving an application for an improvement grant a local authority may require as a condition of paying the grant that the improvement works are carried out within such period (which must not be less than a period of 12 months) as the local authority may specify or within such further period as the local authority may allow.
- (3) Where a local authority—
- (a) refuse an application, or
 - (b) approve an application but fix as the amount of an improvement grant an amount less than that which may be fixed by virtue of section 242 or 244,
- they shall notify the applicant in writing of the grounds of their decision.

242 Amount of improvement grant

- (1) Subject to the following provisions of this section, the amount of an improvement grant other than a grant paid under section 244 shall not exceed 50 per cent., or such other percentage as may be prescribed of the approved expense of executing the works, but the approved expense for an improvement grant including any amount allowed for the purposes of subsection (4) shall be subject to a maximum of £10,200 or such other maximum as may be prescribed, in respect of each house to which the application relates.
- (2) If, after an application for a grant has been approved by a local authority, the authority are satisfied that owing to circumstances beyond the control of the applicant the expense of the works will exceed the estimate contained in the application, they

may, on receiving a further estimate, substitute a higher amount as the amount of the approved expense of executing the works, but that amount shall not exceed the maximum authorised by virtue of subsection (1).

- (3) A local authority may allow for works for repair and replacement needed, in their opinion, for the purposes of enabling the house to attain a good state of repair—
- (a) where an application for an improvement grant relates wholly or partly to the provision of any or all of the standard amenities and—
 - (i) on completion of the works the house is in the opinion of the local authority likely to be available for use as a house for a period of at least 10 years, a maximum approved expense not exceeding £3,000 or such other amount as may be prescribed, or 50 per cent., or such other percentage as may be prescribed of the approved expense of executing the improvement works, whichever is the greater; or
 - (ii) on completion of the works the house is in the opinion of the local authority likely to be available for use as a house for a period of less than 10 years, a maximum approved expense not exceeding £300 (or such other amount as may be prescribed) for each standard amenity provided, but subject to a maximum of £1,200 or such other amount as may be prescribed;
 - (b) where an application does not so relate, a maximum approved expense not exceeding 50 per cent., or such other percentage as may be prescribed of the approved expense of executing the improvement works.
- (4) If the local authority are satisfied that in any particular case—
- (a) there are good reasons for fixing a higher amount than that payable by virtue of subsection (1), that amount may be exceeded by such amount as the Secretary of State may approve; and the approval of the Secretary of State may be given either with respect to a particular case or with respect to a particular class of case;
 - (b) the expense of executing the works was materially enhanced by measures taken to preserve the architectural or historic interest of the house or building to which the application relates, the amount payable by virtue of subsection (1) may be exceeded by such amount as the Secretary of State may approve.
- (5) In any case where—
- (a) an improvement grant or repairs grant within the meaning of Part I of the Act of 1974, or
 - (b) an improvement grant or repairs grant within the meaning of this Part, or
 - (c) assistance under either of the following enactments—
 - (i) section 1 of the Hill Farming Act 1946,
 - (ii) section 22(2) of the Crofters (Scotland) Act 1955;
- has been made or given in respect of a house and, within the period of 10 years beginning on the date on which the grant or assistance was paid or, if it was paid by instalments, the date on which the last instalment was paid, an improvement grant under this Part, other than a grant payable under section 244 or in respect of works for the benefit of a disabled occupant within the meaning of section 236, is made in respect of that house, the amount payable in relation to that improvement grant shall, when added to the unrepaid amount, if any, of that previous grant or assistance, not exceed 50 per cent., or such other percentage as may be prescribed in pursuance of subsection (1), of the maximum approved expense so prescribed.

- (6) Where by virtue of the making on any occasion of an improvement grant in respect of the improvement of a house, the conditions specified in section 236 are required to be observed with respect to the house before the observance thereof by virtue of the making of an improvement grant on a previous occasion has ceased to be requisite, the provisions of sections 246, 247, 252(4) and Schedule 19 shall apply in relation to the house as regards each occasion on which an improvement grant is so made as if it were the only occasion on which it was so made.
- (7) The percentage of the approved expense that may be prescribed under subsection (1) or (3) shall be prescribed by order of the Secretary of State made with the consent of the Treasury.
- (8) An order made under subsection (7) shall be made by statutory instrument and shall not be made unless a draft has been laid before and approved by resolution of the House of Commons.
- (9) The maximum approved expense that may be prescribed under subsection (1) or (3) shall be prescribed by order of the Secretary of State made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (10) An order under this section may make different provision with respect to different cases or descriptions of case.

243 Payment of improvement grant

- (1) An improvement grant in respect of the expenses incurred for the purpose of the execution of improvement works shall, subject to the following provisions of this section, be paid—
 - (a) within one month of the date on which, in the opinion of the local authority, the house first becomes fit for occupation after the completion of the works; or
 - (b) partly in instalments paid from time to time as the works progress and with a final settlement of the balance within one month of the completion of the works but the aggregate of the instalments paid shall not at any time before the completion of the improvement works exceed 50 per cent., or such other percentage fixed by virtue of section 242(1), or, as the case may be, section 244(6) of the aggregate approved expense of the works executed up to that time.
- (2) The payment of an improvement grant or of an instalment or the balance thereof shall be conditional on the improvement works, or, as the case may be, the part of the works which the local authority consider will entitle the applicant to payment of the instalment or of the balance of the grant, being executed to the satisfaction of the local authority.
- (3) Where an instalment of an improvement grant is paid before the completion of the works, and the works are not completed within 12 months of the date of payment of the instalment, then that instalment and any further instalment paid by the local authority on account of the grant shall, on being demanded by the authority, forthwith become payable to them by the person to whom the instalments were paid, and the instalments shall carry interest at such reasonable rate as the local authority may determine from the date on which they were paid by the authority until repaid under this subsection.

244 Duty of local authorities to make improvement grants where an application relates exclusively to the provision of standard amenities or to disabled occupant; and amount thereof

- (1) Subject to the provisions of this Part, a local authority shall, where an application in that behalf is made to the local authority, give assistance in respect of the improvement of any house by way of making an improvement grant in respect of the cost of executing works required for the house to be provided with one or more of the standard amenities which it presently lacks, if on completion of the works the house will, in the opinion of the local authority—
 - (a) be provided with all of the standard amenities for the exclusive use of its occupants; and
 - (b) meet the tolerable standard.
- (2) A local authority shall not make an improvement grant under this section in respect of a house comprised in a building containing more than one house, unless they are satisfied that the works carried out on the house will not prevent the improvement of any other house in the building.
- (3) Where an application in that behalf is made to a local authority in relation to any house, an improvement grant shall be made under subsection (1) in respect of the cost of executing works required for the house to be provided with a standard amenity, notwithstanding that the house already has such a standard amenity, if in the opinion of the local authority the additional standard amenity to be provided is essential to the needs of a disabled occupant.
- (4) Paragraph (a) of subsection (1) shall not apply where the house in respect of which application for a grant is made is not likely to be available for use as a house for a period of at least 10 years.
- (5) Subsection (1) shall not apply in respect of a house which is or forms part of a house or building as regards which the local authority are satisfied that they have power to serve a notice under section 161 (power to require execution of works of descriptions other than work to make good neglect).
- (6) Subject to subsection (8), the standard amenities for the purposes of this Part are the amenities which are described in the first column of Part I of Schedule 18 and which will be for the exclusive use of the occupants of the house to which the application relates.
- (7) The amount of an improvement grant made under this section shall be 50 per cent. or such other percentage as may be prescribed of the approved expense, which shall be subject to a limit determined in accordance with Part II of Schedule 18.
- (8) The Secretary of State may by order vary the provisions of Schedule 18, and any such order may contain such transitional or other supplementary provisions as appear to the Secretary of State to be expedient.
- (9) Section 86 shall have effect for determining whether a house meets the tolerable standard for the purposes of subsection (1) as it has effect for determining whether a house meets that standard for the purposes of Part IV.
- (10) The Secretary of State may by order—
 - (a) vary the requirements of subsection (1)(a) and (b);

- (b) vary the amount specified in subsection (6), so as to provide for different amounts of grant to apply for different classes of cases.
- (11) Schedule 18 shall have effect for the purpose of specifying the standard amenities and the maximum eligible amount of improvement grant in respect thereof.
- (12) The percentage of the approved expense that may be prescribed under subsection (7) or (10)(b) shall be prescribed by order of the Secretary of State made with the consent of the Treasury.
- (13) An order made under subsection (8) or (10)(a) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (14) An order made under subsection (12) shall be made by statutory instrument and shall not be made unless a draft has been laid before and approved by resolution of the House of Commons.

245 Grants restricted to applicant and his personal representatives

In relation to a grant or an application for a grant, any reference in the preceding provisions of this Part to the applicant shall be construed, in relation to any time after his death, as a reference to his personal representatives.

246 Conditions to be observed with respect to houses in respect of which an improvement grant has been made, and registration thereof

- (1) Where an application for an improvement grant has been approved by a local authority, the provisions of this section shall apply with respect to the house for a period of 5 years beginning with the date on which, in the opinion of the local authority, it first becomes fit for occupation after the completion of the improvement works, and shall, so long as those provisions are required to be so observed, be deemed to be part of the terms of any lease or tenancy of the house and shall be enforced accordingly.
- (2) It shall be a condition of the grant that—
 - (a) the house shall not be used for the purposes other than those of a private dwelling-house, but a house shall not be deemed to be used for the purposes other than those of a private dwellinghouse by reason only that part thereof is used as a shop or office, or for business, trade or professional purposes;
 - (b) the house shall not be occupied by the owner or a member of his family except as his only or main residence within the meaning of Part V of the Capital Gains Tax Act 1979;
 - (c) all such steps as are practicable shall be taken to (secure the maintenance of the house in a good state of repair.
- (3) The owner of the house shall, on being required to do so by the local authority, certify that the conditions specified in subsection (2) are being observed with respect to the house, and any tenant of the house shall, on being so required in writing by the owner, furnish to him such information as he may reasonably require for the purpose of enabling him to comply with the provisions of this subsection.
- (4) A local authority shall not, as a prerequisite of approving a grant, require any conditions or obligations, other than the conditions mentioned in this Part or other

statutory obligations to be observed with respect to a house in respect of which an improvement grant has been made under this Part.

- (5) The provisions of Schedule 19 shall have effect in the event of a breach of any of the conditions mentioned in this section at a time when they are required to be observed with respect to a house.
- (6) Where a local authority pay an improvement grant or, in a case where an improvement grant is payable partly in instalments as the improvement works progress and the balance after the completion of the works in respect of a house, they shall specify in the notice or record mentioned respectively in subsections (7) and (8) the matters specified in subsection (9).
- (7) If subsection (6) applies, the local authority shall, where the applicant for the grant was not a tenant-at-will or was a tenant-at-will who since applying, has acquired his landlord's interest in the tenancy, cause to be recorded in the General Register of Sasines or registered in the Land Register, as the case may be, a notice in such form as may be prescribed.
- (8) If subsection (6) applies, the local authority shall, where that applicant was and continues to be a tenant-at-will, keep a written record.
- (9) The matters to be specified are—
 - (a) the conditions mentioned in this section which are required to be observed with respect to the house;
 - (b) the period for which the conditions are to be observed; and
 - (c) the provisions of Schedule 19 under which, on a breach of any of the said conditions at a time when they require to be observed, the owner of the house becomes liable to repay to the authority the amount repayable by virtue of that Schedule.
- (10) Any expenses incurred under subsection (7) recording the notice in the Register of Sasines or registering it in the Land Register, as the case may be, shall be repaid to the local authority by the applicant.

247 Voluntary repayment of improvement grants

- (1) The owner of a house in respect of the provision or improvement of which an improvement grant has been made or the holder of a heritable security over the house, being a heritable creditor entitled to exercise his power of sale, may, at any time when the conditions specified in section 246 are required to be observed with respect to the house, pay to the local authority the like amount as would become payable to them by virtue of Schedule 19 in the event of a breach of any of the conditions referred to in section 246(2), and on the making of the payment observance with respect to the house of those conditions shall cease to be requisite and the provisions of paragraph 7 of the said Schedule shall apply for the purposes of this subsection as they apply for the purposes of that Schedule.
- (2) A sum paid under subsection (1) by a heritable creditor shall be treated as part of the sum secured by the heritable security.

Repairs grants

248 Repairs grants

- (1) Subject to the provisions of this section, where an application for a repairs grant is duly made a local authority—
- (a) shall approve the application in so far as it relates to the execution of works required by a notice under section 108(1) (repair notices); and
 - (b) in so far as it does not so relate, may approve the application in such circumstances as they think fit.

- (2) A local authority shall not approve an application under this section unless they are satisfied that the house to which the application relates will provide satisfactory housing accommodation for such period as they consider reasonable.

- (3) In considering whether or not to approve an application for a repairs grant, a local authority shall have regard to the question whether, in their opinion, the owner would, without undue hardship, be able to finance the expense of the relevant works without the assistance of a repairs grant:

Provided that this subsection shall not apply in any such case as may be prescribed.

- (4) The amount of a repairs grant shall not exceed 50 per cent., or such other percentage as may be prescribed, of the approved expense of the works, but the approved expense shall not exceed £4,800 or such other amount as may be prescribed in respect of each house to which the application relates.
- (5) Sections 237 to 247 (other than sections 240, 242(1), (4) and (7)) shall apply to an application for a repairs grant as they apply to an application for an improvement grant, except that for the purposes of the application of section 243(1)(b), for the words "section 242(1) or as the case may be section 244(6)" are substituted the words "section 248(4)":

Provided that section 240(2)(c) shall not apply in relation to an application for a repairs grant in respect of the replacement in a different material of such pipes, cisterns, taps or other equipment used for the supply of water to a house as are wholly or partly made of lead.

- (6) References in this section to a house shall, in relation to an application made under this section for a grant in respect of works which are to rectify defects specified in a notice under section 108(1), be construed as including references to premises other than a house; but where such an application relates to such premises—
- (a) the local authority shall not, under subsection (2), approve the application unless they are satisfied that the premises form part of a building which contains a house or houses and that house or, as the case may be, all those houses will provide satisfactory housing accommodation as mentioned in that subsection;
 - (b) subsection (4) shall be construed as if the reference in it to each house were a reference to each of the premises other than a house; and
 - (c) subsection (5) shall be construed as if the enactments excepted by that subsection included sections 240(2) to (6), 246(1), (2), (3), and (5) to (10).

- (7) A case that is prescribed under the proviso to subsection (3) shall be prescribed by order of the Secretary of State made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (8) The percentage of the approved expense that may be prescribed under subsection (4) shall be prescribed by order of the Secretary of State made with the consent of the Treasury.
- (9) An order made under subsection (8) shall be made by statutory instrument and shall not be made unless a draft has been laid before and approved by resolution of the House of Commons.
- (10) The maximum approved expense that may be prescribed under subsection (4) shall be prescribed by order of the Secretary of State made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Grants for fire escapes

249 Grants for fire escapes for houses in multiple occupation

- (1) Subject to the provisions of this section, where an application for a grant for a fire escape in a house in multiple occupation is duly made, a local authority—
 - (a) shall approve the application in so far as it relates to the execution of works specified in a notice served on any person, other than a public body, under section 162 (which empowers a local authority to require the provision of a means of escape from fire in a house in multiple occupation);
 - (b) in so far as it is not so specified but is required in connection with works so specified, may approve the application.
- (2) A local authority shall not approve an application under this section unless they are satisfied that at the time of completion of the works to which the application relates the house will be in reasonable repair (disregarding the state of internal decorative repair) having regard to its age, character and location.
- (3) Where a local authority approve an application under this section they shall determine the maximum amount of expenses which they think proper to be incurred for the relevant works; but so much of such amount as relates to works referred to in—
 - (a) paragraph (a) of subsection (1) shall not exceed £8,100 or such other amount as may be prescribed under subsection (8);
 - (b) paragraph (b) of that subsection shall not exceed £3,000 or such other amount as may be prescribed under subsection (8).
- (4) Subject to subsection (5), the amount of grant payable under subsection (1) above in relation to any application shall be 75 per cent. of the maximum amount determined under subsection (3) above in relation thereto or such other percentage of that maximum amount as may be prescribed under subsection (9).
- (5) If, in any case, it appears to the local authority by whom the application is approved that the applicant will not without undue hardship be able to finance the cost of so much of the work as is not met by the grant, they may, as regards that case, increase the percentage referred to in subsection (4) above to such percentage, not exceeding 90 per cent., as they think fit.

- (6) Sections 236 to 239 and 241 to 247 (other than section 241(3)(b), section 242(1), (1A), (3), (4), (6) and (7) and section 244) shall apply to an application for a grant under subsection (1) as they apply to an application For an improvement grant, except that for the purposes of the application of section 243(1)(b), for the words "section 242(1) or as the case may be section 244(6)" are substituted the words "section 248(4) or (5) as the case may be".
- (7) In subsection (1), "public body" means a regional, islands or district council or such other body as the Secretary of State may by order made by statutory instrument specify.
- (8) The maximum amount of expenses prescribed under subsection (3)(a) or (b) shall be prescribed by order of the Secretary of State made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (9) The percentage of the maximum amount that may be prescribed under subsection (4) shall be prescribed by order of the Secretary of State made with the consent of the Treasury.
- (10) An order made under subsection (9) shall be made by statutory instrument and shall not be made unless a draft has been laid before and approved by resolution of the House of Commons.

Grants for houses in housing action areas

250 Application of this Part to houses situated in a housing action area and power of local authority to give repairs grants in such areas and amount thereof

- (1) The provisions of this Part shall apply to houses which are to be brought up to the standard specified by a local authority under section 90, or 91 and which are situated in housing action areas for improvement or for demolition and improvement within the meaning of Part IV, but subject to the modifications contained in subsections (2) to (7) below.
- (2) In section 242(1), for "not exceed 50 per cent." there shall be substituted "be 75 per cent."
- (3) In section 243(1), for "50 per cent." there shall be substituted "75 per cent."
- (4) In section 254(2), for "75 per cent." there shall be substituted "90 per cent."
- (5) If, in the case of a house which is in a housing action area on the date on which the application is approved for a grant under section 242(1) as read with subsection (2), it appears to the local authority by whom the application is approved that the applicant will not without undue hardship be able to finance the cost of so much of the improvement work as is not met by the grant, they may increase the percentage under the said subsection from 75 per cent. to such percentage, not exceeding 90 per cent., as they think fit; but this subsection shall not apply where an applicant for an improvement grant is not the owner of the land to which the application relates.
- (6) Sections 238(1), in so far as it relates to refusal to approve an application, and 244 shall not apply, but a local authority shall make an improvement grant to an owner of a house situated in a housing action area as aforesaid in respect of such improvement works as may, in their opinion, be required for the house to be brought up to the standard

specified by the local authority in a resolution passed under section 90 or 91 in relation to that area:

Provided that an improvement grant shall not be made in pursuance of this subsection in respect of a house which is comprised in a building containing more than one house, if the local authority are of the opinion that the improvement works to be carried out on that house would prevent any other house in that building from being brought up to the standard specified as aforesaid.

(7) In section 248—

(a) for subsections (1) and (2) there shall be substituted the following subsections—

“(1) Subject to the following provisions of this section, where an application for a repairs grant is duly made, a local authority shall approve the application in so far as it relates to the execution of works to houses to which the provisions of this Part are applied by section 250(1).

(2) A local authority shall not approve an application under this section unless on completion of the works the house will attain the standard specified in the resolution passed under section 90 or 91.”;

(b) in subsection (4), at the beginning there shall be inserted the words "Subject to section 249(5)" and for the words "50 per cent." there shall be substituted the words "75 per cent.";

(c) in subsection (5), after the words "section 244" there shall be inserted the words "and subsections (3), (4) and (5) of section 249".

Improvement of amenity grants

251 Powers of local authority for improvement of amenities

(1) For the purpose of securing the improvement of the amenities of a predominantly residential area within their district, a local authority may—

(a) carry out any works on land owned by them and assist (whether by grants or loans or otherwise) in the carrying out of any works on land not owned by them;

(b) with the agreement of the owner of any land, carry out or arrange for the carrying out of works on that land at his expense, or at the expense of the local authority, or in part at the expense of both;

(c) acquire any land by agreement;

and may be authorised by the Secretary of State to purchase any land compulsorily.

(2) The Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947 shall apply to a compulsory purchase of land under subsection (1) as if that subsection had been in force immediately before the commencement of this Act.

Grants for thermal insulation

252 Schemes for grants for thermal insulation

- (1) Local authorities shall make grants, in accordance with such schemes as may be prepared and published by the Secretary of State and laid by him before Parliament, towards the cost of works undertaken to improve the thermal insulation of dwellings in their district.
- (2) Schemes under this section shall specify—
 - (a) the descriptions of dwelling and the insulation works qualifying for grants, and
 - (b) the persons from whom applications may be entertained in respect of different descriptions of dwelling.
- (3) The grant shall be such percentage of the cost of the works qualifying for grant as may be prescribed, or such money sum as may be prescribed, whichever is the less.
- (4) A scheme may provide for grants to be made only to those applying on grounds of special need or to be made in those cases on a prescribed higher scale; and for this purpose "special need" shall be determined by reference to such matters personal to the applicant (such as age, disability, bad health and inability without undue hardship to finance the cost of the works) as may be specified in the scheme.
- (5) In this section, "prescribed" means prescribed by order of the Secretary of State made with the approval of the Treasury.
- (6) An order shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.

253 Finance and administration of schemes under s. 252

- (1) Finance for the making of grants under section 252 shall be provided to local authorities from time to time by the Secretary of State.
- (2) A local authority is not required, nor has power, to make grants under section 252 in any year beyond those for which the Secretary of State has notified them that finance is committed for that year in respect of the authority's district.
- (3) In the administration of grants under section 252 local authorities shall comply with any directions given to them by the Secretary of State after consultation with their representative organisations.
- (4) The Secretary of State may, in particular, give directions as to—
 - (a) the way in which applications for grants are to be dealt with, and the priorities to be observed between applicants and different categories of applicant, and
 - (b) the means of authenticating applications, so that grants are only given in proper cases, and of ensuring that the works are carried out to any standard specified in the applicable scheme.
- (5) The Secretary of State shall, with the approval of the Treasury, pay such sums as he thinks reasonable in respect of the administrative expenses incurred by local authorities in operating schemes under section 252.

*Exchequer contributions***254 Exchequer contributions towards improvement or repairs grants or grants for fire escapes**

- (1) The Secretary of State may make Exchequer contributions towards the expense incurred by a local authority in making an improvement grant or a repairs grant or a grant under section 250 (grants for fire escapes).
- (2) Subject to any order made by the Secretary of State under subsection (5), an Exchequer contribution under subsection (1) shall be a sum equal to 75 per cent. (in the case of an improvement or repairs grant), or 90 per cent. (in the case of a grant under section 250) of the annual loan charges referable to the amount of the grant, payable for each of the 20 financial years beginning with the year in which were completed the works in respect of which the grant was made.
- (3) For the purposes of this section, the annual loan charges referable to the amount of a grant shall (whatever may be the manner in which the local authority have provided or intend to provide the money requisite for making the grant) be the annual sum which, in the opinion of the Secretary of State, would fall to be provided by the authority for the payment of interest on, and the repayment of, an amount of borrowed money equal to the amount of the grant, being money the period for the repayment of which is 20 years.
- (4) A local authority shall pay to the Secretary of State such percentage as may have been paid to them by virtue of subsection (2) of any sum—
 - (a) recovered by them by virtue of section 246 in consequence of a breach of any of the conditions required to be observed with respect to the house, or
 - (b) paid to them under section 247 in respect of the house.
- (5) The Secretary of State may by order made with the consent of the Treasury vary, either generally or in relation to classes of houses, with respect to grants made in pursuance of applications approved by local authorities after such date as may be specified in the order, the percentages fixed by virtue of subsection (2):

Provided that the said percentages shall not be reduced to less than 65 per cent.

- (6) An order under subsection (5)—
 - (a) shall not be made unless a draft thereof has been approved by a resolution of the House of Commons; and
 - (b) shall not specify under that subsection a date earlier than the date of the laying of the draft;

and before laying such a draft the Secretary of State shall consult with such associations of local authorities as appear to him to be concerned and with any local authority with whom consultation appears to him to be desirable.

255 Exchequer contributions to local authority towards expenditure incurred for improvement of amenities

- (1) Subject to the provisions of this section, the Secretary of State may, subject to any directions of the Treasury, pay an Exchequer contribution to a local authority towards such expenditure incurred by them for improvement of amenities under section 248—

- (a) in carrying out works, whether in pursuance of arrangements made or otherwise, or acquiring or appropriating land, or
 - (b) in making contributions to any other authority or person towards expenses which might be so incurred by the local authority,as he may approve for the purposes of this section on an application by the local authority.
- (2) This section does not apply to land to which the housing revenue account relates.
- (3) The approval of the Secretary of State under subsection (1) shall not be given if the works have been begun, unless he is satisfied that there were good reasons for beginning the works before the application had been approved by him.
- (4) For the purposes of this section—
 - (a) the cost of any works shall be taken to be the amount certified by the local authority as appearing to them to be the cost likely to be incurred by them in carrying out those works whether in pursuance of arrangements made or otherwise; and
 - (b) the cost of any land acquired by a local authority under section 248 shall be taken to be the expenses incurred by the authority in connection with the acquisition, and the cost of any land appropriated by a local authority for the purposes of that section shall be taken to be such amount as the Secretary of State may determine.
- (5) An Exchequer contribution under this section shall be a sum payable annually for a period of 20 years beginning with the financial year in which the works are completed and that sum shall be equal to the annual loan charges referable to such percentage of the expenditure approved for the purposes of this section as the Secretary of State shall, with the consent of the Treasury, prescribe by order made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (6) The aggregate of any expenditure approved for the purposes of this section (whether on one or more applications) shall not exceed the sum arrived at by taking £600 for each of the dwellings in the area.
- (7) The Secretary of State may, with the consent of the Treasury, by order substitute another amount for the amount of £600 mentioned in subsection (6), and any such order shall be made by statutory instrument, which shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (8) Without prejudice to subsection (7), the Secretary of State may direct that in the case of a class or classes of predominantly residential areas or in the case of a particular predominantly residential area, subsection (6) shall have effect as if for the amount of £600, or such other amount as may be substituted for that amount under subsection (7), there were substituted a greater amount.
- (9) For the purposes of this section, the annual loan charges referable to any amount shall be the annual sum which, in the opinion of the Secretary of State, would fall to be provided by a local authority for the payment of interest on, and the repayment of, a loan of that amount, being money the period for the repayment of which is 20 years.
- (10) Where any arrangements made between a local authority and a registered housing association so provide, any expenditure incurred by the housing association in pursuance of the arrangements which might have been incurred by the local authority

under section 248 shall be treated for the purposes of subsection (1) as if it were expenditure so incurred by the local authority; and where any such expenditure is approved by the Secretary of State for the purposes of this section—

- (a) subsection (9) shall have effect, in relation to it, as if the reference therein to a local authority were a reference to the housing association, and
- (b) the local authority shall pay to the housing association by way of annual grant an amount not less than so much of the Exchequer contribution paid to the local authority under this section as is referable to that expenditure.

Agricultural tenants, etc.

256 Application of this Part to agricultural tenants, etc.

- (1) For the purposes of the provisions of this Part, a tenant, crofter, landholder or statutory small tenant shall be deemed to be the owner of any house, building or other land on his farm, croft or holding if in respect of the execution thereon of improvement works he would, on the termination of his tenancy, be entitled to compensation under the Agricultural Holdings (Scotland) Act 1949 or the Crofters (Scotland) Acts 1955 and 1961 or the Small Landholders (Scotland) Acts, 1886 to 1931 (as the case may be) as for an improvement.
- (2) Where by virtue of subsection (1) an improvement grant or a repairs grant is made to a crofter, a landholder or a statutory small tenant in respect of a house on his croft or holding, the local authority shall forthwith intimate to the landlord of the croft or holding that an improvement grant or a repairs grant has been so made, and shall inform him of the amount thereof.
- (3) If at any time within the period during which conditions are required by section 246 to be observed with respect to a house provided on a farm, croft or holding otherwise than by the landlord thereof, compensation becomes payable in respect of the house, or of any improvement works executed in relation thereto, as for an improvement under the Agricultural Holdings (Scotland) Act 1949 or the Crofters (Scotland) Act 1955 and 1961 or the Small Landholders (Scotland) Acts 1886 to 1931 (as the case may be), so much of the value of the house or works as is attributable to the sum paid by way of improvement grant or repairs grant, shall be taken into account in assessing the compensation so payable and shall be deducted therefrom.
- (4) The landlord of a farm, croft or holding on which there is a house with respect to which conditions are for the time being required to be observed by virtue of section 246, shall not at any time within the period during which those conditions are so required to be observed be entitled to obtain any consideration by way of rent or otherwise in respect of so much of the value of the house, or of any improvement works executed in relation thereto, as is attributable to the sum paid by way of improvement grant or repairs grant.