



# Housing Subsidies Act 1967

## 1967 CHAPTER 29

### PART I

#### SUBSIDIES TO LOCAL AUTHORITIES, ETC.

##### *New subsidies for approved dwellings*

#### **1 New provisions for financial assistance towards provision of dwellings.**

- (1) The provisions of this Part of this Act shall have effect with respect to assistance to local authorities and such other bodies as are mentioned in subsection (2) of this section (in this Part of this Act referred to as "recipient authorities") towards the expenditure incurred by them in the provision of such new dwellings as, in accordance with the said subsection (2), are approved for the purposes of this Part of this Act by the Minister (in this Part of this Act referred to as "approved dwellings"); and exchequer subsidies under Part I of the Housing Act 1961 shall not be payable in respect of any dwelling falling within paragraph (a) or (b), or approved for the purposes of this Part of this Act by virtue of paragraph (c) or (d), of subsection (3) of this section.
- (2) The new dwellings which may be approved for the purposes of this Part of this Act are new dwellings provided—
  - (a) by a local authority in the exercise of their powers to provide housing accommodation ; or
  - (b) by a development corporation otherwise than in pursuance of such arrangements as are mentioned in paragraph (c) of this subsection, or by the Commission for the New Towns ; or
  - (c) by a development corporation or housing association in pursuance of authorised arrangements made with a local authority, or by a housing association in pursuance of special arrangements made with the Minister, and falling within one of the categories specified in subsection (3) of this section.
- (3) The categories of new dwellings referred to in subsection (2) of this section are—

---

*Status: This is the original version (as it was originally enacted).*

---

- (a) new dwellings provided as mentioned in paragraph (a) or (b) of the said subsection (2) in the case of which the formal resolution of the recipient authority accepting the tender or estimate for, or approving the cost or estimated cost of, their erection was passed on or after 25th November 1965 ;
  - (b) new dwellings provided as mentioned in paragraph (c) of the said subsection (2) in pursuance of arrangements made on or after 25th November 1965 ;
  - (c) new dwellings which do not fall within paragraph (a) of this subsection but which have been completed on or after 25th November 1965 and provided by a local authority in whose case the Minister is of opinion—
    - (i) that at that date, on the information which had by then been made available to the Minister, there was in their area an exceptional need for new dwellings owing to an exceptional need for slum clearance or an exceptional shortage of housing accommodation or both ; and
    - (ii) that the number of new dwellings completed on or after that date in the case of which the formal resolution of the recipient authority such as is mentioned in paragraph (a) of this subsection was passed before that date is such that, unless the dwellings are approved for the purposes of this Part of this Act, an unreasonable rate burden will have to be imposed or unreasonably high rents will have to be charged by the authority;
  - (d) new dwellings which do not fall within paragraph (a) of this subsection but which have been completed on or after 25th November 1965 and provided by a local authority who are not such an authority as are mentioned in paragraph (c) of this subsection in the course of a scheme of town development within the meaning of the Town Development Act 1952 carried out with the approval of the Minister for the purpose of relieving congestion or over-population in the area of another local authority who are such an authority as are so mentioned.
- (4) For the purposes of this section—
- (a) a formal resolution passed on or after 25th November 1965 and accepting a tender or estimate shall be deemed to have been passed before that date if either the tender or estimate was submitted to the Minister for approval before that date or the Minister is satisfied that it replaced a tender or estimate so submitted and relating to substantially the same dwellings;
  - (b) where, on approving any authorised arrangements made with a local authority on or after 25th November 1965, the Minister is satisfied that the substantial effect of those arrangements had been agreed between the parties before that date, those arrangements shall be deemed to have been made before that date ; and
  - (c) where a resolution passed before 25th November 1965 accepted a tender or estimate for the erection of any dwellings over a period of three years or more, then if, in accordance with the contract for their erection, the erection of some of them was not begun before 25th November 1966, the resolution, so far as it relates to those dwellings, shall be treated as having been passed after 25th November 1965.
- (5) Any subsidy under any of sections 2, 4 to 8 and 10 of this Act shall be paid to the recipient authority by whom the dwelling or dwellings by reference to which the subsidy is payable were provided, except that in relation to a dwelling or dwellings provided by a development corporation or housing association in pursuance of authorised arrangements made with a local authority the subsidy shall be paid to the

local authority, who shall pay to the development corporation or housing association by way of annual grant an amount not less than the subsidy.

*Subsidies for aggregate approved cost of dwellings*

**2 Aggregate cost subsidies.**

- (1) In the case of each recipient authority, in respect of the aggregate amount of the approved cost (determined in accordance with section 3 of this Act) of the approved dwellings provided by that authority which are completed in any one financial year, the Minister shall pay for each of the sixty years beginning with that financial year a subsidy of an amount calculated in accordance with the following provisions of this section.
- (2) An amount equal to the aggregate amount aforesaid shall be assumed to have been raised by a loan repayable over a period of sixty years in equal half-yearly instalments of principal and interest combined, the first falling due six months after the loan was raised, and there shall be calculated the amount of such an instalment at a rate of interest specified by an order of the Minister made in respect of the financial year in which the dwellings were completed; and the amount of the subsidy shall be twice the amount by which the amount of such an instalment calculated at that rate exceeds what the amount of that instalment would have been if calculated at the rate of four per cent. per annum.
- (3) The rate so specified shall be such as appears to the Minister, after consultation with such recipient authorities, or such bodies representative of recipient authorities, as appear to him to be appropriate, to be representative of the rates of interest paid on loans raised (including any sums borrowed by way of temporary loan) by recipient authorities in the financial year immediately preceding that in which the dwellings in question were completed; and different rates may be so specified in relation to different classes of recipient authority, and for that purpose the Greater London Council and the Commission for the New Towns may each either be treated as a class of recipient authorities or be included in any class of other recipient authorities.
- (4) Where the recipient authority are a development corporation or housing association and the approved dwellings provided by that authority which have been completed in any one financial year include both—
  - (a) dwellings provided in pursuance of authorised arrangements made with a local authority; and either
  - (b) dwellings provided in pursuance of authorised arrangements made with another local authority ; or
  - (c) dwellings provided otherwise than in pursuance of such arrangements,a separate subsidy shall be paid in respect of the aggregate cost of the dwellings provided as mentioned in each respectively of the paragraphs of this subsection.
- (5) The power to make an order under this section shall be exercisable by statutory instrument, and no such order shall be made unless a draft thereof has been approved by a resolution of the Commons House of Parliament.

**3 Ascertainment of approved cost of dwelling.**

- (1) Subject to the provisions of this section, the approved cost of any approved dwelling shall be taken for the purposes of this Part of this Act to be the cost incurred by

---

*Status: This is the original version (as it was originally enacted).*

---

the recipient authority in providing the dwelling (including so much of the cost of acquiring the site on which the dwelling is provided as is apportioned to that dwelling under subsection (6) of this section, irrespective of the date when or purpose for which any land comprised in that site was acquired by the authority).

- (2) So much of the cost incurred as aforesaid as is attributable to the acquisition of any site shall be ascertained in accordance with Schedule 1 to this Act and subsection (6) of this section.
- (3) The remainder of the cost incurred as aforesaid, so far as not known at the time when the formal resolution of the recipient authority accepting the tender or estimate for, or approving the cost or estimated cost of, the erection of the dwelling was passed or, as the case may be, when the relevant arrangements such as are mentioned in section 1(2)(c) of this Act were made, shall be taken to be what it was then estimated to be.
- (4) Where the cost of any works has in pursuance of subsection (3) of this section been taken to be the estimated cost thereof, and the actual cost thereof, when ascertained, is found to differ from that estimated cost to such an extent that it appears to the Minister right and proper that this subsection should apply, then—
  - (a) if the actual cost is greater than the estimated cost and in the opinion of the Minister the difference is caused by exceptional conditions underground which could not reasonably have been foreseen at the time when the estimate was made, the Minister may treat the approved cost of the dwelling in question as being, and as always having been, increased by such sum not exceeding the amount of the difference as he may think fit;
  - (b) if the actual cost is less than the estimated cost, the Minister may treat that approved cost as being, and as having always been, reduced by such sum as aforesaid.
- (5) The Minister may determine that the approved cost of any dwelling shall be reduced by deducting from the cost incurred as aforesaid in respect thereof as determined in accordance with the foregoing provisions of this section an amount not exceeding the amount, if any, by which the part of that cost referred to in subsection (3) of this section exceeds what in the opinion of the Minister, having regard to all the circumstances of the case, should be the reasonable and appropriate cost (apart from any cost attributable to the acquisition of a site) of providing an adequate dwelling in those circumstances.
- (6) Any apportionment of cost necessary to arrive at the approved cost of any dwelling shall be made in such manner as the Minister may determine.

#### *Subsidies for individual dwellings*

#### **4 Subsidies for flats in blocks of four or more storeys.**

In respect of each approved dwelling which is a flat in a block of flats of four or more storeys the Minister shall pay for each of the sixty years beginning with the financial year in which the dwelling was completed a subsidy of the following amount, that is to say—

- (a) if the block of flats has four storeys, eight pounds;
- (b) if the block of flats has five storeys, fourteen pounds;
- (c) if the block of flats has six or more storeys, twenty-six pounds.

## **5 Subsidies for dwellings provided to meet special needs.**

- (1) Where the Minister is of opinion, on an application made to him by a local authority—
- (a) that there is urgent need for more dwellings which will only be met if the dwellings are provided by that authority; and
  - (b) that, unless the Minister exercises his powers under this subsection, the dwellings cannot be provided without imposing an unreasonably heavy rate burden or charging unreasonably high rents for those and other dwellings provided by the authority,

the Minister may, in respect of any approved dwelling thereafter provided by that authority, pay for each of such number of years as he may determine, beginning with the financial year in which the dwelling was completed, a subsidy of such amount as he may, subject to subsection (3) of this section, determine.

- (2) Where the Minister is of opinion, on an application made to him by a local authority—
- (a) that, in circumstances other than those mentioned in section 8 of this Act, dwellings will be provided as part of a scheme amounting to a substantial transfer of industry or of persons engaged in an industry; and
  - (b) that, unless the Minister exercises his powers under this subsection, the dwellings cannot be provided without unreasonably increasing the rate burden or the rents for other dwellings provided by the authority,

the Minister may, in respect of any approved dwelling thereafter provided by that authority, pay for each of such number of years as he may determine, beginning with the financial year in which the dwelling was completed, a subsidy of such amount as he may, subject to subsection (3) of this section, determine.

- (3) The amount determined under either of the foregoing subsections shall not, together with the amount (if any) determined under the other of those subsections in respect of the same dwelling, exceed thirty pounds.
- (4) In exercising his powers under this section the Minister shall have regard to any conditions which may be laid down by the Treasury.

## **6 Subsidies for dwellings enjoying rights of support, etc.**

Where the Minister is satisfied, on an application made to him by a recipient authority with respect to any dwelling which the authority have provided or intend to provide, that the cost of providing the dwelling has been or will be substantially enhanced by expenses attributable to the acquisition of rights of support, or otherwise attributable to measures taken by them for securing protection against the consequences of a subsidence of the site, then, if the dwelling is or becomes an approved dwelling, the Minister may pay in respect thereof for each of the sixty years beginning with the financial year in which it was completed a subsidy of such amount not exceeding two pounds as the Minister may determine.

## **7 Subsidies for dwellings erected to preserve the character of the surroundings.**

Where the Minister is satisfied, on an application made to him by a recipient authority with respect to any dwelling which the authority have provided or intend to provide, that the cost of providing the dwelling has been or will be substantially enhanced by expenses attributable to measures taken by them with his consent in the erection of the dwelling (whether by the use of stone or other special material or in any other way) in order to preserve the character of the surroundings, then, if the dwelling is or becomes

---

*Status: This is the original version (as it was originally enacted).*

---

an approved dwelling, the Minister may pay in respect thereof for each of the sixty years beginning with the financial year in which it was completed a subsidy of such amount not exceeding ten pounds as the Minister may determine.

## **8 Subsidies for dwellings provided in course of town development.**

- (1) Where an approved dwelling is provided by, or by a housing association in pursuance of authorised arrangements made with, a local authority, and either—
- (a) the dwelling is provided in the course of a scheme of town development within the meaning of the Town Development Act 1952 which is carried out wholly or partly in the area of the local authority and in the opinion of the Minister is on a substantial scale; or
  - (b) the area of the local authority is a congested or over populated area and the dwelling is provided in some other area as part of a scheme of comprehensive development the general character of which is in the opinion of the Minister similar to development for the purposes of a new town,
- the Minister may in respect of the dwelling pay for each of the ten years beginning with the financial year in which the dwelling is completed a subsidy of twelve pounds.
- (2) No contribution towards the expenses mentioned in subsection (2)(a) of section 2 of the Town Development Act 1952 shall be payable under that section in respect of any dwelling falling within paragraph (a), or approved for the purposes of this Part of this Act by virtue of paragraph (c) or (d), of section 1(3) of this Act.

## **9 Contributions between authorities.**

- (1) Where any subsidy is paid under section 8 of this Act in respect of a dwelling provided by, or by a housing association in pursuance of authorised arrangements made with, a local authority (in this section referred to as the "receiving authority") and—
- (a) the dwelling was provided as mentioned in subsection (1)(a) of that section and is a dwelling falling within paragraph (a) or (b) of section 1(3) of this Act; and
  - (b) the Minister has designated another local authority, or each of two or more other local authorities, as a sending authority for the purposes of this section and of the scheme in the course of which the dwelling was provided; and
  - (c) either that dwelling or another becoming available as the result of the provision of that dwelling is let to a person who has with a sending authority any such connection as is specified in subsection (2) of this section,
- the sending authority in question shall pay to the receiving authority for each of the ten years commencing with the date on which the dwelling or the said other dwelling is first let to such a person a contribution of twelve pounds.
- (2) The said connection is that the said person—
- (a) immediately before the said dwelling was let to him—
    - (i) occupied a dwelling managed by the sending authority in question under the Housing Acts 1957 to 1965; or
    - (ii) occupied a dwelling in an area which that sending authority have declared to be a clearance area or on any land which they have determined to purchase under section 43 of the Housing Act 1957 or any premises in respect of which they have made a demolition order or closing order under Part II of that Act; or

---

*Status: This is the original version (as it was originally enacted).*

---

- (iii) was on that sending authority's list of persons to be offered, when opportunity arose, tenancies of dwellings managed by them under the said Acts of 1957 to 1965 ; or
  - (b) was nominated by the sending authority in question as a person to be offered a tenancy in the area of the receiving authority; or
  - (c) was selected from a list maintained by the sending authority in question of persons available for employment in the area of the receiving authority ; or
  - (d) is included in any class of persons defined by agreement between the sending authority in question and the receiving authority or, in default of such agreement, by the Minister as being a class for whom dwellings in the area of the receiving authority may be provided as part of the development referred to in section 8(1)(a) of this Act.
- (3) Where the sending authority in question are the council of a London borough or the Common Council of the City of London any contribution under this section shall be payable, and any agreement with the receiving authority under subsection (2)(d) of this section shall be made, by the Greater London Council.
- (4) Where a contribution is payable under this section as a result of a subsidy paid in respect of any dwelling provided by a housing association in pursuance of authorised arrangements made with a local authority, that authority shall pay to the housing association by way of annual grant an amount not less than the contribution.
- (5) Any amount received by a local authority under this section shall be included in the sums required by paragraph 1 of Schedule 5 to the Housing (Financial Provisions) Act 1958 to be carried to the credit of the Housing Revenue Account, except in a case where, under subsection (4) of this section, the local authority are required to make an annual grant in respect of the dwelling in question.

#### *Subsidies for expensive sites*

### **10 Expensive site subsidies.**

- (1) If any approved dwelling is provided on a site which is approved for the purposes of this section by the Minister and the net cost of which exceeds four thousand pounds per acre, then in respect of the same proportion of the area of that site as the proportion of the cost of acquiring that site which was apportioned to the dwelling for the purposes of any subsidy payable under section 2 of this Act the Minister shall pay for each of the sixty years beginning with the financial year in which the dwelling was completed a subsidy at the following rate, that is to say—
- (a) thirty-four pounds per acre for every thousand pounds or part of a thousand pounds by which the net cost of the site per acre exceeds four thousand pounds but does not exceed fifty thousand pounds ; and
  - (b) forty pounds per acre for every thousand pounds or part of a thousand pounds by which the net cost of the site per acre exceeds fifty thousand pounds,
- but not exceeding the limit mentioned in subsection (2) of this section, except if and so far as the Minister so determines on the ground that otherwise the cost to the recipient authority of providing dwellings on the site would, in the opinion of the Minister, be unduly high in the circumstances of the case.
- (2) The said limit is such amount as would, together with so much of any subsidy payable under section 2 of this Act as is referable to the net cost of the site, be equal to

---

*Status: This is the original version (as it was originally enacted).*

---

seventy-five per cent. of so much of the following amount as is so referable, that is to say, an amount equal to twice the amount of such an instalment as is mentioned in subsection (2) of that section when calculated at such rate of interest specified under subsection (3) of that section as is applicable to the financial year in which the dwelling was completed and to the recipient authority providing the dwelling.

- (3) For the purposes of this section, any amount by which the net cost of a site exceeds ten thousand pounds per acre shall be disregarded unless, by reference to such area including the whole or part of the site as the Minister considers appropriate for assessing residential density and after the completion of the dwellings to be provided on the site or that part thereof, either—
  - (a) the average number per acre of the dwellings in that area will be not less than thirty-five ; or
  - (b) the average number per acre of persons for whom sleeping accommodation will be available in dwellings in that area will be not less than seventy;
- (4) For the purposes of this section the net cost of a site shall be taken to be—
  - (a) where subsection (5) of this section does not apply, the cost of the site as ascertained in accordance with Schedule 1 to this Act; and
  - (b) where that subsection applies, that cost as reduced under that subsection.
- (5) Where any works of construction or any works carried out for the purpose of making a site suitable for the provision of dwellings would fall to be taken into account in ascertaining its cost in accordance with Schedule 1 to this Act, the Minister may determine that that cost shall be taken to be reduced by such amount as is in his opinion fairly attributable to those works.

## **11 Advances on account of expensive site subsidies.**

- (1) Where it appears to the Minister that any land which on or after 25th November 1965 has been acquired by a local authority under the Housing Acts 1957 to 1965 or appropriated by a local authority for the purposes of Part V of the Housing Act 1957 is likely to become a site or part of a site approved for the purposes of section 10 of this Act, then if the net cost of that site as ascertained for the purposes of that section would exceed twenty thousand pounds per acre the Minister may make to the local authority advances in respect of that land of amounts not exceeding for any financial year ninety per cent. of what appears to him to be the amount of any subsidy that may become payable for any financial year under the said section 10 in respect of the site or, as the case may be, a proportionate part thereof.
- (2) Where any such advances have been made to a local authority in respect of any land, then—
  - (a) if a subsidy becomes payable for any year under section 10 of this Act in respect of a site including the whole or part of that land, the amount of that subsidy shall be reduced by one-sixtieth of the aggregate amount of the advances, except where the advances have become recoverable under paragraph (c) of this subsection;
  - (b) if such subsidies become payable but cease when the number thereof is less than sixty the Minister may recover from the local authority an amount arrived at by multiplying one-sixtieth of the aggregate amount of the advances by the number by which the subsidies fall short of sixty ;
  - (c) if the Minister is satisfied that no subsidy under that section will become payable to the local authority in respect of a site comprising that land or any



---

*Status: This is the original version (as it was originally enacted).*

---

part thereof, or that no such subsidy will become payable within a reasonable time, the Minister may recover the amount of the advances from the local authority.

- (3) Any amount recoverable from a local authority under subsection (2) of this section may, without prejudice to any other method of recovery, be recovered by deduction from any exchequer payment due to the authority.
- (4) For the purposes of this section any land acquired by a local authority in pursuance of a compulsory purchase order shall be deemed to have been acquired by them at the date of the order and any other land at the date of the contract in pursuance of which it was acquired.

#### *Subsidies for certain conversions or improvements*

### **12 Subsidies for conversions or improvements by housing associations.**

- (1) The provisions of this section shall have effect where arrangements have been made after the passing of this Act by a local authority with a housing association under section 121 of the Housing Act 1957 (which relates to arrangements for the provision of dwellings by a housing association by means of the conversion of buildings or for the improvement of dwellings by a housing association) in a case where, on the completion of the carrying out of the arrangements, the local authority certify to the Minister in such form as he may direct that, in the case of each building or dwelling to which the arrangements relate—
  - (a) an estate or interest in the building or dwelling has been acquired by the housing association with a view to entering into, or for the purpose of giving effect to, the arrangements; and
  - (b) the dwelling or dwellings resulting from the carrying out of the arrangements have been made available by the housing association for letting.
- (2) Subject to subsections (3) and (5) of this section, the Minister shall pay for each of the twenty years beginning with the financial year in which the carrying out of the arrangements is completed a subsidy equal to three-eighths of the annual loan charges referable to the amount certified by the local authority in such form as the Minister may direct to be the aggregate of—
  - (a) the amount appearing to the local authority to be the cost likely to be incurred by the housing association for the purpose of the execution of any works of conversion or improvement required for carrying out the arrangements; and
  - (b) any expense incurred by the housing association in acquiring an estate or interest in a building or dwelling with a view to entering into, or for the purpose of giving effect to, the arrangements;and for the purposes of this subsection the annual loan charge referable to any amount shall be the annual sum which, in the opinion of the Minister, would fall to be provided by the housing association for the payment of interest on, and the repayment of, a loan of the amount so certified repayable over that period of twenty years.
- (3) The Minister shall disregard for the purposes of subsection (2) of this section any sum by which the aggregate referred to in that subsection exceeds the equivalent of two thousand pounds for each dwelling resulting from the carrying out of the arrangements unless in any case he is satisfied that in all the circumstances of the case there is good reason for allowing a higher aggregate.

---

*Status: This is the original version (as it was originally enacted).*

---

- (4) The Minister may by order provide, as respects dwellings resulting from arrangements made after the coming into force of the order, for subsection (3) of this section to have effect as if for the reference to two thousand pounds there were substituted a reference to such higher or lower amount as may be specified in the order; and any such order shall be made by statutory instrument and—
- (a) may vary or revoke any previous order under this subsection; and
  - (b) shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.
- (5) No subsidy shall be payable under this section unless, on the completion of the carrying out of the arrangements, the local authority certify in such form as the Minister may direct that in their opinion the dwelling or dwellings resulting from the carrying out of the arrangements—
- (a) will provide satisfactory housing accommodation for such period, and
  - (b) conform with such requirements with respect to construction and physical conditions and the provision of services and amenities,
- as may for the time being be specified for the purposes of this section by the Minister.
- (6) Any subsidy under this section shall be paid to the local authority who shall pay to the housing association by way of annual grant an amount not less than the subsidy.
- (7) Where, in the case of any arrangements under section 121 of the Housing Act 1957 by a local authority with a housing association, a subsidy is payable under this section—
- (a) no contribution shall be made to the local authority under section 12 of the Housing (Financial Provisions) Act 1958 in respect of those arrangements; and
  - (b) no grant shall be made to the housing association under section 30 of the said Act of 1958 or under section 4 of the House Purchase and Housing Act 1959 in ; connection with any dwelling in connection with which the subsidy is paid.
- (8) In this section, the expression " improvement " includes alteration, enlargement or repair.

*Reduction, etc. of subsidies*

**13 Power to abolish or reduce subsidies and contributions under Part I.**

- (1) The Minister may by order direct that, while the order remains in force, such subsidies payable under this Part of this Act or such contributions under section 9 thereof as may be specified in the order—
- (a) shall cease to be payable ; or
  - (b) shall be reduced to such rate or amount as may be specified in the order; or
  - (c) shall be payable for such reduced number of years as may be so specified,
- either in all cases or only in cases where they are payable by reference to dwellings of such description or in such area as may be specified in the order.
- (2) Subject to subsection (4) of this section, an order under this section—
- (a) so far as it relates to subsidies or contributions payable by reference to dwellings provided as mentioned in paragraph (a) or (b) of section 1(2) of this Act, shall apply only in relation to dwellings the tender or estimate for the erection of which was accepted, or the cost or estimated cost of the erection of

which was approved, by a formal resolution passed on or after a date specified in the order; and

- (b) so far as it relates to subsidies or contributions payable by reference to dwellings provided in pursuance of any such arrangements as are mentioned in paragraph (c) of the said section 1(2), shall apply only in relation to dwellings provided in pursuance of arrangements made on or after that date ; and
- (c) so far as it relates to subsidies under section 12 of this Act, shall apply only in relation to such arrangements as are mentioned in that section made on or after that date.

- (3) An order under this section shall be made by statutory instrument and—
  - (a) shall not be made unless a draft thereof has been approved by a resolution of the Commons House of Parliament; and
  - (b) shall not specify a date earlier than the laying of the draft; and
  - (c) may be varied or revoked by a subsequent order under this section as respects any period falling after the coming into force of that subsequent order;

and before laying such a draft the Minister 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.

- (4) Subsections (2) and (3)(b) of this section shall not apply to an order made more than ten years after the passing of this Act, and accordingly such an order may affect subsidies and contributions payable by reference to dwellings completed before as well as after the making of the order.

#### **14 Power to reduce, discontinue or transfer subsidies.**

- (1) The provisions of this section shall have effect with respect to annual subsidies, and the enactments mentioned in Part I of Schedule 4 to this Act are hereby repealed to the extent specified in the third column of that Part, without prejudice however, to any power exercisable under those enactments with respect to any event occurring before the commencement of this Act.

- (2) In this section—

- (a) the expression " annual subsidy " means any payment falling to be made by the Minister under the provisions specified in Schedule 2 to this Act;
- (b) the expression " the subsidised unit " means the dwelling, hostel or other land in relation to which an annual subsidy is payable, whether it is payable in respect of it or its site or in respect of land comprising it or in respect of the cost of any dwellings, or of any works in connection with any dwellings, or of the acquisition of any land, comprising it.

- (3) The Minister may, in any of the circumstances mentioned in subsection (5) of this section, reduce the amount of an annual subsidy or suspend or discontinue the payment of an annual subsidy or part thereof.

- (4) Where an annual subsidy is payable to a local authority in relation to a subsidised unit in relation to which an annual grant is payable by the local authority to a development corporation or housing association, then, if the amount of the annual subsidy is reduced or payment of it or part of it is suspended or discontinued under this section, the local authority may reduce the annual grant to a corresponding or any lesser extent or suspend the payment thereof or of a corresponding part thereof for a corresponding

---

*Status: This is the original version (as it was originally enacted).*

---

period or discontinue the payment thereof, or of a corresponding part thereof, as the case may be.

- (5) The circumstances referred to in subsection (3) of this section are—
- (a) that the annual subsidy is payable to a local authority and the Minister is satisfied that the authority have failed to discharge any of their duties under the Housing Acts 1957 to 1965;
  - (b) that the subsidised unit was provided by a development corporation or housing association in pursuance of authorised arrangements made with a local authority or by a housing association in pursuance of special arrangements made with the Minister, and the Minister is satisfied that the corporation or association have made default in giving effect to the terms of any such arrangements;
  - (c) that the annual subsidy is payable subject to any conditions and the Minister is satisfied that any of those conditions has not been complied with;
  - (d) that the subsidised unit has been converted, demolished or destroyed;
  - (e) that the subsidised unit is not fit to be used, or is not being used, for the purpose for which it was intended;
  - (f) that the subsidised unit has been sold or has been leased for a term certain exceeding seven years;
  - (g) that, not being a case where section 14 of the Town Development Act 1952 (assignment of subsidies) applies, the subsidised unit has been transferred, whether by sale or otherwise.
- (6) Where the Minister's power under subsection (3) of this section to discontinue the payment of the whole or part of an annual subsidy payable to a recipient authority becomes exercisable in the circumstances mentioned in subsection (5)(f) or (g) of this section and the subsidised unit has become vested in or has been leased to another recipient authority, then if the Minister exercises that power he may make to that other authority any such payment as he would otherwise have made to the first-mentioned authority if the conditions (if any) subject to which the annual subsidy was payable had been complied with.
- (7) In this section the expression " recipient authority " includes the council of a county.

*Increase of grants for hostels*

**15 Increase of grants for hostels.**

Section 15 of the Housing (Financial Provisions) Act 1958 (grants for hostels) shall have effect, in its application to any building provided or converted after the commencement of this Act, as if for the words " five pounds " there were substituted the words " fifteen pounds ".

*New towns.*

**16 Payments for certain dwellings in new towns**

As respects any approved dwellings provided by the Commission for the New Towns, the Minister may make to the Commission, in addition to any payments under the foregoing provisions of this Part of this Act, such grant by way of annual payments

(not exceeding twelve pounds for any one year in respect of any one dwelling) as he may with the concurrence of the Treasury determine.

#### **17 Power of Minister to recover certain contributions.**

(1) In the case of each new town the Minister may designate a local authority, or each of two or more local authorities, to be a sending authority in relation to that town for the purposes of this section; and if in the case of any approved dwelling provided in that town by the development corporation therefor or by the Commission for the New Towns—

- (a) the Minister makes a grant by way of annual payments to the development corporation by virtue of section 42(2) of the New Towns Act 1965 or, as the case may be, to the Commission by virtue of section 16 of this Act; and
- (b) either that dwelling or another becoming available as the result of the provision of that dwelling is let to a person who has with a sending authority any such connection as is specified in paragraph (a), (b) or (c) of section 9(2) of this Act (the reference in the said paragraph (b) or (c) to the area of the receiving authority being construed for the purposes of this section as a reference to the new town),

then, in respect of each of the ten years following the completion of that dwelling, the Minister shall be entitled to recover in respect of that dwelling from the sending authority in question (or, where that authority are the council of a London borough or the Common Council of the City of London, from the Greater London Council) such sum not exceeding twelve pounds as the Minister may determine.

- (2) Where the grant such as is mentioned in paragraph (a) of the foregoing subsection is by way of annual payments for a lesser number of years than ten, that subsection shall have effect as if for the reference to ten years there were substituted a reference to that lesser number of years.
- (3) Any sums received by the Minister under subsection (1) of this section shall be paid into the Exchequer.

#### **18 Contributions between authorities concerned with new towns.**

- (1) The Commission for the New Towns and any development corporation may, with the consent of the Minister, contribute such sums as the Minister, with the concurrence of the Treasury, may determine towards expenditure on the provision of housing accommodation incurred or to be incurred by any local authority within whose area the Commission or, as the case may be, that corporation are providing such accommodation.
- (2) A local authority may make such contributions as the Minister may approve towards the expenditure incurred by the Commission for the New Towns or a development corporation in the provision of housing accommodation.

#### *Supplemental*

#### **19 Interests other than freehold.**

Where any dwelling or other land has been acquired by the creation or transfer of a lease, or where a right to use land as a site for dwellings has been acquired without the

---

*Status: This is the original version (as it was originally enacted).*

---

acquisition of the land itself under arrangements involving periodical payments by the person acquiring the right, the expenses incurred in connection with the acquisition shall be taken for the purposes of this Part of this Act to include such sum as the Minister may determine to be the capital equivalent of the rent payable under the lease or, as the case may be, of the periodical payments payable under those arrangements.

## **20 Dwellings acquired after completion.**

In relation to a dwelling which is acquired by a recipient authority after its completion references in this Part of this Act to the erection or completion of any dwelling shall be construed as references to its acquisition by the recipient authority.

## **21 Interpretation of Part I.**

(1) In this Part of this Act, the following expressions have the following meanings respectively, that is to say—

" approved dwelling " has the meaning assigned by section 1(1) of this Act;

" authorised arrangements " means arrangements under section 120 of the Housing Act 1957 or under that section as applied by section 125 of that Act;

" block of flats " of a given number of storeys means a building containing flats which consists of that number of storeys exclusive of any storey constructed for use for purposes other than those of a dwelling; and for the purposes of this definition a building which consists of a different number of storeys in different parts thereof shall be treated as if each of those parts were a separate building, any question as to the division of any building into such parts, or as to the number of storeys of which any such part consists, or as to the number of flats contained in any such part, being determined by the Minister;

" development corporation " means a development corporation established under the New Towns Act 1965 or any enactment replaced by that Act;

" dwelling " means a building or part of a building occupied or intended to be occupied as a separate dwelling, together with any yard, garden, outhouses and appurtenances belonging to or usually enjoyed with that building or part; but a building or part which, in the opinion of the Minister, is designed for permanent use as a single dwelling shall be treated as a single dwelling for the purposes of this Act notwithstanding that it is temporarily divided into two or more parts which are occupied or intended to be occupied as separate dwellings;

" exchequer payment " has the same meaning as in section 58(2) of the Housing (Financial Provisions) Act 1958 ;

" flat " means a separate and self-contained set of premises, whether or not on the same floor, constructed for use for the purposes of a dwelling and forming part of a building from some other part of which it is divided horizontally;

" housing association " has the same meaning as in the Housing Act 1957;

" local authority " means any authority who are a local authority for the purposes of any provision of the Housing Act 1957 ;

" the Minister "—

(a) in the application of this Part of this Act to Wales and Monmouthshire, except for the purposes of the making of an order under section 2(2), 12(4) or 13 of this Act extending to an area falling outside as well as to

---

*Status: This is the original version (as it was originally enacted).*

---

an area falling within Wales and Monmouthshire, means the Secretary of State for Wales;

(b) subject to paragraph (a) of this definition, means the Minister of Housing and Local Government;

" new town " has the same meaning as for the purposes of the New Towns Act 1965.

- (2) References in this Part of this Act to special arrangements made by a housing association with the Minister are references to arrangements which the Minister may have made with a housing association for the provision of dwellings with a view to their approval under this Act or any Act passed before this Act.
- (3) References in this Part of this Act to the acquisition of a site or of land shall include references to the acquisition of a right to use land as a site for the provision of dwellings without acquiring the land itself.

## **22 Minor amendments and modifications of enactments.**

The enactments specified in Schedule 3 to this Act shall have effect subject to the amendments and modifications specified in relation to those enactments respectively in that Schedule.

## **23 Repeals consequential on Part I.**

- (1) The enactments specified in Part II of Schedule 4 to this Act are hereby repealed to the extent specified in the third column of that Part as respects any dwelling falling within paragraph (a) or (b), or approved for the purposes of this Part of this Act by virtue of paragraph (c) or (d), of section 1(3) of this Act.
- (2) The repeal effected by section 14(1) of, and Part I of Schedule 4 to, this Act of section 20 of the Housing (Financial Provisions) Act 1958 (in which the conditions set out in Schedule 2 to that Act are referred to as well as the power to substitute other conditions) shall not affect the application of those conditions or the exercise of that power.