



# Housing Act 1964

## 1964 CHAPTER 56

### PART III

#### ASSISTANCE FOR IMPROVEMENT OF DWELLINGS

##### *Miscellaneous*

- 57 Duty of local authority in England and Wales to offer loans to meet expenses of compulsory improvement under Part II of Act**
- (1) Any person who is liable to incur expenditure in complying with an immediate improvement notice or final improvement notice served, or an undertaking accepted, under Part II of this Act, or who is liable to make a payment as directed -by a court under section 27(8) of this Act, may apply to the local authority for a loan.
  - (2) Subject to this section, if the local authority are satisfied that the applicant can reasonably be expected to meet obligations assumed by him in pursuance of this section in respect of a loan of the amount of the expenditure or payment to which the application relates, the local authority shall offer to enter into a contract with the applicant for a loan by the local authority to the applicant of that amount, to be secured to the local authority by a mortgage of the applicant's interest in the premises consisting of or comprising the dwelling or dwellings.
  - (3) Subject to this section, if the local authority are not so satisfied, but consider that the applicant can reasonably be expected to meet obligations assumed by him in pursuance of this section in respect of a loan of a smaller amount, the local authority may, if they think fit, offer to enter into a contract with the applicant for a loan by the local authority to the applicant of that smaller amount, to be secured as mentioned in the last foregoing subsection.
  - (4) Any contract entered into by the local authority under this section shall contain a condition to the effect that, if a standard grant or improvement grant becomes payable under section 4 of the Act of 1959 or section 30 of the Act of 1958 in respect of the expenditure or payment to which the application under this section relates, the local authority shall not be required to lend a sum greater than the amount of the

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expenditure or payment to which the application relates after deduction of the amount of the standard grant or, as the case may be, the improvement grant.

- (5) The local authority shall not make an offer under the foregoing provisions of this section unless they are satisfied—
  - (a) that the applicant's interest in the said premises amounts to an estate in fee simple absolute in possession or an estate for a term of years absolute which will not expire before the date for final repayment of the loan, and
  - (b) that, according to a valuation made on behalf of the local authority, the amount of the principal of the loan does not exceed the value which it is estimated the mortgaged security will bear after improvement of the dwelling or dwellings to the full or, as the case may be, the reduced standard.
- (6) The rate of interest payable on a loan under this section shall be such as the Minister may direct either generally or in any particular case, and the Minister may, if he thinks fit, give directions, either generally or in any particular case, as to the time within which a loan under this section, or any part of such a loan, is to be repaid.
- (7) Subject to the foregoing provisions of this section, the contract offered by the local authority under this section shall require proof of title and shall contain such other reasonable terms as the local authority may specify in their offer.
- (8) The local authority's offer may in particular include any such terms as are described in section 43(3)(c) of the Act of 1958 (repayment of principal and interest), and provision for the advance being made by instalments from time to time as the works of improvement progress.
- (9) An application under this section must be made in writing within three months of the date when the improvement notice becomes operative or the undertaking is accepted or the payment is to be made as directed by the court, as the case may be, or such longer period as the local authority by permission given in writing may allow.
- (10) References in this section to the dwelling are references to the dwelling to which the improvement notice or undertaking relates, or in respect of which the payment is to be made, and the reference to the improvement of the dwelling to the full standard or the reduced standard shall be construed as if contained in Part II of this Act.
- (11) Where a standard grant or improvement grant is payable partly in respect of expenditure or a payment to which the application under this section relates, and partly in respect of other expenditure or another payment, the reference in subsection (4) of this section to a standard grant or improvement grant shall be taken as a reference to the part of the standard grant or improvement grant which in the opinion of the local authority is attributable to the expenditure or payment to which the application under this section relates.
- (12) This section shall not apply to Scotland.

## **58 Duty of local authority in Scotland to offer loans to meet expenses of compulsory improvement under Part II of Act**

- (1) Any person who is liable to incur expenditure in complying with an immediate improvement notice or a final improvement notice served, or an undertaking accepted, under Part II of this Act in Scotland, or who is liable to make a payment as directed by the sheriff under section 27(8) of this Act, may apply to the local authority for a loan.

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- (2) Subject to this section, if the local authority are satisfied that the applicant can reasonably be expected to meet obligations assumed by him in pursuance of this section in respect of a loan of the amount of the expenditure or payment to which the application relates, the local authority shall offer to make a loan of that amount to the applicant, the loan to be secured to the local authority by a bond and disposition in security of the premises consisting of or comprising the dwelling, or by a bond and assignation in security of a lease of those premises, or by a bond and such other deed of security over the applicant's estate or interest in the said premises as may be agreed between the local authority and the applicant.
- (3) Subject to this section, if the local authority are not so satisfied, but consider that the applicant can reasonably be expected to meet obligations assumed by him in pursuance of this section in respect of a loan of a smaller amount, the local authority may, if they think fit, offer to make a loan of that smaller amount to the applicant, the loan to be secured as mentioned in the last foregoing subsection.
- (4) Any offer made by the local authority under this section shall contain a condition to the effect that, if a standard grant or improvement grant becomes payable under section 19 of the Act of 1959 or section 111 of the Act of 1950 in respect of the expenditure or payment to which the application under this section relates, the local authority shall not be required to lend a sum greater than the amount of the expenditure or payment to which the application relates after deduction of the amount of the standard grant or, as the case may be, of the improvement grant.
- (5) The local authority shall not make an offer under the foregoing provisions of this section unless they are satisfied—
  - (a) that the applicant's estate or interest in the said premises amounts to ownership or a lease for a period which will not expire before the date for final repayment of the loan, and
  - (b) that, according to a valuation made on behalf of the local authority, the amount of the principal of the loan does not exceed the value which it is estimated the subjects comprised in the security will bear after improvement of the dwelling or dwellings to the full or, as the case may be, the reduced standard.
- (6) The rate of interest payable on a loan under this section shall be such as the Secretary of State may direct either generally or in any particular case, and the Secretary of State may, if he thinks fit, give directions, either generally or in any particular case, as to the time within which a loan under this section, or any part of such a loan, is to be repaid.
- (7) Subject to the foregoing provisions of this section, the loan offered by the local authority under this section shall be subject to such reasonable terms as the local authority may specify in their offer.
- (8) The local authority's offer may in particular include any such terms as are described in section 75(3)(c) of the Act of 1950 (repayment of principal and interest) and provision for the advance being made by instalments from time to time as the works of improvement progress.
- (9) An application under this section must be made in writing within three months of the date when the improvement notice becomes operative or the undertaking is accepted or the payment is to be made as directed by the sheriff, as the case may be, or such longer period as the local authority by permission given in writing may allow.

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- (10) References in this section to the dwelling are references to the dwelling to which the improvement notice or undertaking relates or in respect of which the payment is to be made, and the reference to the improvement of the dwelling to the full standard or the reduced standard shall be construed as if contained in Part II of this Act.
- (11) Where a standard grant or improvement grant is payable partly in respect of expenditure or a payment to which the application under this section relates, and partly in respect of other expenditure or another payment, the reference in subsection (4) of this section to a standard grant or improvement grant shall be taken as a reference to the part of the standard grant or improvement grant which in the opinion of the local authority is attributable to the expenditure or payment to which the application under this section relates.

## **59 Compulsory improvement under Part II of Act: right to serve purchase notice**

- (1) If the person having control of a dwelling or other premises is served with an immediate improvement notice or a final improvement notice under Part II of this Act, that person or, if any such notice was served on a person as being one who received the rack-rent of the premises as agent or trustee for any other person, that other person may, by notice in writing served on the local authority at any time within six months from the date on which the improvement notice becomes operative require the local authority to purchase his interest in the premises in accordance with this section.
- (2) On service of a notice under the foregoing subsection the local authority shall be deemed to be authorised to acquire the interest of the said person in the premises compulsorily under the Lands Clauses Acts and to have served a notice to treat in respect of that interest on the date of the service of the notice under the foregoing subsection.
- (3) Paragraphs 2, 3 and 5 of Schedule 2 to the Acquisition of Land (Authorisation Procedure) Act 1946 (which contain provisions modifying the Lands Clauses Acts in relation to compulsory purchases under that Act) shall apply in relation to compulsory purchases under this section.
- (4) Within twenty-one days of receipt of a notice served by any person under subsection (1) of this section the local authority shall notify every other person who is to their knowledge an owner, lessee or mortgagee of the premises, or who is the occupier of the premises.
- (5) In the application of this section to Scotland—
  - (a) in subsection (1), for the reference to a person who received the rack-rent of the premises as agent or trustee for any other person there shall be substituted a reference to a person who received the rent of the premises as trustee, tutor, curator, factor or agent for or of any other person ;
  - (b) in subsection (3), for the reference to paragraphs 2, 3 and 5 of Schedule 2 to the Acquisition of Land (Authorisation Procedure) Act 1946 there shall be substituted a reference to paragraphs 2 and 3 of Schedule 2 to the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947.

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**60 Amount of improvement grant for dwellings provided by conversion of houses of three or more stories in England and Wales**

- (1) Section 32(1)(b) of the Act of 1958 (which limits the amount of an improvement grant under Part II of that Act for each dwelling provided by the improvement works to four hundred pounds or such other amount as may be prescribed) shall have effect in relation to a dwelling provided by a conversion of a house which consists of three or more storeys as if for the words " four hundred pounds " there were substituted the words " five hundred pounds ".
- (2) The reference in the foregoing subsection to the number of storeys shall, if any of the dwellings provided by the improvement works is a dwelling all or part of which is in the basement, include the basement as one of the number of storeys of the house.
- (3) The Minister's power under the said section 32(1)(b) to vary the amount specified in that paragraph shall be exercisable separately as respects the amount of four hundred pounds mentioned in that section and as respects the amount of five hundred pounds substituted by this section in the cases specified in this section.
- (4) This section shall not have effect as respects applications made to a local authority before the coming into force of this section.

**61 Amount of improvement grant in Scotland. ,**

- (1) Section 112(1)(b) of the Act of 1950 (which limits the amount of an improvement grant under Part VII of that Act for each dwelling provided by the improvement works to four hundred pounds or such other amount as may be prescribed) shall have effect as if for the words " four hundred pounds " there were substituted the words " five hundred pounds ".
- (2) This section shall not have effect as respects applications made to a local authority before the coming into force of this section.

**62 Amount of exchequer payments under s. 105 of Act of 1950, etc., in Scotland**

- (1) A contribution to a local authority under section 105 of the Act of 1950 (which authorises the Secretary of State to make payments towards the annual loss likely to be incurred by a local authority in carrying out approved proposals for the conversion or improvement of houses) shall, instead of being such a contribution as is mentioned in that section, be a contribution towards—
  - (a) the cost of the works of conversion or improvement required for carrying out the proposals, and
  - (b) any expense incurred by the local authority in acquiring interests in land for the purpose of giving effect to the proposals;and the following provisions of this section shall have effect with respect to such a contribution.
- (2) The contribution shall be a sum equal to three-eighths of the annual loan charges referable to an amount determined in accordance with subsections (3) and (4) of this section, payable annually for the period of twenty financial years beginning with the year in which the carrying out of the proposals was completed or for such period, not exceeding sixty financial years beginning as aforesaid, as may be determined by the Secretary of State.

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- (3) The said amount shall be determined by the Secretary of State when approving the proposals and shall, subject to subsection (4) of this section, be the amount appearing to him to be the aggregate of—
  - (a) the cost likely to be incurred by the local authority in carrying out the works, and
  - (b) any expense likely to be incurred by the local authority in acquiring interests in land for the purpose of giving effect to the proposals.
- (4) The amount so determined shall not exceed fourteen hundred pounds, or such other amount as may be specified by order of the Secretary of State, for each dwelling provided or improved by the works, unless the Secretary of State is satisfied in any particular case that in all the circumstances of the case there is good reason for determining a higher amount.
- (5) The Secretary of State may by order reduce, as respects proposals approved after such date as may be specified in the order, the proportion of the said annual loan charges, but not below one-third.
- (6) 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 repayable over the period of twenty years or, in a case where the Secretary of State has determined a longer period under subsection (2) of this section, that longer period.
- (7) Any order made under this section shall be made by statutory instrument, and—
  - (a) a statutory instrument containing an order under subsection (4) of this section shall be subject to annulment in pursuance of a resolution of either House of Parliament; and
  - (b) an order under subsection (5) of this section—
    - (i) shall not be made unless a draft thereof has been approved by a resolution of the Commons House of Parliament;
    - (ii) shall not specify 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.
- (8) The foregoing provisions of this section shall apply in relation to—
  - (a) contributions falling to be made by the Secretary of State to a local authority in pursuance of section 121 of the Act of 1950 (assistance towards improvement of housing accommodation by housing associations and development corporations under arrangements made by them with local authorities), and
  - (b) payments falling to be made by the Secretary of State to a housing association in pursuance of section 14 of the Act of 1962 (assistance towards improvement of housing accommodation by housing associations under arrangements made by them with the Secretary of State),as they apply in relation to the contributions mentioned in subsection (1) of this section; and for the purposes of such application this section shall have effect—
  - (i) in relation to contributions under the said section 121, as if for the references to cost or expense incurred or likely to be incurred by a local authority, and to the approval of proposals by the Secretary of State, there were substituted respectively references to cost or expense incurred or likely to be incurred by

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- a housing association or development corporation, and to the approval by the Secretary of State of arrangements made by a local authority with a housing association or development corporation;
- (ii) in relation to payments under the said section 14, as if for the references to a local authority and to the approval of proposals by the Secretary of State there were substituted respectively references to a housing association and to the making of arrangements by the Secretary of State with a housing association; and subject to any other necessary modifications.
- (9) A local authority submitting to the Secretary of State for approval such proposals as are mentioned in the said section 105 or such arrangements as are mentioned in the said section 121, and a housing association wishing to make with the Secretary of State such arrangements as are mentioned in the said section 14, shall furnish to the Secretary of State such estimates and such particulars as he may require for the purposes of this section.
- (10) This section shall not affect the nature or amount of any contributions or payments falling to be made by the Secretary of State in connection with (as the case may be) proposals or arrangements approved, or arrangements made, before the coming into operation of this section.

### **63 Exchequer contributions to Commission for the New Towns and development corporations in respect of improvements**

- (1) The following enactments (which authorise the Minister to make contributions to local authorities in respect of houses converted or improved by them and dwellings provided by them with the standard amenities), that is—
- (a) section 9 of the Act of 1958, and section 15 of the Act of 1959, and
  - (b) section 13 of the Act of 1959 and section 47 of this Act,
- shall apply as if references in those sections to a local authority included references to—
- (i) the Commission for the New Towns, and
  - (ii) any development corporation established under the New Towns Act 1946.
- (2) Section 105 of the Act of 1950 (which authorises the Secretary of State to make contributions to local authorities in respect of houses converted or improved by them) shall apply as if references in that section to a local authority included references to any development corporation established under the New Towns Act 1946.