



# Housing (Financial Provisions) (Scotland) Act 1968

## 1968 CHAPTER 31

An Act to consolidate certain enactments relating to the giving of financial assistance towards the provision or improvement of housing accommodation in Scotland, and to other financial matters connected therewith. [30th May 1968]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### PART I

#### FINANCIAL ASSISTANCE IN RESPECT OF HOUSING ACCOMMODATION PROVIDED OR IMPROVED BY LOCAL AUTHORITIES AND OTHER BODIES

##### *Exchequer contributions for new houses*

### **1 Exchequer contributions towards provision of new houses**

- (1) The provisions of sections 1 to 12 of this Act shall have effect with respect to assistance to local authorities and other bodies mentioned in subsection (2) of this section (hereinafter referred to as "recipient authorities") towards the expenditure incurred by them in the provision of new houses approved for the purposes of this section by the Secretary of State (hereinafter referred to as "approved houses").
- (2) The houses that may be approved for the purposes of this section are new houses which are—
  - (a) provided by a local authority in the exercise of their powers to provide housing accommodation, or

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- (b) provided by a development corporation otherwise than in pursuance of authorised arrangements made with a local authority, or
  - (c) provided by a development corporation in pursuance of authorised arrangements made with a local authority, or
  - (d) provided by a housing association in pursuance of authorised arrangements made with a local authority or special arrangements made with the Secretary of State, or
  - (e) provided by the Scottish Special Housing Association in any of the circumstances specified in paragraph (a) or paragraph (b) or paragraph (c) of subsection (3) of this section;
- and in respect of which proposals for their provision were or are submitted to the Secretary of State for his approval—
- (i) in the case of proposals submitted by a local authority in respect of houses which would have been eligible for Exchequer contributions calculated in accordance with section 2, or paragraph (a) or paragraph (b) of section 3(4), of the Housing (Scotland) Act 1962 had the Housing (Financial Provisions, &c.) (Scotland) Act 1967 (other than section 16(1) thereof and Part I of Schedule 5 thereto) and this Act not been passed, on or after 1st January 1965 ; and
  - (ii) in any other case, on or after 25th November 1965.
- (3) The circumstances referred to in subsection (2)(e) of this section are that the houses are provided—
- (a) in the district of any local authority as respects which the Secretary of State is satisfied—
    - (i) that there is an urgent need for more housing accommodation which will be met only if such accommodation is provided by the local authority or the Scottish Special Housing Association, and
    - (ii) that all accommodation so required cannot be provided by the local authority without imposing an unreasonably heavy rate burden or necessitating the charging of unreasonably high rents for that accommodation and other accommodation provided by the authority; or
  - (b) in pursuance of arrangements such as are mentioned in section 8(1) of the Housing and Town Development (Scotland) Act 1957 (provision of housing accommodation in relief of over-populated districts); or
  - (c) in the district of any local authority in accordance with arrangements made with the approval of the Secretary of State as being desirable by reason of special circumstances for the provision of housing accommodation in any area for persons coming to that area in order to meet the urgent needs of industry, and so coming wholly, or, in the case of the council of a county (other than a county of a city), wholly or partly, from outside the district of the authority.
- (4) Any Exchequer contribution under this Part of this Act payable in respect of any approved house or in respect of the cost of any approved house or in respect of the cost of the site of any approved house shall be paid to the recipient authority by whom the house was provided, except that where it was provided by a development corporation or a housing association in pursuance of authorised arrangements made with a local authority the Exchequer contribution shall be paid to the local authority, who shall pay to the development corporation or housing association, as the case may be, by way of annual grant an amount not less than the said Exchequer contribution.

### *Exchequer contributions for aggregate cost of approved houses*

## **2 Aggregate cost contributions**

- (1) In respect of the aggregate cost, ascertained in accordance with the provisions of this Act, of the approved houses provided by each recipient authority and completed in any financial year, so far as that cost is approved by the Secretary of State for the purposes of this section, the Secretary of State shall pay for each of the sixty years beginning with that financial year an Exchequer contribution of an amount calculated in accordance with the following provisions of this section.
- (2) An amount equal to the aggregate cost so far as approved as 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 instalment 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 in an order made by the Secretary of State in respect of the financial year in which the houses were completed ; and the amount of the Exchequer contribution shall be twice the amount by which the amount of such an instalment calculated at that rate would exceed the amount of such an instalment calculated at the rate of four per cent, per annum.
- (3) The rate so specified in respect of any financial year shall be such as appears to the Secretary of State, after consultation with recipient authorities or such associations thereof as appear to him to be concerned, to be representative of the rates of interest paid on loans raised by recipient authorities in the preceding financial year; and different rates may be so specified in relation to the different kinds of recipient authority mentioned in section 1(2) of this Act and also in relation to different classes of local authority.
- (4) Where the approved houses provided by a recipient authority (other than a local authority) and completed in a financial year include both—
  - (a) houses provided in pursuance of authorised arrangements made with a local authority ; and either
  - (b) houses provided in pursuance of authorised arrangements made with another local authority, or
  - (c) houses provided otherwise than in pursuance of such arrangements;a separate Exchequer contribution shall be paid in respect of the aggregate cost of the houses provided as mentioned in each of the paragraphs of this subsection.
- (5) The power to make orders under this section shall be exercisable by statutory instrument, and such an order shall not be made unless a draft thereof has been laid before the Commons House of Parliament and has been approved by a resolution of that House.

## **3 Ascertainment of aggregate cost**

- (1) Subject to the provisions of this section, the aggregate cost of any houses shall be taken for the purposes of this Act to be the cost incurred by the recipient authority in providing the houses.
- (2) So much of that cost as is attributable to the acquisition of any site shall be ascertained in accordance with Schedule 1 to this Act.

- (3) The remainder of the said cost, so far as it was not known at the time the proposals referred to in section 1(2) of this Act were approved, shall be taken to be what it was then estimated to be.
- (4) Any apportionment necessary to arrive at the said aggregate cost shall be made in such manner as the Secretary of State may determine.

*Additional Exchequer contributions for individual houses*

**4 Exchequer contributions for flats in blocks of six or more storeys**

In respect of each approved house provided in a block of flats the major part of which, as determined by the Secretary of State, is of six or more storeys (inclusive of any storey constructed for use for purposes other than those of a dwelling), the Secretary of State shall pay for each of the sixty years beginning with the financial year in which the house was completed an Exchequer contribution of thirty pounds.

**5 Exchequer contributions for houses provided by local authorities with special financial difficulties**

In respect of each approved house provided by a local authority (being an authority with special financial difficulties), the Secretary of State shall pay for each of the sixty years beginning with the financial year in which the house was completed any Exchequer contribution which may be determined in accordance with Schedule 2 to this Act to be payable to that authority.

**6 Exchequer contributions for houses where rights of support, etc., enhance cost**

Where the Secretary of State is satisfied, on an application made to him by a recipient authority with respect to any house which the authority have provided or intend to provide, that the cost of providing the house 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 house is or becomes an approved house, the Secretary of State may pay in respect thereof for each of the sixty years beginning with the financial year in which it was completed an Exchequer contribution of such amount not exceeding two pounds as the Secretary of State may determine.

**7 Exchequer contributions for houses where measures to preserve character of surroundings enhance cost**

Where the Secretary of State is satisfied, on an application made to him by a recipient authority with respect to any house which the authority have provided or intend to provide, that the cost of providing the house has been or will be substantially enhanced by expenses attributable to measures taken by them with his consent in the erection of the house (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 house is or becomes an approved house, the Secretary of State may pay in respect thereof for each of the sixty years beginning with the financial year in which it was completed an Exchequer contribution of such amount not exceeding ten pounds as the Secretary of State may determine.

## **8 Exchequer contributions for houses provided by local authorities for special purposes**

- (1) Where an approved house is provided—
- (a) by a local authority in pursuance of any overspill agreement within the meaning of Part II of the Housing and Town Development (Scotland) Act 1957, or
  - (b) by a local authority, being an exporting authority within the meaning of the said Part II, in the district of another local authority, or
  - (c) by a local authority, in circumstances other than those mentioned in paragraph (a) or paragraph (b) of this subsection, as part of a scheme amounting to a substantial transfer of industry or of persons engaged in an industry and the Secretary of State is of opinion that, unless he exercises his powers under this section, the house could not be provided without unreasonably increasing the rate burden or the rents for other houses provided by the authority,

the Secretary of State may, in respect of the house, pay for each year of such a period not exceeding ten years as he may determine, beginning with the financial year in which the house was completed, an Exchequer contribution of such amount not exceeding fourteen pounds as he may determine.

- (2) Without prejudice to section 57(1) of this Act, the payment of Exchequer contributions under this section in respect of any house shall be subject to such conditions as may be specified by the Secretary of State when undertaking to pay the said Exchequer contributions.

### *Additional Exchequer contributions for houses in remote areas*

## **9 Remote area contributions**

- (1) Where the Secretary of State is satisfied that the total expenditure likely to be incurred in any year by a local authority, not being the town council of a large burgh, in providing housing accommodation by way of approved houses could not, in consequence of the remoteness of the sites of any of the houses from centres of supply of building labour and material, be met without charging unreasonably high rents for that accommodation and other accommodation provided by the authority or imposing an unreasonably heavy rate burden, the Secretary of State may, with the sanction of the Treasury, undertake to pay, and pay, for each year of a period of sixty years (in addition to any other Exchequer contribution) an Exchequer contribution of such amount, and in respect of such of the houses so provided, as he considers just and reasonable.
- (2) Where housing accommodation is provided by a development corporation or a housing association, and is so provided by way of approved houses in pursuance of authorised arrangements made with a local authority to which Exchequer contributions under subsection (1) of this section are payable, the Secretary of State may, if he thinks fit having regard to the remoteness of the sites of any of the houses from centres of supply of building labour and material, pay in respect of any of the houses in any year (in addition to any other Exchequer contribution) an Exchequer contribution not exceeding the Exchequer contribution which would have been payable under this section in that year if the house had been provided by the local authority.
- (3) Notwithstanding the provisions of subsections (1) and (2) of section 1 of this Act, and of section 12(1) thereof, references in this section to approved houses shall include

(in addition to references to approved houses within the meaning of section 1 of this Act) references to approved houses within the meaning of Part I of the Housing and Town Development (Scotland) Act 1957 and references to approved houses within the meaning of the Housing (Scotland) Act 1962.

*Additional Exchequer contributions for expensive sites*

**10 Expensive site contributions**

- (1) If any building consisting of or including an approved house is provided on a site which is approved for the purposes of this section by the Secretary of State and the net cost of which exceeds four thousand pounds per acre, then in respect of that site or the part of it on which the building is erected the Secretary of State shall pay for each of the sixty years beginning with the financial year in which the building was completed an Exchequer contribution at the rate of thirty-four pounds per acre for every one thousand pounds or part of a thousand pounds by which the net cost exceeds four thousand pounds per acre.
- (2) For the purposes of this section—
  - (a) any amount by which the net cost of a site exceeds ten thousand pounds per acre shall be disregarded unless the building or one of the buildings provided or to be provided on the site is a block of flats of four or more storeys;
  - (b) if any building or part of a building erected or to be erected on a site is designed for use otherwise than as housing accommodation, the net cost of the site shall be deemed to be reduced by so much thereof as, in the opinion of the Secretary of State, may fairly be apportioned to that building or part of a building.
- (3) For the purposes of this section the net cost of a site shall be taken to be—
  - (a) where subsection (4) 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, the cost of the site as reduced under that subsection.
- (4) Where any works of construction or any works carried out for the purpose of making a site suitable for the provision of houses would fall to be taken into account in ascertaining its cost in accordance with Schedule 1 to this Act, the Secretary of State may determine that that cost shall be taken to be reduced by such amount as is in his opinion fairly attributable to those works.

*Provisions supplemental to sections 1 to 10*

**11 Expenses of acquisition of land deemed to include sum in respect of feuduty or rent in certain cases**

Where any house or other land has been acquired by way of feu or by way of lease or the assignation of a lease, the expenses incurred in connection with the acquisition shall be taken for the purposes of the foregoing provisions of this Part of this Act to include such sum as the Secretary of State may determine to be the capital equivalent of the feuduty or, as the case may be, of any rent or other prestations due under the lease.

## 12 Interpretation

- (1) In the foregoing provisions of this Part of this Act, unless the context otherwise requires—
- " approved house " has the meaning assigned to it by section 1 of this Act;
  - " recipient authority " has the meaning assigned to it by section 1 of this Act.
- (2) Any reference in the foregoing provisions of this Part of this Act or in the following provisions of this section to a house shall be construed as including a reference to any residential accommodation provided for occupation by not more than two persons and equipped with cooking facilities for the exclusive use of those persons, notwithstanding that it is not equipped with facilities of other kinds for such exclusive use. In this subsection the expression " cooking facilities " in relation to any residential accommodation means facilities suitable for the preparation of food for the number of persons for which the accommodation is provided, and if any question arises whether any particular facilities fall within that description it shall be decided by the Secretary of State.
- (3) In relation to a house which is acquired by a recipient authority after its completion references in the foregoing provisions of this Part of this Act or in the following provisions of this section to the provision or the completion of any house shall be construed as referring to its acquisition by the recipient authority.
- (4) References in the foregoing provisions of this Part of this Act to—
- (a) authorised arrangements made with a local authority, in relation to a development corporation or a housing association, are references to arrangements made between the development corporation or housing association and a local authority, with the approval of the Secretary of State, under section 153 of the principal Act;
  - (b) special arrangements made by a housing association with the Secretary of State are references to arrangements which the Secretary of State may have made with a housing association for the provision of houses with a view to their approval under this Act.

### *Exchequer contributions towards improvement of housing accommodation*

## 13 Exchequer contributions for dwellings provided by conversion, or improved, by local authorities or development corporations

- (1) The Secretary of State may approve proposals (hereafter in this Part of this Act referred to as " improvement proposals ") submitted to him by a local authority or a development corporation for—
- (a) the provision of dwellings by the local authority or development corporation by means of the conversion of houses or other buildings ;
  - (b) the improvement of dwellings by the local authority or development corporation;
- and may, subject to and in accordance with the following provisions of this Part of this Act, make to the local authority or development corporation Exchequer contributions towards—
- (i) the cost of the works of conversion or improvement required for carrying out the improvement proposals, and

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- (ii) any expense incurred by the local authority or development corporation in acquiring interests in land for the purpose of giving effect to the improvement proposals.
- (2) Before approving any improvement proposals the Secretary of State shall satisfy himself, as respects dwellings to be provided in accordance with the improvement proposals, that the dwellings will provide satisfactory housing accommodation for a period of not less than thirty years from the completion of the works necessary for the conversion of the buildings in question, and, as respects dwellings to be improved in accordance with the improvement proposals, that the dwellings as so improved will provide such accommodation for a period of not less than thirty years from the completion of the improvements:
- Provided that if in relation to all or any of the said dwellings the Secretary of State is of opinion that the said period is likely to be less than thirty years, he may, notwithstanding that fact, approve the improvement proposals if he considers it expedient in all the circumstances to do so and if he is satisfied that the said period is likely to be more than ten years.
- (3) The Secretary of State shall also satisfy himself that all dwellings to be provided or improved in accordance with any improvement proposals will conform with such requirements with respect to their construction and physical condition, and the provision of services and amenities, as may be specified for the purposes of this section by the Secretary of State :
- Provided that if in relation to all or any of the said dwellings the Secretary of State is not satisfied that the dwellings or dwelling will conform with a particular requirement so specified, he may, notwithstanding that fact, approve the improvement proposals if he is satisfied that, in all the circumstances of the case, conformity with that requirement would not be practicable at a reasonable expense.
- (4) No improvement proposals shall be approved by the Secretary of State under section 105 of the Housing (Scotland) Act 1950 after the commencement of this Act, and any improvement proposals approved by, or submitted to, the Secretary of State under that section on or after 16th August 1964 shall be deemed to have been approved or submitted under this section.
- (5) A dwelling which has been provided or improved in giving effect to approved improvement proposals shall not, by reason only of such provision or improvement, be deemed to be a new house within the meaning of any local Act notwithstanding anything contained in such Act.

#### **14 Amount of Exchequer contributions under s. 13**

- (1) An Exchequer contribution under section 13 of this Act shall be a sum equal to three-eighths of the annual loan charges referable to an amount determined in accordance with subsections (2) and (3) of this section, payable for each year of a period of twenty financial years beginning with the year in which the carrying out of the improvement proposals was completed or for each year of such period, not exceeding sixty financial years beginning as aforesaid, as may be determined by the Secretary of State.
- (2) The said amount shall be determined by the Secretary of State when approving the improvement proposals and shall, subject to subsection (3) 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 or development corporation in carrying out the works, and
  - (b) any expense likely to be incurred by the local authority or development corporation in acquiring interests in land for the purpose of giving effect to the improvement proposals.
- (3) 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.
- (4) The Secretary of State may by order reduce, as respects improvement 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.
- (5) 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 or, as the case may be, a development corporation 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 (1) of this section, that longer period.
- (6) The power to make orders under this section shall be exercisable by statutory instrument, and—
- (a) a statutory instrument containing an order under subsection (3) of this section shall be subject to annulment in pursuance of a resolution of either House of Parliament ; and
  - (b) an order under subsection (4) 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.

**15 Local authority may be required to submit particulars of properties to be included in improvement proposals and to submit improvement proposals relating to those properties**

- (1) It shall be the duty of every local authority, within three months or such other period as the Secretary of State may specify after receipt by them of a notice by the Secretary of State requiring them so to do, to prepare and submit to him such particulars as may be specified in the notice of houses and other buildings to be included in improvement proposals.
- (2) A notice given under subsection (1) of this section may relate to the whole or to one or more parts of the local authority's district.
- (3) It shall be the duty of a local authority by whom particulars have been submitted in pursuance of a notice given under subsection (1) of this section to prepare and submit to the Secretary of State, within three months after being required by him so to do, improvement proposals relating to any or all of the houses or other buildings specified in the said notice.

**16 Exchequer contributions for dwellings provided by conversion, or improved, by housing associations under arrangements with Secretary of State**

- (1) Where arrangements are made under section 154 of the principal Act by the Secretary of State with a housing association, the Secretary of State shall make to the housing association Exchequer contributions towards—
- (a) the cost of the works of conversion or improvement required for carrying out the arrangements, and
  - (b) any expense incurred by the housing association in acquiring interests in land for the purpose of giving effect to the arrangements ;
- and the provisions of section 14 of this Act shall apply in relation to such Exchequer contributions as they apply in relation to Exchequer contributions under section 13 of this Act; and for the purposes of such application the said section 14 shall have effect—
- (i) as if for the reference to an Exchequer contribution under section 13 of this Act there were substituted a reference to an Exchequer contribution under this section;
  - (ii) as if for the references to the approval of improvement proposals by the Secretary of State there were substituted references to the making of arrangements by the Secretary of State with a housing association ;
  - (iii) as if for the references to a local authority or a development corporation there were substituted references to a housing association ;
  - (iv) subject to any other necessary modifications.
- (2) This section shall have effect in relation to arrangements made by the Secretary of State with a housing association on or after 16th August 1964, and subsections (2) to (5) of section 14 of the Housing (Scotland) Act 1962 shall continue to have effect only in relation to arrangements so made before that date.

**17 Exchequer contributions for dwellings provided by conversion, or improved, by development corporations or housing associations under arrangements with local authorities**

- (1) Where arrangements are made under section 155 of the principal Act (including that section as extended by section 159 of the principal Act) by a local authority with a development corporation or a housing association, the Secretary of State shall make to the authority Exchequer contributions towards—
- (a) the cost of the works of conversion or improvement required for carrying out the arrangements, and
  - (b) any expense incurred by the development corporation or housing association in acquiring interests in land for the purpose of giving effect to the arrangements ;
- and the provisions of section 14 of this Act shall apply in relation to such Exchequer contributions as they apply in relation to Exchequer contributions under section 13 of this Act; and for the purposes of such application the said section 14 shall have effect—
- (i) as if for the reference to an Exchequer contribution under section 13 of this Act there were substituted a reference to an Exchequer contribution under this section;

- (ii) as if for the references to the approval of improvement proposals by the Secretary of State there were substituted references to the approval by the Secretary of State of arrangements made by a local authority with a development corporation or a housing association;
  - (iii) as if for the references to cost or expense likely to be incurred by a local authority or a development corporation there were substituted references to cost or expense likely to be incurred by a development corporation or a housing association ;
  - (iv) subject to any other necessary modifications.
- (2) Where in connection with arrangements made by a local authority with a development corporation or a housing association any sum is payable to the authority by the Secretary of State annually for any period by way of an Exchequer contribution under this section, the authority shall pay to the development corporation or housing association, as the case may be, for that period annual grants each of an amount not less than the said sum.
- (3) This section shall have effect in relation to arrangements approved by the Secretary of State on or after 16th August 1964, and subsections (3) to (5) of section 121 of the Housing (Scotland) Act 1950 shall continue to have effect only in relation to arrangements so approved before that date.

## **18 Provisions supplementary to ss. 13 to 17**

- (1) A local authority submitting to the Secretary of State for approval any improvement proposals or any such arrangements as are mentioned in section 17 of this Act, and a housing association wishing to make with the Secretary of State any such arrangements as are mentioned in section 16 of this Act, shall furnish to the Secretary of State such estimates and such particulars as he may require for the purpose of determining the amount of any Exchequer contributions which fall to be made under this Part of this Act in connection with such proposals or arrangements.
- (2) References in sections 13 to 17 of this Act to the improvement of dwellings shall be construed as including references to the alteration or enlargement thereof and to the execution of works of repair thereto, not being works of ordinary repair, and
- as including also references to the execution of works of ordinary repair thereto so far, but so far only, as the execution thereof is incidental to or connected with the execution of works of improvement, alteration or enlargement or of works of repair not being works of ordinary repair, and in the said sections the expression " improved " shall be construed accordingly.

### *Exchequer contributions for special purposes*

## **19 Exchequer contributions towards expenditure of local authorities in respect of unfit houses purchased or held by them**

- (1) The Secretary of State may make such Exchequer contributions as are authorised by this section towards expenditure incurred by a local authority in respect of houses approved by the Secretary of State for the purposes of this section, being—
- (a) houses purchased by the local authority under section 14(1) of the principal Act; or

- (b) houses purchased by them under section 20 of the principal Act; or
  - (c) houses of which the demolition is postponed under section 40 of the principal Act.
- (2) Subject to the following provisions of this section, Exchequer contributions under this section in respect of any house shall be as follows, that is to say—
- (a) in the case of a house purchased by the local authority, an Exchequer contribution equal to one-half of the annual loan charges referable to the cost of the purchase, payable for each financial year during the whole or part of which the house or any part of the house is used for housing purposes with the approval of the Secretary of State ; and
  - (b) in any case, an Exchequer contribution—
    - (i) if the house was approved for the purposes of this section on or before 13th November 1963, of seven pounds five shillings,
    - (ii) if the house was so approved after that date, of twelve pounds five shillings, payable for each year of a period of fifteen years from the date on which the house was approved for the purposes of this section:

Provided that the Secretary of State may from time to time by order direct that paragraph (b) of this subsection shall have effect, in relation to houses approved after the date on which the order comes into force, as if for the sum specified in head (ii) thereof there were substituted such higher or lower sum as may be specified in the order.
- (3) If it appears to the Secretary of State that the expenditure incurred as a whole by a local authority in carrying out works on houses approved by the Secretary of State for the purposes of this section is unduly low having regard to the amount of the Exchequer contributions for the time being payable in respect of those houses under paragraph (b) of subsection (2) of this section, he may withhold the whole or any part of the Exchequer contributions payable under that paragraph to the authority.
- (4) The power to make orders under this section shall be exercisable by statutory instrument, and an order so made shall be of no effect until it is approved by a resolution of the Commons House of Parliament.
- (5) For the purposes of this section the annual loan charges referable to the cost of a purchase shall (whatever may be the manner in which the local authority have provided or intend to provide the money required for the purchase) 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 said cost, being money the period for the repayment of which is sixty years.

## **20 Exchequer contributions for building experiments**

Where—

- (a) the Secretary of State is satisfied on an application made to him by a local authority or a development corporation or a housing association with respect to a house which they have provided that the cost of providing the house has been substantially enhanced by reason of either or both of the following matters, namely—
  - (i) that, with his consent, the house has been constructed in whole or in part by an experimental method;

- (ii) that, with his consent, materials have, for the purposes of experiment, been used in the construction of the house or equipment or fittings have, for those purposes, been installed in the house in the course of the construction thereof; or
  - (b) with the consent of the Secretary of State, expense is incurred by a local authority or a development corporation or a housing association in incorporating or installing in a house, otherwise than in the course of the construction thereof, materials, equipment or fittings for the purposes of experiment;
- then, subject to such conditions (if any) as the Treasury may determine, the Secretary of State may make to the local authority or development corporation or housing association, as the case may be, an Exchequer contribution or Exchequer contributions of such amount and payable in such manner as he may determine.

## 21 Exchequer contributions for hostels

- (1) In respect of a new building provided, or a building converted, by a local authority or a development corporation or a housing association for use as a hostel or (in the case of a building so provided or converted on or after 3rd July 1962) as part of a hostel, being a building which—
- (a) if provided or converted by a housing association, is so provided or converted under arrangements made with the housing association by the Secretary of State after consultation with the local authority of the district in which the building is, or will be, situated, and
  - (b) in any case, is approved for the purposes of this subsection by the Secretary of State,
- the Secretary of State shall make to the local authority or development corporation or housing association an Exchequer contribution—
- (i) payable for each year of such number of financial years, not exceeding sixty, as he may determine, being years beginning with the year in which the building was, or as the case may be, the works of conversion were, completed;
  - (ii) of such amount, not exceeding the sum produced by multiplying seven pounds (in the case of a building so provided or converted before 10th May 1967) or fifteen pounds (in the case of a building so provided or converted on or after 10th May 1967) by the number of bedrooms contained in the building, as he may determine having regard to the standard of construction and amenity of the building.
- (2) The like Exchequer contributions, if any, shall be payable in respect of a building which under arrangements made under section 153 of the principal Act (including that section as extended by section 159 of the principal Act) by a local authority with a development corporation or a housing association has been provided or converted by the development corporation or housing association for use as a hostel or (in the case of a building so provided or converted on or after 3rd July 1962) as part of a hostel as would have fallen to be made if the building had been provided or converted by the authority for such use, and any such Exchequer contribution shall be paid to the authority, who shall pay to the development corporation or housing association, as the case may be, by way of annual grant an amount not less than the said Exchequer contribution.

- (3) This section shall not apply to a new building completed or a building converted before 30th July 1949 or to any premises provided for the purposes of Part III of the National Assistance Act 1948 by a local authority or to any housing accommodation for single persons in a hostel to which section 84(7) of the Housing (Scotland) Act 1950 applies.
- (4) In this section the expression " hostel " means—
- (a) in relation to a building provided or converted before 3rd July 1962, a building in which is provided, for persons generally or for any class or classes of persons, residential accommodation (otherwise than in separate and self-contained dwellings) and board;
  - (b) in relation to a building provided or converted on or after 3rd July 1962, a building in which is provided, for persons generally or for any class or classes of persons, residential accommodation (otherwise than in houses) and either board or common facilities for the preparation of food adequate to the needs of those persons, or both. Section 12(2) of this Act shall apply to the reference in this subsection to houses as it applies to such references in sections 1 to 12 of this Act.

## **22 Exchequer contributions for temporary housing accommodation provided in certain war buildings**

- (1) Where a local authority have (whether before or after the commencement of this Act) for the purpose of discharging any of their duties under Part VII of the principal Act, acquired the right to use any government war buildings, and the Secretary of State has approved for the purposes of this section arrangements made by the authority for using those buildings, whether with or without alterations, for providing temporary housing accommodation, then—
- (a) if the Secretary of State estimates that the local authority will incur a loss in any year in respect of the provision of housing accommodation in pursuance of the arrangements, he shall make to the authority an Exchequer contribution for that year of a sum equivalent to the estimated loss; and
  - (b) if the Secretary of State estimates that the local authority will make a profit in any year in respect of the provision of housing accommodation in pursuance of the arrangements, the authority shall pay to him in respect of that year a sum equivalent to the estimated profit.
- (2) For the purposes of any such estimate there shall be deemed to accrue to a local authority, in respect of each house provided by the authority in pursuance of any such arrangements as aforesaid, in addition to any other income accruing from the house—
- (a) where the local authority are the council of a county in which the density of the population does not exceed one hundred per square mile, or are the council of a burgh of which the population does not exceed two thousand, the sum of six pounds a year; and
  - (b) in any other case, the sum of eight pounds a year.
- (3) Where any buildings are demolished by a local authority upon ceasing to be used for the purpose of providing housing accommodation in pursuance of such arrangements as aforesaid, then—
- (a) the Secretary of State shall pay to the local authority the cost of demolition ; and

- (b) any sums realised by the local authority by the disposal of materials derived from the demolished buildings shall be paid by the authority to the Secretary of State.
- (4) In this section the expression " government war building " means any building which constitutes government war works as defined by section 59 of the Requisitioned Land and War Works Act 1945, and the expression " alterations " includes adaptations, enlargements and improvements.

*Advances to housing associations*

**23 Advances to registered housing associations providing or improving housing accommodation for letting**

- (1) If a housing association registered under the Industrial and Provident Societies Act 1965 submit to the (Secretary of State a scheme under which they will provide or improve housing accommodation, and satisfy the Secretary of State that under the scheme the housing accommodation so provided or improved will be let or kept available for letting except at such times and in such cases as the Secretary of State may approve, the Secretary of State may make advances to the housing association in accordance with this section.
- (2) The Secretary of State may, in accordance with an agreement made by him with the housing association, make on such terms and conditions as he may approve advances to the housing association to meet the whole or any part of the expenditure incurred by the housing association in connection with the scheme, and the advances—
- (a) shall carry interest—
    - (i) in the case of an advance made before 27th February 1964, at the rate fixed by the Treasury under section 1 of the Public Works Loans Act 1897 in respect of loans to local authorities made on the date of the making of the advance and for the same period as the advance;
    - (ii) in the case of an advance made on or after 27th February 1964 and before 1st April 1968, at the rate fixed by the Treasury under section 2 of the Public Works Loans Act 1964 in respect of loans to local authorities made on the date of the making of the advance and for the same period as the advance, being loans made on the security of local rates, or, where there is more than one rate so fixed, at such of those rates as the Treasury have directed in that behalf under the said section 2; and
    - (iii) in the case of an advance made on or after 1st April 1968, at the rate in respect of loans to local authorities made on the date of the making of the advance and for the same period as the advance (being, in terms of section 6(2) of the National Loans Act 1968, the rate at that time determined by the Treasury in respect of local loans of that class made on the security of local rates, subject to any relevant direction given by the Treasury under the said section 6(2)); and
  - (b) shall be repayable over such period, not exceeding sixty years, and on such terms, as may, with the approval of the Treasury, be provided in the agreement.
- (3) It shall be the duty of a housing association who have entered into an agreement under this section to comply with any directions which the Secretary of State may give

to them with respect to the administration of the scheme and the disposal of assets provided under the scheme.

- (4) Advances made under this section shall not exceed the aggregate sum of three million pounds.
- (5) The Treasury may issue to the Secretary of State, out of the National Loans Fund, such sums as are necessary to enable him to make advances under this section.
- (6) Any sums received by the Secretary of State under subsection (2) of this section shall be paid into the National Loans Fund.
- (7) The Secretary of State shall, in respect of each financial year, prepare in such form and manner as the Treasury may direct an account of sums issued to him for advances under this section, and of sums received by him under this section, and of the disposal by him of those sums respectively, and send it to the Comptroller and Auditor-General not later than the end of November in the following financial year; and the Comptroller and Auditor-General shall examine, certify and report on the account and lay copies of it, together with his report, before each House of Parliament.
- (8) In this section—
  - (a) references to the provision of housing accommodation are references to the provision of housing accommodation by building new houses ; and
  - (b) references to the improvement of housing accommodation are references to the improvement of housing accommodation—
    - (i) by the provision of dwellings by means of the conversion of houses or other buildings, or
    - (ii) by the improvement of dwellings.

## **24 Loans to housing associations by Public Works Loan Commissioners**

- (1) The Public Works Loan Commissioners may, subject to the provisions of this section, lend money to any housing association—
  - (a) for the purpose of constructing or improving, or facilitating or encouraging the construction or improvement of, houses;
  - (b) for the purchase of houses;
  - (c) for the purchase and development of land,
 and any housing association may borrow from the Public Works Loan Commissioners such money as may be required for the purposes aforesaid.
- (2) A loan for any of the purposes specified in subsection (1) of this section shall be secured with interest by a heritable security over the land and houses in respect of which that purpose is to be carried out and over such other land and houses, if any, as may be offered as security for the loan.
- (3) Any such loan may be made whether the housing association receiving the loan have or have not power to borrow on bond and disposition in security or otherwise, independently of this Act, but nothing in this Act or the principal Act shall affect any regulation, statutory or otherwise, whereby any company may be restricted from borrowing until a definite portion of capital is subscribed for, taken or paid up.
- (4) The following conditions shall apply in the case of any such loan:—
  - (a) the period for repayment shall not exceed forty years;

- (b) no money shall be lent on the security of any land or houses unless the estate or interest therein proposed to be burdened is either ownership or a lease of which a period of not less than fifty years remains unexpired at the date of the loan;
- (c) the money lent shall not exceed such proportion as is hereinafter authorised of the value, to be ascertained to the satisfaction of the Public Works Loan Commissioners, of the estate or interest in the land or houses proposed to be burdened in pursuance of subsection (2) of this section; but loans may be made by instalments from time to time as the building of houses or other work on the land so burdened progresses, so, however, that the total loans do not at any time exceed the amount aforesaid; and the heritable security may be granted accordingly to secure such loans so to be made from time to time:

Provided that, where a loan is made under this section for the purpose of carrying out a scheme for the provision of houses approved by the Secretary of State—

- (i) the maximum period for the repayment of the loan shall be fifty instead of forty years ;
  - (ii) money may be lent on heritable security over a lease recorded under the Registration of Leases (Scotland) Act 1857, being a lease of which a period of not less than ten years in excess of the period fixed for the repayment of the sums lent remains unexpired at the date of the loan.
- (5) The proportion of such value as aforesaid authorised for the purpose of the loan shall be three-fourths:
- Provided that—
- (a) if payment of the principal of and interest on the loan is guaranteed by a local authority, the said proportion shall be nine-tenths;
  - (b) if payment is not guaranteed as aforesaid and the loan exceeds two-thirds of such value as aforesaid, the Public Works Loan Commissioners shall require, in addition to such a heritable security as is mentioned in subsection (2) of this section, such further security as they may think fit.

*Special provisions for financial assistance to Scottish Special Housing Association*

**25 Advances to Scottish Special Housing Association for provision or improvement of housing accommodation**

- (1) The Secretary of State may make advances, of such amounts, on such terms and repayable over such periods as may be approved by the Treasury, to the Scottish Special Housing Association for the purpose of—
- (a) enabling or assisting the provision or improvement of housing accommodation by the Association (whether as principals or as agents for a local authority or for any other person);
  - (b) meeting the whole or any part of the expenditure incurred by the Association in connection with any scheme submitted to the Secretary of State by the Association under which the Association will provide or improve housing accommodation, and as to which the Secretary of State is satisfied that the housing accommodation so provided or improved will be let or kept available for letting except at such times and in such cases as the Secretary of State may approve;

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

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- (c) assisting the Association to acquire any land compulsorily under section 175 of the principal Act;
  - (d) assisting the Association to act as the agents of the Housing Corporation in pursuance of section 11(1) of the Housing Act 1964;
  - (e) enabling or assisting the Association to purchase, on terms approved by the Secretary of State, all or any of the assets of any authorised society within the meaning of the Housing Act 1914 or any housing trust to which section 119 of the Housing (Scotland) Act 1925 applied:
    - Provided that—
      - (i) the aggregate amount of the advances made under this subsection, together with any advances made under section 94(1) of the Housing (Scotland) Act 1950, shall not exceed one hundred and forty-five million pounds or such greater sum, not exceeding one hundred and seventy million pounds, as the Secretary of State may by order specify,
      - (ii) the aggregate amount of the advances made under paragraph (a) of this subsection in respect of the improvement of housing accommodation shall not exceed one million pounds ;
      - (iii) the aggregate amount of the advances made under paragraph (b) of this subsection shall not exceed one million pounds.
- (2) It shall be the duty of the Association, if they accept any advances under paragraph (b) of subsection (1) of this section in connection with a scheme, to comply with any directions which the Secretary of State may give to them with respect to the administration of the scheme and the disposal of the assets provided under the scheme.
- (3) The power to make orders conferred on the Secretary of State by paragraph (i) of the proviso to subsection (1) of this section shall be exercisable by statutory instrument, and no order shall be made in the exercise of that power unless a draft of the order has been laid before the Commons House of Parliament and has been approved by a resolution of that House.
- (4) Subsections (5) to (7) of section 23 of this Act shall apply in relation to advances made under this section and sums received in repayment thereof as they apply in relation to advances made under that section and sums received in repayment thereof.
- (5) In this section—
- (a) references to the provision of housing accommodation are references to the provision of housing accommodation whether by building new houses or by the acquisition of houses; and
  - (b) references to the improvement of housing accommodation are references to the improvement of housing accommodation—
    - (i) by the provision of dwellings by means of the conversion of houses or other buildings, or
    - (ii) by the improvement of dwellings.
- (6) Section 12(2) of this Act shall apply to references in this section to houses as it applies to such references in sections 1 to 12 of this Act.

**26 Exchequer contributions towards certain deficits of Scottish Special Housing Association**

Where the Secretary of State is satisfied that the total net annual expenditure (as calculated in accordance with rules made by the Secretary of State) necessarily incurred in the year beginning on 1st April 1962 or in any subsequent year by the Scottish Special Housing Association—

- (a) in providing new houses in respect of which Exchequer contributions fall to be made under section 93 of the Housing (Scotland) Act 1950, section 23 of the Housing and Town Development (Scotland) Act 1957, section 1 of the Housing (Scotland) Act 1962 or sections 2 to 4, 6, 7 or 10 of this Act; and
- (b) in improving, otherwise than as agents, housing accommodation whether by the provision of dwellings by means of the conversion of houses or other buildings or by the improvement of dwellings; and
- (c) in providing housing accommodation, being accommodation acquired by them from any such body as is mentioned in section 25(2)(e) of this Act; is greater than the sum of—
  - (i) the Exchequer contributions referred to in paragraph (a) of this section for the year in question, and
  - (ii) any Exchequer contributions made to the Association for the year in question under section 16 of this Act,

the Secretary of State may, with the approval of the Treasury, make such further Exchequer contribution to the Association in respect of the excess as he may determine.

**PART II**FINANCIAL ASSISTANCE IN RESPECT OF HOUSING  
ACCOMMODATION PRIVATELY PROVIDED OR IMPROVED*Grants by local authorities for improvements***27 Power of local authorities to make improvement grants**

- (1) Subject to the provisions of this Part of this Act, a local authority may give assistance in respect of—
  - (a) the provision of dwellings by a person other than a local authority by means of the conversion of houses or other buildings;
  - (b) the improvement of dwellings by such a person ;
 by way of making a grant (in this Part of this Act referred to as an "improvement grant") in respect of expenses incurred for the purpose of the execution of the works of conversion or improvement (in this Part of this Act referred to as "improvement works ") if, before the improvement works are begun, an application in that behalf is made to the authority by that person (hereafter in this Part of this Act referred to as "the applicant") and approved by them.
- (2) An application for an improvement grant must contain full particulars of the improvement works proposed to be carried out and of the land on which those works are proposed to be carried out, together with plans and specifications of the works.

- (3) An application for an improvement grant must also contain an estimate of the expenses to be incurred for the purpose of the execution of the improvement works (which estimate may include fees payable to professional persons employed in connection with those works), and, where the application relates to the provision or improvement of more than one dwelling, the said estimate must specify the proportion of the estimated expenses that is attributable to each dwelling proposed to be provided or improved, and, subject to subsection (4) of this section, the application shall not be entertained unless—
- (a) in a case where the application relates only to the provision or improvement of a single dwelling, the amount of the expenses estimated to be incurred for the purposes of the execution of the improvement works, or
  - (b) in any other case, the proportion of those expenses attributable to each dwelling proposed to be provided or improved,
- is not less than one hundred pounds or such other amount as may for the time being be prescribed.
- (4) Where at any time within three years after the making of a standard grant under section 40 of this Act in respect of a dwelling an application for an improvement grant is made in respect of that dwelling and the application contains a statement of the cost incurred in executing the works in respect of which the standard grant was made, subsection (3) of this section shall have effect, in relation to that application or, if the dwelling is not the only one to which the application relates, in relation to the application so far as it relates to the dwelling, as if the amount specified in or prescribed under that subsection were reduced by the cost incurred as aforesaid.
- (5) Where a local authority approve an application for an improvement grant they shall notify the applicant of the amount approved by them as being the amount of the expenses which, in their opinion, are properly ascribable to the execution of the improvement works and, where the application relates to the provision or improvement of more than one dwelling, of the proportion of that amount approved by them as being attributable to each dwelling proposed to be provided or improved. The said amount is hereafter in this Part of this Act referred to, in relation to improvement works, as the " approved expense " of executing those works, and the proportion of that amount approved under this subsection as being attributable to a dwelling is so referred to, in relation to that dwelling, as the " approved proportion " of the approved expense.
- (6) Before approving an application for an improvement grant the local authority shall satisfy themselves as to the requirements set out in section 28(1) of this Act subject, however, to the provisions of subsections (2) and (3) of that section.
- (7) A local authority may in any case refuse to approve an application for an improvement grant on any grounds that seem to them sufficient, and shall refuse to approve any such application in respect of any dwelling to be provided or improved by means of improvement works if assistance has been given in respect of that dwelling under any of the following enactments, that is to say—
- (a) section 1 of the Hill Farming Act 1946 ;
  - (b) section 77 of the Agriculture (Scotland) Act 1948 ;
  - (c) section 100(1)(b) of the Housing (Scotland) Act 1950 ;
  - (d) section 22(2) of the Crofters (Scotland) Act 1955 ;
  - (e) section 44 of this Act.

- (8) If a local authority refuse to approve an application for an improvement grant, or, having approved such an application, pay by way of an improvement grant in respect thereof an amount smaller than the maximum amount allowed by section 29(1) of this Act apart from the proviso to the said section 29(1), they shall, if the applicant so requests, notify him in writing of the grounds of their refusal or, as the case may be, the grounds of their decision not to pay the said maximum amount.
- (9) The Secretary of State may give directions to any local authority or to local authorities generally requiring that any 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 (which may be granted subject to conditions), and it shall be the duty of any local authority to whom such directions are issued to comply therewith.

## **28 Requirements precedent to approval of application for improvement grant**

- (1) The requirements referred to in section 27(6) of this Act are as follows, that is to say—
- (a) that, as respects dwellings to be provided or improved by means of the improvement works, the dwellings or (as the case may be) the dwellings as so improved will provide satisfactory housing accommodation for a period of not less than thirty years from the completion of the works;
  - (b) that all such dwellings as aforesaid will conform with such requirements with respect to their construction and physical condition and the provision of services and amenities as may be specified for the purposes of this section by the Secretary of State ;
  - (c) that the applicant is, in respect of every parcel of land on which improvement works are proposed to be carried out (other than land proposed to be sold or leased to him under section 145(4) of the principal Act), either the owner or the lessee under a lease of which the period remaining unexpired at the date of the application is not less than—
    - (i) the period for which the dwellings concerned will provide satisfactory housing accommodation,or
    - (ii) thirty years, whichever is the shorter.
- (2) If, in relation to all or any of the said dwellings, the local authority are of opinion that the period mentioned in paragraph (a) of subsection (1) of this section is likely to be less than thirty years, they may, notwithstanding that fact, approve the application if they are satisfied that the said period is likely to be more than ten years and if they consider it expedient in all the circumstances to do so.
- (3) If, in relation to all or any of the said dwellings, the local authority are not satisfied that the dwellings or dwelling will conform with a particular requirement specified under paragraph (b) of subsection (1) of this section, they may, notwithstanding that fact, approve the application if they are satisfied that, in all the circumstances of the case, conformity with that requirement would not be practicable at a reasonable expense.

## **29 Amount of improvement grants and payment thereof**

- (1) Subject to the provisions of subsection (2) of this section, the amount which may be paid by way of an improvement grant shall be an amount not exceeding—

- (a) if the application for the improvement grant was made to the local authority before 16th August 1964, four hundred pounds for each dwelling provided or improved by the improvement works ;
  - (b) if the said application was so made on or after that date, five hundred pounds, or such other amount as may for the time being be prescribed, for each dwelling so provided or improved ;
  - (c) in any case, such fraction of the approved expense of executing the improvement works, not exceeding one-half thereof, as may be determined by the local authority when they approve the application for the improvement grant: Provided that—
    - (i) where the local authority, with the concurrence of the Secretary of State, are satisfied in the case of any particular application that in all the circumstances of the case there is good reason for the payment of an amount higher than the amount authorised under this subsection, the amount of the improvement grant may be such amount in excess of the sum specified in paragraph (a) of this subsection or (as the case may be) specified in or prescribed under paragraph (b) thereof, but not exceeding one-half of the approved expense of executing the improvement works, as may be determined by the authority with the consent of the Secretary of State when they approve the application ;
    - (ii) where the local authority are satisfied that the expense of executing the improvement works was materially enhanced by reason of measures taken to preserve the architectural or historic interest of the house or building to which the application relates, the amount of the improvement grant may be such fraction of the approved expense of executing the works, in excess of one-half thereof, or such amount in excess of the sum specified in paragraph (a) of this subsection or (as the case may be) specified in or prescribed under paragraph (b) thereof, as may be determined by the authority with the consent of the Secretary of State when they approve the application.
- (2) Where after the making of a standard grant under section 40 of this Act in respect of a dwelling an improvement grant is made in respect of that dwelling, subsection (1) of this section shall have effect, in relation to that dwelling, as if the sum specified in paragraph (a) of that subsection or (as the case may be) specified in or prescribed under paragraph (b) thereof were reduced by the amount of the standard grant.
- (3) An improvement grant in respect of expenses incurred for the purpose of the execution of improvement works may be paid either after completion of the works or partly in instalments from time to time as the works progress and as to the balance after the completion of the works:
- Provided that where the improvement grant is to be paid partly in instalments, the aggregate of the instalments paid shall not at any time before the completion of the improvement works exceed one-half of the aggregate cost of the works executed up to that time.
- (4) 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 applicant considers will entitle him to payment of the instalment or balance being executed to the satisfaction of the local authority.
- (5) Where an instalment of an improvement grant is paid before the completion of the improvement works, and the works are not completed within twelve months of the date

of payment of the instalment, then that instalment and any further sums paid by the local authority on account of the improvement grant shall, on being demanded by the authority, forthwith become payable to them by the person to whom the instalment was paid, and the instalment and any such payment shall carry interest at the prescribed rate from the date on which it was paid by the authority until repaid under this subsection.

### **30 Conditions to be observed with respect to dwellings**

- (1) In the case of a dwelling in respect of the provision or improvement of which an improvement grant has been made, the conditions specified in Schedule 3 to this Act shall, subject to the provisions of this Part of this Act, be observed with respect to the dwelling for a period of three years beginning with the day 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 they are required to be so observed, be deemed to be part of the terms of any lease or tenancy of the dwelling, and shall be enforceable accordingly.
- (2) The provisions of this section, of section 31 of this Act and of Schedule 3 thereto (other than paragraph 4 thereof), shall apply to a dwelling used as a residence by a minister or full-time lay missionary of any religious denomination by virtue of his office as such minister or missionary in like manner as if he were a tenant of the dwelling.

### **31 Enforcement of conditions**

- (1) The provisions of this section shall have effect in the event of a breach of any of the conditions specified in Schedule 3 to this Act at a time when they are required to be observed with respect to a dwelling.
- (2) Where the improvement works by means of which the dwelling was provided or improved were works only for the provision or improvement of that dwelling, there shall, on being demanded by the local authority, forthwith become payable to them, by the owner for the time being of the dwelling, the appropriate proportion of any sums paid by the authority by way of improvement grant in respect of the expenses incurred for the purpose of the execution of those works, together, in the case of each such sum, with interest on the appropriate proportion thereof for the period from the date of payment of the sum by the authority to the date of payment to the authority of the appropriate proportion of the sum.
- (3) In any other case, there shall, on being demanded by the local authority, forthwith become payable to them, by the owner for the time being of the dwelling, the appropriate proportion of a part of any such sums as aforesaid bearing to the whole thereof the same proportion that the approved proportion of the approved expense of executing the improvement works bears to the whole of the approved expense of executing those works, together, in the case of each part of a sum, with interest on the appropriate proportion of that part for the period from the date of payment of the sum by the authority to the date of payment to the authority of the appropriate proportion of that part.
- (4) In subsections (2) and (3) of this section—
  - (a) the expression " the appropriate proportion", in relation to a sum or part of a sum, means a part thereof proportionate to the extent to which the period during which conditions are required by section 30 of this Act to be observed with respect to the dwelling remains unexpired at the date of the occurrence of the breach ; and

- (b) "interest" means compound interest calculated at the prescribed rate and with yearly rests.
- (5) If the local authority are satisfied that the breach is capable of being remedied, they may, with the consent of the Secretary of State, and subject to such conditions (if any) as he may approve, direct that the operation of the foregoing provisions of this section shall, in relation to the breach, be suspended for such period as appears to them to be necessary for enabling the breach to be remedied, and, if the breach is remedied within that period, may direct that the said provisions shall not have effect in relation to the breach.
- (6) If the local authority are satisfied that the breach, although not capable of being remedied, was not due to the act, default or connivance of the owner of the dwelling, they may, with the like consent and subject to such conditions as aforesaid, direct that the said provisions shall not have effect in relation to the breach.
- (7) Upon satisfaction of a liability of an owner of a dwelling to make payment under subsection (2) or subsection (3) of this section to a local authority, observance with respect to the dwelling of the conditions specified in Schedule 3 to this Act shall cease to be requisite.
- (8) The sheriff within whose jurisdiction is situated any dwelling with respect to which the conditions specified in Schedule 3 to this Act are for the time being required to be observed may, on the application of the local authority, whether or not any other relief is claimed, grant an interdict restraining a breach or apprehended breach, in relation to the dwelling, of any of those conditions other than the condition specified in paragraph 5 of the said Schedule.
- (9) 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 as to the balance after the completion of the works, the balance of the improvement grant in respect of a dwelling, they shall cause to be recorded in the General Register of Sasines a notice in the prescribed form specifying—
- (a) the conditions required by section 30 of this Act to be observed with respect to the dwelling, being the conditions specified in Schedule 3 to this Act; and
  - (b) the provisions of this section whereby, on a breach of any of the said conditions at a time when they are required to be observed, the owner for the time being of the dwelling becomes liable to repay to the local authority the amount set forth in this section ;
- and the cost of such recording shall be repaid to the local authority by the owner for the time being of the dwelling.
- (10) In any case where, in pursuance of subsection (7) of this section, observance of the conditions specified in Schedule 3 to this Act ceases to be requisite with respect to a dwelling, the local authority shall cause to be recorded in the General Register of Sasines a notice in the prescribed form stating that the said conditions no longer apply to the dwelling, and the cost of such recording shall be repaid to the authority by the owner for the time being of the dwelling.
- (11) In the event of a breach of any of the conditions specified in Schedule 3 to this Act at a time when they are required to be observed with respect to a dwelling it shall be competent for the local authority to make a charging order in favour of themselves for the amount that becomes payable to them under this section in consequence of such breach, and the provisions of section 29 of the principal Act shall, subject to any

necessary modifications, apply to a charging order so made in like manner as they apply to a charging order made under section 28 of that Act.

### **32 Duty of local authority to fix maximum rents**

(1) It shall be the duty of a local authority, at the time at which they approve an application for an improvement grant, to fix, for the purposes of this Part of this Act, with respect to—

- (a) every dwelling to be provided by means of the improvement works, and
- (b) every dwelling to be improved by means of the improvement works, being a dwelling which the local authority are satisfied has not been let as a dwelling at any time during the period of five years immediately preceding the date of the application,

the maximum rent that may be paid in respect of the dwelling.

(2) A local authority, in fixing under subsection (1) of this section the maximum rent that may be paid in respect of a dwelling, shall have regard to—

- (a) the age of the building ;
- (b) the character and condition of the dwelling after the carrying out of the proposed improvement works ;
- (c) the cost of the proposed improvement works; and
- (d) the rents payable in their district for similar dwellings not let under an existing controlled tenancy.

(3) Where an application is made to a local authority for an improvement grant in respect of the improvement of a dwelling (not being a dwelling as respects which the authority are satisfied as mentioned in subsection (1)(b) of this section), and that dwelling is not subject to an existing controlled tenancy, the application may contain a request to fix for the purposes of paragraph 4 of Schedule 3 to this Act a rent higher than the limit imposed by sub-paragraph (b) of that paragraph, and if it appears to the authority reasonable to do so, having regard to all the circumstances and, in particular, to the rents payable in their district for similar dwellings not let under an existing controlled tenancy, they may, on approving the application, fix such higher rent for those purposes as they think reasonable; and a rent so fixed shall be substituted in the condition set out in the said paragraph 4 for the limit imposed by the said sub-paragraph (b).

(4) Where—

- (a) an improvement grant has been made in respect of the provision or improvement of any dwelling, and
- (b) works (other than works for the purpose of the execution of which the improvement grant has been so made) have been executed on the said dwelling at a time when the conditions specified in Schedule 3 to this Act are required to be observed with respect thereto,

the local authority may, on an application being made to them in that behalf, direct that for the purposes of this Part of this Act the maximum amount of the rent payable by any tenant of the dwelling shall be increased by such amount as may be specified in the direction, not exceeding an amount calculated at a rate per annum of twelve and one half per cent, of the cost of executing the works.

(5) Where a direction is given under subsection (4) of this section in relation to a dwelling on any occasion, references in paragraph 4 of Schedule 3 to this Act to the amount which the rent payable by any tenant of the dwelling is not to exceed shall, as respects

any period after the giving of the direction and before any subsequent direction is given under the said subsection (4) in relation to the dwelling or the direction is superseded by reason of the application of the said conditions by virtue of the giving of a further improvement grant, whichever event first occurs, be construed in relation to the dwelling, for the purposes of—

- (a) this Part of this Act, and
- (b) where section 37(2) of this Act applies, the Housing (Rural Workers) Acts 1926 to 1942,

as references to that amount as increased in accordance with the direction given on that occasion and with any direction given under the said subsection (4) in relation to the dwelling on a previous occasion which has not been superseded as aforesaid.

- (6) In this section " existing controlled tenancy " has the same meaning as in section 11 of the Rent Act 1965.

### **33 Local authority to keep register of rents**

- (1) It shall be the duty of every local authority to make and keep a register in the prescribed form in which they shall record in relation to every dwelling with respect to which the conditions specified in Schedule 3 to this Act are for the time being required to be observed—
  - (a) the amount to which the rent is limited by virtue of the condition contained in paragraph 4 of the said Schedule 3 ;
  - (b) any increase of the said amount authorised by virtue of subsections (4) and (5) of section 32 of this Act; and
  - (c) such other information as may be prescribed.
- (2) A register kept by a local authority under this section shall be made available for inspection by the public at the principal office of the authority during all normal business periods.
- (3) The Secretary of State may provide by regulations made by statutory instrument for the issue by a local authority of extracts of entries in the register kept by them under this section, and for the charging by the authority of a fee, not exceeding one shilling, in respect of each entry contained in any extract issued in accordance therewith, and any extract so issued shall be evidence of the matters set out therein.

### **34 Voluntary repayment of improvement grants**

- (1) The owner of a dwelling in respect of the provision or improvement of which an improvement grant has been made or the holder of a heritable security over the dwelling, being a heritable creditor entitled to exercise his power of sale, may, at any time when the conditions specified in Schedule 3 to this Act are required to be observed with respect to the dwelling, pay to the local authority the like amount as would become payable to them under section 31 of this Act in the event of a breach at that time of any of those conditions, and on the making of the payment observance with respect to the dwelling of those conditions shall cease to be requisite.
- (2) A sum paid under subsection (1) of this section by a heritable creditor shall be treated as part of the sum secured by the heritable security.
- (3) In any case where, in pursuance of subsection (1) of this section, observance of the conditions specified in Schedule 3 to this Act ceases to be requisite with respect to

a dwelling, section 31(10) of this Act shall apply in like manner as it applies in the case therein mentioned.

### **35 Exchequer contributions towards improvement grants**

- (1) The Secretary of State may make Exchequer contributions towards the expense incurred by a local authority in making an improvement grant.
- (2) Subject to any order made by the Secretary of State under section 56 of this Act, an Exchequer contribution under subsection (1) of this section shall be a sum equal to three-quarters of the annual loan charges referable to the amount of the improvement grant, payable for each of the twenty financial years beginning with the year in which were completed the improvement works in respect of which the improvement grant was made.
- (3) For the purposes of this section, the annual loan charges referable to the amount of an improvement grant shall (whatever may be the manner in which the local authority have provided or intend to provide the money requisite for making the improvement 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 improvement grant, being money the period for the repayment of which is twenty years.
- (4) A local authority shall pay to the Secretary of State three-quarters of any sum—
  - (a) recovered by them by virtue of section 31 of this Act in consequence of a breach of any of the conditions required to be observed with respect to the dwelling, or
  - (b) paid to them under section 34 of this Act in respect of the dwelling.
- (5) Subsections (2) and (4) of this section shall, in the case of a local authority for any area in the Highlands and Islands, have effect with the substitution for the words “three-quarters” of the words “seven-eighths”.

### **36 Provisions as to further improvement grants**

- (1) An improvement grant shall not be made in respect of the provision of dwellings by means of the conversion of dwellings with respect to which the conditions specified in Schedule 3 to this Act are for the time being required to be observed.
- (2) Where by virtue of the making on any occasion of an improvement grant in respect of the improvement of a dwelling the conditions specified in Schedule 3 to this Act are required to be observed with respect to the dwelling 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 30, 31, 34, 35(4) and 35(5) of this Act shall apply in relation to the dwelling 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:

Provided that in relation to any period during which the said conditions are simultaneously required to be observed by virtue of the making of an improvement grant on more than one occasion, the condition as to rent applicable by reason of the making of an improvement grant on the last occasion shall be deemed to be the condition as to rent also by reason of the making of an improvement grant on any previous occasion.

### **37 Provisions as to dwellings improved under Housing (Rural Workers) Acts**

- (1) An improvement grant shall not be made in respect of the provision of dwellings by means of the conversion of dwellings in relation to which the conditions specified in section 3 of the Housing (Rural Workers) Act 1926 for the time being apply.
- (2) Where an improvement grant is made in respect of the improvement of a dwelling in relation to which the said conditions apply at the time when the improvement grant is so made, the Housing (Rural Workers) Acts 1926 to 1942 shall have effect in relation to the dwelling as if the conditions specified in Schedule 3 to this Act were contained in, and applicable by virtue of, section 3(1) of the Housing (Rural Workers) Act 1926 in lieu of the conditions specified therein and in sections 5 and 6 of the Housing (Rural Workers) Amendment Act 1938, and anything which would, or would not, constitute for the purposes of this Part of this Act a breach of the conditions specified in the said Schedule 3 shall be treated as constituting, or, as the case may be, not constituting a breach of those conditions for the purposes of the Housing (Rural Workers) Acts 1926 to 1942.

### **38 Provisions supplementary to ss. 27 to 37**

- (1) In the foregoing provisions of this Part of this Act, unless the context otherwise requires, "owner", in relation to a dwelling, means the person who is for the time being entitled to receive the rent of the dwelling or who, if the dwelling were let, would be so entitled, and includes such a lessee as is mentioned in section 28(1)(c) of this Act.
- (2) References in the foregoing provisions of this Part of this Act or in the following provisions of this section to the improvement of dwellings shall be construed as including references to the alteration or enlargement thereof and to the execution of works of repair thereto, not being works of ordinary repair, and as including also references to the execution of works of ordinary repair thereto so far, but so far only, as the execution thereof is incidental to or connected with the execution of works of improvement, alteration or enlargement or of works of repair not being works of ordinary repair, and in the said provisions the expression "improved" shall be construed accordingly.
- (3) In determining for the purposes of the foregoing provisions of this Part of this Act whether, as regards a dwelling in respect of the provision or improvement of which an improvement grant has been made, a breach has occurred of the condition specified in paragraph 4 of Schedule 3 to this Act as to the rent payable by a tenant of the dwelling, any property which, in the absence of express provision, would pass upon a conveyance in common form of the dwelling, and any yard, garden, outhouse and pertinents belonging to or usually enjoyed with the dwelling, shall be deemed to form part of the dwelling.
- (4) A dwelling which has been provided or improved by improvement works under this Part of this Act shall not, by reason only of such provision or improvement, be deemed to be a new house within the meaning of any local Act notwithstanding anything contained in such Act.

*Grants by local authorities for provision of standard amenities*

### **39 Standard amenities**

- (1) For the purposes of this Part of this Act, and subject to this section, " the standard amenities ", in relation to any dwelling, mean the following amenities provided for the exclusive use of the occupants of the dwelling, that is to say—
- (a) a fixed bath or shower, which, subject to subsection (2) of this section, is to be in a bathroom;
  - (b) a wash-hand basin ;
  - (c) a hot and cold water supply at a fixed bath or shower, which, if reasonably practicable, is to be in a bath room;
  - (d) a hot and cold water supply at a wash-hand basin;
  - (e) a hot and cold water supply at a sink ;
  - (f) a water closet; and
  - (g) satisfactory facilities for storing food ;
- and references in this Part of this Act to the standard amenities shall be construed accordingly.
- (2) Subject to this section, the fixed bath or shower mentioned in paragraph (a) of subsection (1) thereof may, if it is not reasonably practicable for it to be provided in a bathroom, but it is reasonably practicable for it to be provided with a hot and cold water supply, be in a part of the dwelling which is not a bathroom or bedroom.
- (3) The Secretary of State may by order vary the class of amenities which are the standard amenities, and an order under this subsection may amend or repeal any of the provisions of subsection (2) of this section or of section 41(5) of this Act and may contain such transitional and other supplemental provisions as may appear to the Secretary of State to be expedient.
- (4) The power to make orders conferred on the Secretary of State by subsection (3) of this section shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

### **40 Duty of local authorities to make standard grants**

- (1) Subject to the provisions of this Part of this Act, a local authority shall give assistance in respect of the improvement of any dwelling by a person other than a local authority by such works as may be required for the dwelling to be provided with all of the standard amenities by way of making a grant (in this Part of this Act referred to as a " standard grant") in respect of the cost of executing the works, if an application in that behalf is made by that person to the authority and approved by them before the works are begun and the works are executed to the satisfaction of the authority.
- (2) An application may be made under this section proposing the carrying out of works which comprise the provision of part only of the standard amenities notwithstanding that the dwelling is not already provided with all the remainder of the standard amenities if—
- (a) it is not practicable at reasonable expense to provide the dwelling with all of the standard amenities, and

- (b) after the execution of the works the dwelling will be provided with at least the amenities comprised in the reduced standard as defined in section 86(5) of the principal Act:

Provided that an application shall not be entertained by virtue of this subsection in respect of a dwelling 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 106 of the principal Act.

- (3) An application under this section must specify the dwelling and the works proposed to be carried out and, where those works comprise the provision of part only of the standard amenities, must—
  - (a) if the application is made by virtue of subsection (1) of this section, contain a statement that the dwelling is already provided with the remainder;
  - (b) if the application is made by virtue of subsection (2) of this section, contain a statement that it is not practicable at reasonable expense to provide the dwelling with all of the standard amenities and give the facts on which the statement is based.
- (4) Subject to subsection (5) of this section, an application under this section must also contain a statement either that the applicant is the occupier of the dwelling or that the occupier has consented in writing to the making of the application.
- (5) An application under this section as respects works to be carried out in compliance with an improvement notice served, or an undertaking accepted, under Part IV of the principal Act shall be in such form as the local authority may direct, and subsection (4) of this section shall not apply in respect of such an application.
- (6) An application under this section shall not be entertained if it relates to a dwelling provided after the end of the year 1944, unless the dwelling was provided by the conversion before the end of the year 1958 of a building erected before the end of the year 1944.

#### **41 Approval of applications for standard grants**

- (1) Subject to subsection (5) of this section, a local authority shall approve an application for a standard grant if—
  - (a) they are satisfied as to the matters mentioned in subsections (2) and (3) of this section, and
  - (b) in the case of an application made by virtue of section 40(2) of this Act, they are satisfied also as to the matters mentioned in paragraphs (a) and (b) of that subsection,
 and shall not approve any application if not so satisfied.
- (2) The local authority must be satisfied that after the execution of the works specified in the application the dwelling will be in such condition as not to be unfit for human habitation, and that it is likely to remain in that condition and available for use as a dwelling for a period of not less than fifteen years.
- (3) The local authority must also be satisfied that the applicant is, in respect of every parcel of land on which the works are to be carried out (other than land proposed to be sold or leased to him under section 145(4) of the principal Act), either the owner or the lessee under a lease of which there remains unexpired at the date of the application a period of not less than fifteen years.

- (4) In considering an application made by virtue of section 40(2) of this Act the local authority shall have regard to the estimated cost of the works which would be required to provide the dwelling with all of the standard amenities and the value which it is estimated that the dwelling (or the building of which the dwelling forms part) would have if works to provide the dwelling with all of the standard amenities were carried out.
- (5) Subsection (1) of this section shall not have effect so as to oblige a local authority to approve an application for a standard grant as respect works which include the provision of a fixed bath or shower in a part of a dwelling which is not a bathroom unless the works are to be carried out in compliance with an improvement notice served, or an undertaking accepted, under Part IV of the principal Act.
- (6) Where the local authority do not approve an application for a standard grant they shall, if the applicant so requests, give him a written statement of the ground or grounds on which they have not approved it, and if, in the case of an application made by virtue of section 40(2) of this Act, that ground is, or those grounds include, the fact that the authority are not satisfied as to the matters mentioned in paragraphs (a) and (b) of that subsection, the said statement shall set out the reasons why the authority are not so satisfied.

#### **42 Amount of standard grants**

- (1) The amount of a standard grant shall, subject to this section, be one-half of the cost shown to have been incurred in executing the works in respect of which it is made.
- (2) If any of the works are not exclusively for the purpose of providing one or more of the standard amenities, only so much of the cost of carrying out those works as is, in the opinion of the local authority, attributable to the provision of the standard amenity or standard amenities shall be taken into account under subsection (1) of this section.
- (3) Subject to this section, there shall be a limit on the amount of a standard grant determined in accordance with the following Table, and the limit shall depend on the number of items in the following Table which will be provided by the works and shall be the total of the amounts specified in column 2 of that Table for those items or £350, whichever is the less. Table

<i>List of amenities</i>	<i>Amount allowed towards limit</i>
A fixed bath or shower in a bathroom or elsewhere.	£25 or, if the bathroom is being provided by the building of a new structure or the conversion of outbuildings attached to the dwelling (or to the building of which the dwelling forms part) and, before the time when the local authority approve the application, they have been satisfied that it is not reasonably practicable to provide the bathroom in any other way, such higher amount as the local authority shall fix at that time as being in their opinion one-half of the part of the cost to be reasonably incurred in executing the works, being the part of

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

<i>List of amenities</i>	<i>Amount allowed towards limit</i>
	the cost attributable to the provision of the fixed bath or shower.
A wash-hand basin	£5.
A hot and cold water supply at a fixed bath or shower.	£35.
A hot and cold water supply at a wash-hand basin.	£15.
A hot and cold water supply at a sink.	£25.
A water closet	£40 or, if the works comprise the installation of a septic tank and, before the time when the local authority approve the application, they have been satisfied that the connection of the water closet with main drainage is not possible or reasonably practicable, such higher amount as the local authority shall fix at that time as being in their opinion one-half of the part of the cost to be reasonably incurred in executing the works, being the part of the cost attributable to the provision of the water closet.
Facilities for storing food	£10.
If the works comprise, in connection with all or any of the amenities provided, the bringing of a piped supply of cold water into the dwelling for the first time.	Such amount as the local authority shall fix at the time when they approve the application as being in their opinion one-half of the part of the cost to be reasonably incurred in executing the works, being the part of the cost attributable to the bringing of the piped supply into the dwelling.

- (4) The local authority shall, when they approve the application, inform the applicant of any decision taken by them under the Table fixing a higher amount in respect of the cost attributable to the provision of a fixed bath or shower or of a water closet, or fixing any amount in respect of the cost of bringing a piped supply of cold water into the dwelling.
- (5) In determining the limit the amount specified for any item in the Table shall not be brought in more than once, and no account shall be taken of any amenity provided by the works if, at the time when the works were begun, the dwelling was provided with an amenity of that kind unless part of the cost incurred in executing the works is attributable to interference with or replacement of that amenity and the local authority are satisfied that it would not have been reasonably practicable to avoid the interference or replacement.
- (6) References in this section to the cost incurred in executing or carrying out works shall include references to fees payable to professional persons employed in connection with those works.

- (7) The Secretary of State may by order vary the provisions of subsections (3), (4) and (5) of this section in any respect, and an order under this subsection may contain such transitional or other supplemental provisions as appear to the Secretary of State to be expedient.
- (8) The power to make orders conferred on the Secretary of State by subsection (7) of this section shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (9) Section 21 of the House Purchase and Housing Act 1959 shall not have effect, and this section shall have effect only, in relation to applications for standard grants made on or after 16th August 1964.

#### **43 Application to standard grants of provisions relating to improvement grants**

The provisions of sections 30 to 38 of this Act shall, with the necessary modifications, apply in relation to standard grants as they apply in relation to improvement grants, so, however, that in relation to standard grants sections 36 and 37 of this Act shall each apply with the omission of subsection (1) thereof.

#### *Grants by local authorities for provision of new houses for agricultural population*

#### **44 Power of local authorities to make grants in respect of provision of new houses for agricultural population**

- (1) A local authority may, and if so required by the Secretary of State shall, submit to the Secretary of State a scheme or schemes for assisting the provision of housing accommodation in new houses for the agricultural population, and on approval by the Secretary of State of any scheme so submitted a local authority may in accordance therewith give assistance in the manner hereinafter provided.
- (2) Assistance under this section shall be given by way of payment on the completion of the house of a lump sum not exceeding either—
  - (a) one-half of the cost of the house, or
  - (b) two hundred and forty pounds in the case of a house containing three apartments, or three hundred pounds in the case of a house containing more than three apartments.
- (3) Any person applying for assistance under this section shall furnish to the local authority full particulars of the house proposed to be erected, together with a statement, approved by an officer of the authority authorised in that behalf, of the estimated cost of the house, and such plans and specifications thereof as the authority may require.
- (4) If the local authority approve an application under this section they shall issue to the applicant a certificate of their approval, which shall set out the terms and conditions upon which assistance will be given.
- (5) On the completion of the house the applicant shall furnish the local authority with such information as they may require as to the cost of the house and shall satisfy them that it has been erected in accordance with the terms and conditions of the said certificate, and the authority shall not be liable to give assistance under this section until they are so satisfied.

- (6) A local authority may in any case refuse to approve an application under this section on any grounds which seem to them sufficient, and shall refuse to approve such an application—
- (a) in respect of any house which does not contain at least three apartments of superficial areas not less than such areas as may be specified in the scheme of assistance, and such conveniences as may be so specified;
  - (b) in respect of any house in respect of which a grant has been made under section 1 of the Hill Farming Act 1946 or under section 77 of the Agriculture (Scotland) Act 1948 or under section 22(2) of the Crofters (Scotland) Act 1955.
- (7) Where a local authority refuse to approve an application under this section they shall, if the applicant so requests, notify him in writing of the grounds of their refusal.
- (8) In this section the expression "apartment" does not include any apartment not designed for use as a living-room or as a bedroom.

#### **45 Conditions to be observed with respect to houses**

- (1) In the case of a house in respect of the provision of which assistance has been given under section 44 of this Act, the conditions specified in Schedule 4 to this Act shall, subject to the provisions of this Part of this Act, be observed with respect to the house for a period of forty years from the date of its completion and shall, so long as they are required to be so observed, be deemed to be part of the terms of any lease or tenancy of the house granted by the owner thereof, and shall be enforceable accordingly.
- (2) Where in the case of any house the condition specified in paragraph 2 of Schedule 4 to this Act is for the time being required to be observed with respect thereto, the local authority may at any time, if satisfied that the house is no longer required for a member of the agricultural population, waive their right to enforce that condition in relation to that house:

Provided that the power conferred by this subsection shall be exercisable only with the consent of the Secretary of State.

- (3) A local authority may make any exercise of the power conferred on them by subsection (2) of this section conditional on the application in relation to the house in question, for such part of the period of forty years from the date of completion of the house as remains unexpired at the time of the exercise, of such other conditions (if any) as the Secretary of State may approve; and section 46 of this Act shall apply in relation to any breach of a condition which is for the time being required to be observed with respect to the house by virtue of this subsection as it applies in relation to a breach of the conditions specified in Schedule 4 to this Act.

#### **46 Enforcement of conditions**

- (1) In the event of a breach of any of the conditions specified in Schedule 4 to this Act at a time when they are required to be observed with respect to a house, the owner for the time being of the house shall, subject to subsection (2) of this section, forthwith become liable to repay to the local authority the appropriate proportion of the sum paid by the authority under section 44 of this Act by way of assistance in respect of the provision of the house, together with interest on the appropriate proportion as from the date of payment of the sum by the authority. In this subsection—

- (a) the expression " the appropriate proportion ", in relation to a sum, means a part thereof proportionate to the extent to which the period during which conditions are required by section 45 of this Act to be observed with respect to the house remains unexpired at the date of the occurrence of the breach ; and
  - (b) " interest" means compound interest calculated at the prescribed rate and with yearly rests.
- (2) If in any case the local authority are satisfied that the breach was not due to the act, default or connivance of the owner of the house, they may, with the consent of the Secretary of State and subject to such conditions (if any) as the Secretary of State may approve, waive the liability of the owner to make repayment under subsection (1) of this section, and in the case of a continuing breach may, with the like consent and subject to such conditions as aforesaid, suspend the enforcement of that liability for such period as appears to them to be necessary for enabling the owner to remedy the breach.
- (3) Upon satisfaction of a liability of an owner of a house to make repayment under subsection (1) of this section to a local authority, observance with respect to the house of the conditions specified in Schedule 4 to this Act shall cease to be requisite.

#### **47 Voluntary repayment of assistance given under s. 44**

The owner of a house in respect of the provision of which assistance has been given under section 44 of this Act may, at any time when the conditions specified in Schedule 4 to this Act are required to be observed with respect to the house, pay to the local authority the like amount as would become payable to them under section 46 of this Act in the event of a breach at that time of any of those conditions, and on the making of the payment observance with respect to the house of those conditions shall cease to be requisite.

#### **48 Exchequer contributions towards expenses of local authorities under schemes of assistance**

- (1) The Secretary of State shall, subject to the provisions of this Act, make or undertake to make Exchequer contributions towards the expense incurred by a local authority in giving assistance under section 44 of this Act.
- (2) An Exchequer contribution under subsection (1) of this section shall be a sum equal to three-quarters of the annual loan charges referable to the amount paid by way of assistance, payable for each of the forty financial years beginning with the year in which was completed the house in respect of the provision of which the assistance was given. This subsection shall, in any case where assistance is given in respect of the provision of a house in the Highlands and Islands, have effect with the substitution for the words
- “three-quarters” of the words " seven-eighths ".
- (3) For the purposes of this section, the annual loan charges referable to the amount paid by way of assistance shall (whatever may be the manner in which the local authority have provided or intend to provide the money requisite for giving the assistance) 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 paid by way of assistance, being money the period for the repayment of which is forty years.

- (4) In the event of a breach of any of the conditions specified in Schedule 4 to this Act at a time when they are required to be observed with respect to a house, the local authority shall be liable to repay to the Secretary of State in respect of each Exchequer contribution already paid under this section a sum bearing the same proportion to the amount of the Exchequer contribution as the sum (excluding interest) repayable to the local authority by the owner of the house under section 46 of this Act bears to the sum paid by them by way of assistance, together with interest thereon as from the date on which the Exchequer contribution was paid:

Provided that—

- (a) the provisions of this subsection shall not apply if the liability of the owner to make repayment in respect of the breach of the condition has been duly waived in accordance with section 46(2) of this Act, or if and so long as the enforcement of that liability is duly suspended in accordance with that subsection ;
  - (b) if the local authority show to the satisfaction of the Secretary of State that, notwithstanding that they have taken all practicable steps for the purpose, they have been unable to recover the whole or some part of any sum repayable to them by reason of the breach of the condition, the Secretary of State may remit the repayment of the whole or any part of the sum repayable to him under this subsection.
- (5) Where under section 47 of this Act any sum is repaid to the local authority in respect of any house, the authority shall be liable to repay to the Secretary of State in respect of each Exchequer contribution already made a sum bearing the same proportion to the amount of the Exchequer contribution as the sum (excluding interest) repaid to the authority bears to the sum paid by them by way of assistance, together with interest thereon as from the date on which the Exchequer contribution was paid.
- (6) In this section " interest" means compound interest calculated at the prescribed rate and with yearly rests.

*Other forms of financial assistance by local authorities*

**49 Power of local authority to make advances for purpose of increasing housing accommodation**

- (1) A local authority may, subject to such conditions as may be approved by the Secretary of State, advance money, subject to the provisions hereinafter contained, to any person for the purpose of—
- (a) acquiring houses;
  - (b) constructing houses;
  - (c) converting into houses buildings which have been acquired by that person or acquiring buildings and converting them into houses ; or
  - (d) altering, enlarging, repairing or improving houses ;
- whether the houses or buildings are within or outside the district of the local authority.
- (2) Before advancing money under this section for the purpose specified in paragraph (a) of subsection (1) thereof the local authority shall satisfy themselves that the house or houses to be acquired is or are, or will be made, in all respects fit for human habitation, and before advancing money under this section for any of the purposes specified in paragraphs (b) to (d) of the said subsection (1) the authority shall satisfy themselves

that the house or houses to be constructed, altered, enlarged, repaired or improved or into which the building or buildings is or are to be converted, as the case may be, will, when the construction, alteration, enlargement, repair, improvement or conversion has been completed, be in all respects so fit.

(3) The following provisions shall have effect with respect to an advance under this section:—

- (a) the advance, together with interest thereon, shall be secured by a bond and disposition in security of lands with which the advance is concerned, or by an assignation in security of such a lease of those lands as is mentioned in paragraph (f) of this subsection ;
- (b) the amount of the principal of the advance shall not exceed, in the case of a house or houses to be acquired, the value of the subjects disposed or assigned in security, and, in any other case, the value which it is estimated the subjects disposed or assigned in security will bear when the construction, conversion, alteration, enlargement, repair or improvement has been carried out;
- (c) the bond and disposition or assignation in security may provide for repayment being made either by instalments of principal or by an annuity of principal and interest combined, so however that—
  - (i) in the event of any of the conditions subject to which the advance is made not being complied with, the balance for the time being unpaid shall become repayable on demand by the local authority, and
  - (ii) the said balance may in any event be repaid at any term of Whitsunday or Martinmas by the debtor after one month's written notice of intention to repay has been given to the authority;
- (d) where the advance is for any of the purposes specified in paragraphs (b) to (d) of subsection (1) of this section it may be made by instalments from time to time as the works of construction, conversion, alteration, enlargement, repair or improvement progress;
- (e) the advance shall not be made except after a valuation duly made on behalf of the local authority;
- (f) no advance shall be made unless the estate or interest in the lands proposed to be disposed or assigned in security is either ownership or a lease of which a period of not less than ten years in excess of the period fixed for the repayment of the advance remains unexpired on the date on which the assignation in security is granted. In this subsection any reference, in relation to an advance, to a bond and disposition in security shall include a reference to a bond and such other deed of heritable security as may be agreed between the parties making and receiving the advance.

(4) An advance under this section may be made in addition to assistance given by the local authority in respect of the same house under any other Act or any other provision of this Act.

## **50 Power of local authority to guarantee repayment of advances by building societies, etc., and Exchequer contributions to loss thereby incurred**

(1) A local authority may, in accordance with proposals in that behalf made by them and approved by the Secretary of State, guarantee the repayment to a building society within the meaning of the Building Societies Act 1962 or a society registered under the Industrial and Provident Societies Act 1965 of any advances, with interest thereon,

made by the society to any of its members for the purpose of enabling them to build or acquire houses, whether within or outside the district of the authority.

- (2) Where, on the submission to the Secretary of State by a local authority of proposals under this section, the Secretary of State is satisfied that the proposed guarantee extends only to the principal of, and interest on, the amount by which the sum to be advanced by the society in question exceeds the sum which would normally be advanced by it without the guarantee of the authority, and that the liability under the guarantee of the authority cannot be greater than two-thirds of that principal and interest, the Secretary of State, if he approves the proposals, may, with the consent of the Treasury, undertake to make to the authority an Exchequer contribution of not more than one-half of any loss sustained by them under the terms of the guarantee.

## **51 Power of local authority to assist in provision of separate service water pipes for houses**

- (1) A local authority may if they think fit give assistance in respect of the provision of a separate service pipe for a house in their district which has a piped supply of water from a water main, but no separate service pipe.
- (2) Subject to this section, the assistance shall be by way of making a grant in respect of all or any part of the expenses incurred in the provision of the separate service pipe.
- (3) If the local authority are themselves the local water authority (as defined in section 5(4) of the Water (Scotland) Act 1946) by whom water will be supplied by means of the separate service pipe, and themselves provide or assist in providing the separate service pipe, they may, instead of, or in addition to, making a grant under subsection (1) of this section, remit all or any part of the expenses incurred by them in providing the separate service pipe, being expenses which would otherwise be recoverable from a person having an interest in the house.
- (4) The reference to expenses in subsection (2) of this section includes, in a case where all or any part of the works required for the provision of the separate service pipe are carried out by a local water authority as defined as aforesaid (whether in exercise of default powers or in any other case), a reference to sums payable by the owner of the house, or any other person, to the local water authority for carrying out the works.

### *Miscellaneous and general*

## **52 Loans by Public Works Loan Commissioners for provision or improvement of housing accommodation**

- (1) The Public Works Loan Commissioners may, subject to the provisions of this section, lend money to any person entitled to any land either as owner or as lessee under a lease of which a period of not less than fifty years remains unexpired at the date of the loan for the purpose of constructing or improving, or facilitating or encouraging the construction or improvement of, houses, and any such person may borrow from the Public Works Loan Commissioners such money as may be required for the purposes aforesaid.
- (2) A loan for any of the purposes specified in subsection (1) of this section shall be secured with interest by a heritable security over the land and houses in respect of which that purpose is to be carried out and over such other land and houses, if any, as may be offered as security for the loan.

- (3) Any such loan may be made whether the person receiving the loan has or has not power to borrow on bond and disposition in security or otherwise, independently of this Act, but nothing in this Act or the principal Act shall affect any regulation, statutory or otherwise, whereby any company may be restricted from borrowing until a definite portion of capital is subscribed for, taken or paid up.
- (4) The following conditions shall apply in the case of any such loan:—
- (a) the period for repayment shall not exceed forty years ;
  - (b) no money shall be lent on the security of any land or houses unless the estate or interest therein proposed to be burdened is either ownership or a lease of which a period of not less than fifty years remains unexpired at the date of the loan;
  - (c) the money lent shall not exceed such proportion as is hereinafter authorised of the value, to be ascertained to the satisfaction of the Public Works Loan Commissioners, of the estate or interest in the land or houses proposed to be burdened in pursuance of subsection (2) of this section; but loans may be made by instalments from time to time as the building of houses or other work on the land so burdened progresses, so, however, that the total loans do not at any time exceed the amount aforesaid ; and the heritable security may be granted accordingly to secure such loans so to be made from time to time.
- (5) The proportion of such value as aforesaid authorised for the purpose of the loan shall be three-fourths:

Provided that if the loan exceeds two-thirds of such value as aforesaid, the Public Works Loan Commissioners shall require, in addition to such heritable security as is mentioned in subsection (2) of this section, such further security as they may think fit.

### **53 Application of Part II to agricultural tenants, etc.**

- (1) For the purposes of the provisions of this Part of this Act relating to improvement grants and to standard grants, a tenant, crofter, landholder or statutory small tenant shall be deemed to be the owner of any house, dwelling, building or other land on his farm, croft or holding if in respect of the execution thereon of improvement works or, as the case may be, of works which comprise the provision of any of the standard amenities 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) A tenant, crofter, landholder or statutory small tenant shall, for the purposes of the provisions of this Part of this Act relating to grants by local authorities for the provision of new houses for the agricultural population, be deemed to be the owner of any house on his farm, croft or holding in respect of which 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.
- (3) Where by virtue of subsection (1) of this section an improvement grant or a standard grant is made, or where assistance is given under section 44 of this Act, to a crofter, a landholder or a statutory small tenant in respect of a house or dwelling 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 standard grant has been so made or that

assistance has been so given, as the case may be, and shall inform him of the amount thereof.

- (4) If at any time within the period during which conditions are required by section 30 of this Act (including that section as applied by section 43 thereof), or by section 45 of this Act, to be observed with respect to a house or dwelling provided on a farm, croft or holding otherwise than by the landlord thereof compensation becomes payable in respect of the house or dwelling, or of any works (being improvement works or, as the case may be, works comprising the provision of any of the standard amenities) executed in relation thereto, as for an improvement 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), so much of the value of the house or dwelling or works as is attributable to the sum paid by way of improvement grant or standard grant, or by way of assistance under section 44 of this Act, as the case may be, shall be taken into account in assessing the compensation so payable and shall be deducted therefrom.
- (5) The landlord of a farm, croft or holding on which there is a house or dwelling with respect to which conditions are for the time being required to be observed by virtue of section 30 of this Act (including that section as applied by section 43 thereof), or of section 45 of this Act, 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 dwelling, or of any works (being improvement works or, as the case may be, works comprising the provision of any of the standard amenities) executed in relation thereto, as is attributable to the sum paid by way of improvement grant or standard grant, or by way of assistance under section 44 of this Act, as the case may be.

#### **54 Power of Secretary of State to make regulations**

The Secretary of State may by statutory instrument make regulations prescribing anything required or authorised by this Part of this Act to be prescribed:

Provided that regulations under this section, other than regulations made for the purposes of section 33(1) of this Act, shall not be made except with the consent of the Treasury.

### **PART III**

#### **GENERAL FINANCIAL PROVISIONS**

##### *Abolition or reduction of Exchequer contributions*

#### **55 Power of Secretary of State to abolish or reduce certain kinds of Exchequer contribution**

- (1) The Secretary of State may by order direct that, while the order remains in force, such Exchequer contributions 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 as respects all approved houses, or the cost of such houses or of the sites thereof, or as respects approved houses of such description or in such area only, or the cost of such houses or of the sites thereof, as may be specified in the order.

- (2) In this section—
- (a) the expression " approved houses " means approved houses within the meaning of section 1 of this Act and approved houses within the meaning of the Housing (Scotland) Act 1962 ; and
  - (b) the expression " Exchequer contributions " means—
    - (i) in relation to approved houses of the former class, Exchequer contributions payable under any of the enactments mentioned in Schedule 8 to this Act, so far as such Exchequer contributions are payable to a local authority, and
    - (ii) in relation to approved houses of the latter class, Exchequer contributions payable under Part I of the said Act of 1962.
- (3) An order made under this section shall be so expressed as to apply only to approved houses the proposals in respect of which were or are received by the Secretary of State after such date as may be specified in the order ; and an order may specify for the purposes of this subsection a day earlier than the day of the making of the order:
- Provided that—
- (a) in the case of an order made before 10th May 1977, so far as relating to approved houses within the meaning of section 1 of this Act, the order shall not for the purposes of this subsection specify a day earlier than the day on which the draft of the order is laid before the Commons House of Parliament under subsection (4) of this section ;
  - (b) an order shall not be made in relation to approved houses within the meaning of the said Act of 1962 before 3rd July 1972.
- (4) The power to make orders conferred on the Secretary of State by this section shall be exercisable by statutory instrument and an order shall not be made under this section unless a draft thereof has been laid before the Commons House of Parliament and has been approved by a resolution of that House, and before laying such a draft the Secretary of State shall consult with such associations of recipient authorities (within the meaning of section 1 of this Act) as appear to him to be concerned and with any recipient authority with whom consultation appears to him to be desirable.

## **56 Power of Secretary of State to reduce Exchequer contributions under s. 35**

- (1) The Secretary of State may from time to time by order provide, as respects improvement grants made under Part II of this Act in pursuance of applications approved by local authorities after such date as may be specified in the order, for reducing the proportion of the annual loan charges referable to the amount of any such grant by reference to which the amount of Exchequer contributions under section 35 of this Act are to be computed:

Provided that the said proportion shall not be reduced to less than two-thirds.

- (2) An order under this section providing for reducing the proportion of the annual loan charges referred to in subsection (1) of this section shall provide for reducing to a corresponding extent, in relation to improvement grants made as mentioned in the said subsection, the proportion of any sum required by section 35(4) of this Act to be paid to the Secretary of State.

- (3) The power to make orders conferred on the Secretary of State by this section shall be exercisable by statutory instrument and an order shall not be made under this section unless a draft thereof has been laid before the Commons House of Parliament and has been approved by a resolution of that House ; 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.

*Provisions as to payment of Exchequer contributions, etc.*

**57 Payment and receipt of certain Exchequer contributions**

- (1) Exchequer contributions falling to be made—
- (a) to a local authority under any of the enactments specified in Schedule 5 to this Act, or under any enactment in this Act (other than section 19 thereof), or
  - (b) to the Scottish Special Housing Association under section 93 of the Housing (Scotland) Act 1950 or section 23 of the Housing and Town Development (Scotland) Act 1957 or section 26 of this Act, shall be, and shall be deemed always to have been, payable at such times and in such manner as the Treasury may direct and subject to such conditions as to records, certificates, audit or otherwise as the Secretary of State may, with the approval of the Treasury, impose.
- (2) It shall be a condition of the right of a local authority to receive any Exchequer contribution payable to them under any of the enactments mentioned in Schedule 8 to this Act that the authority shall carry to the credit of their housing revenue account any amount which falls to be carried by them to the credit of that account by virtue of paragraph 1(4) of Schedule 7 to this Act.

**58 Power of Secretary of State to reduce, suspend, discontinue or transfer particular Exchequer contributions**

- (1) The Secretary of State may, in any of the circumstances mentioned in subsection (3) of this section, reduce the amount of any Exchequer contributions, being Exchequer contributions falling to be made under any of the enactments specified in Schedule 6 to this Act in respect of a particular subsidised unit, or suspend or discontinue the payment of such Exchequer contributions or part thereof, as he thinks just in those circumstances.
- (2) Where such Exchequer contributions fall to be made to a local authority in respect of a subsidised unit in relation to which an annual grant is payable by the authority to a development corporation or a housing association, then, if the amount of the Exchequer contributions is reduced or the payment of the Exchequer contributions or part thereof is suspended or discontinued under this section, the authority may reduce the annual grant to a corresponding or any less extent or suspend the payment thereof, or of a corresponding part thereof, for a corresponding period or discontinue the payment thereof, or of a corresponding part thereof, as the case may be.
- (3) The circumstances referred to in subsection (1) of this section are—
- (a) that the Exchequer contributions fall to be made to a local authority and the Secretary of State is satisfied that the authority have failed to discharge any of their duties under the Housing (Scotland) Acts 1950 to 1965 or the principal

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

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- Act or this Act or that they have failed to exercise any power mentioned therein in any case where any such power ought to have been exercised;
- (b) that the subsidised unit was provided by a development corporation or a housing association in pursuance of authorised arrangements made with a local authority or special arrangements made with the Secretary of State, and the Secretary of State is satisfied that the development corporation or housing association have made default in giving effect to the terms of any such arrangements;
  - (c) that the Exchequer contributions fall to be made subject to any conditions and the Secretary of State 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 has ceased to be used for the purpose for which it was intended;
  - (f) that the subsidised unit has been sold or has been leased for a stipulated duration exceeding twelve months;
  - (g) that the subsidised unit has been transferred, whether by sale or otherwise.
- (4) Where the Secretary of State's power under subsection (1) of this section to discontinue the payment of the whole or part of any Exchequer contributions falling to be made to a recipient authority in respect of a particular subsidised unit becomes exercisable in the circumstances mentioned in paragraph (f) or paragraph (g) of subsection (3) of this section and the subsidised unit has become vested in or has been leased to another recipient authority, then, if the Secretary of State exercises that power he may make to that other authority Exchequer contributions of the like amount as he would otherwise have made to the first-mentioned authority if the conditions (if any) subject to which the first-mentioned Exchequer contributions fell to be made had been complied with.

- (5) In this section—

" the subsidised unit" means the house, hostel or other land in respect of which Exchequer contributions fall to be made, whether they fall to be made in respect of it or its site or in respect of land comprising it or in respect of the cost of any houses, or of the acquisition of any land, comprising it;

and the provisions of section 12 of this Act shall apply for the purposes of this section as they apply for the purposes of sections 1 to 10 of this Act, except that references in this section to special arrangements made by a housing association with the Secretary of State shall include also references to arrangements which the Secretary of State may have made with a housing association for the provision of houses with a view to their approval under any Act passed before the Housing (Financial Provisions, &c.) (Scotland) Act 1967.

## **59 Effect on certain payments of house ceasing to be available as such**

- (1) Where under any of the enactments mentioned in subsection (2) of this section (being provisions in pursuance of which payments may be made by local authorities by way of financial assistance in connection with the provision or improvement of housing accommodation) a periodical payment would, apart from this section, have fallen to be made on or after 1st January 1951 in respect of a house to any person other than a local authority, that payment shall not be made if, before the making thereof, the Secretary of State is satisfied that, during the whole or the greater part of the period to which the payment is referable, the house has not been available as a dwelling fit for human habitation:

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

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Provided that nothing in this subsection shall prevent the making of a periodical payment in respect of any house if the Secretary of State is satisfied that the house could not with reasonable diligence have been made available, during the whole or the greater part of the period to which the payment is referable, as a dwelling fit for human habitation. Any question as to the period to which any payment is referable shall be determined for the purposes of this subsection by the Secretary of State.

- (2) The enactments referred to in subsection (1) of this section are—  
 section 2 of the Housing, &c. Act 1923,  
 sections 1 and 2 of the Housing (Rural Workers) Act 1926,  
 section 100 of the Housing (Scotland) Act 1950.
- (3) Where the power or duty of a local authority to make any payment is wholly or partly discharged by virtue of subsection (1) of this section, the Secretary of State may make such consequential reductions as he thinks appropriate in any Exchequer contributions payable to the authority.

### *Accounts*

## **60 The housing revenue account**

- (1) Every local authority shall keep an account (to be called " the housing revenue account") of the income and expenditure of the authority in respect of—
- (a) all houses and other buildings which have been provided at any time after 12th February 1919 under—
    - (i) Part III of the Housing (Scotland) Act 1925, or
    - (ii) any enactment relating to the provision of housing accommodation for the working classes repealed by that Act, or
    - (iii) Part V of the Housing (Scotland) Act 1950. or
    - (iv) Part VII of the principal Act;
  - (b) all land which at any time after the said date has been acquired or appropriated for the purposes of any of the enactments mentioned or referred to in paragraph (a) of this subsection, or which is deemed to have been acquired under Part III of the said Act of 1925 by virtue of section 15(4) of the Housing (Scotland) Act 1935;
  - (c) all dwellings in respect of which the Secretary of State has undertaken to make an Exchequer contribution to the local authority under section 35 of the said Act of 1935;
  - (d) all dwellings provided or improved by the local authority in accordance with improvement proposals approved by the Secretary of State under—
    - (i) section 2 of the Housing (Scotland) Act 1949. or
    - (ii) section 105 of the said Act of 1950. or
    - (iii) section 13 of this Act;
 and all land acquired or appropriated by the authority for the purpose of carrying out such proposals ;
  - (e) all houses approved by the Secretary of State for the purposes of—
    - (i) section 4 of the Housing (Repairs and Rents) (Scotland) Act 1954, or
    - (ii) section 19 of this Act;

- (f) such other houses as the local authority with the consent of the Secretary of State may from time to time determine.
- (2) Where a house is for the time being vested in a local authority by reason of the default of any person in carrying out the terms of any arrangements under which assistance in respect of the provision, reconstruction or improvement of the house has been given under any enactment relating to housing, the house shall be deemed for the purposes of subsection (1) of this section to be a house which has been provided by the authority under Part VII of the principal Act.
- (3) Notwithstanding subsection (1) of this section, a building provided or converted for use as a hostel or as part of a hostel and approved by the Secretary of State for the purposes of section 27(1) of the Housing (Scotland) Act 1949 or section 89(1) of the Housing (Scotland) Act 1950 or section 21(1) of this Act shall not be included amongst the buildings in respect of which the local authority are required by subsection (1) of this section to keep a housing revenue account:
- Provided that if at any time the Secretary of State is satisfied that the building has ceased to be used as a hostel or as part of a hostel he may direct that it shall be so included.
- (4) The provisions of Schedule 7 to this Act shall have effect as respects the keeping by a local authority of the housing revenue account.

## **61 The housing repairs account**

- (1) Subject to the provisions of this section, every local authority shall for the purpose of equalising so far as practicable the annual charge to their revenue in respect of the repair, improvement and maintenance of houses, buildings and dwellings in respect of which the housing revenue account is to be kept, keep an account (to be called "the housing repairs account") and shall in each financial year carry to the credit of that account from the housing revenue account in respect of each house, building and dwelling such amount as they may think proper, not being less than eight pounds, and such amount, if any, as may be necessary to make good any deficit shown in the housing repairs account at the end of the last preceding financial year.
- (2) Subject to the provisions of this Act, moneys standing to the credit of the housing repairs account shall be applied only in meeting expenses incurred in respect of the repair, improvement and maintenance of the houses, buildings and dwellings in respect of which the housing revenue account is to be kept.
- (3) If at any time it appears to the Secretary of State, after consultation with the local authority, that the moneys standing to the credit of the housing repairs account are more than sufficient for the purposes for which the account is to be kept or that it is no longer necessary for the account to be kept, he may give such directions as he thinks proper for the reduction of the amounts to be credited to the account or the suspension of the carrying of credits thereto, or for the closing of the account and the application of any moneys standing to the credit thereof, as the case may be.

## **62 The housing equalisation account**

- (1) Every local authority shall, if they think it desirable for the purpose of equalising the income of the housing revenue account derived from Exchequer contributions payable to them under any of the enactments mentioned in Schedule 8 to this Act over

any period during which loan charges required to be debited to the housing revenue account will be payable, keep an account (to be called "the housing equalisation account") and shall, if they keep such an account, carry to the credit of that account from the housing revenue account such sums, and shall apply an amount equal to the sums so credited in such manner, as may be prescribed.

- (2) Where a local authority close their housing equalisation account, they shall carry to the credit of their housing revenue account any sums standing to the credit of their housing equalisation account when it is closed.

### **63 Temporary application of moneys in housing accounts**

- (1) An amount equal to any moneys standing to the credit of the housing repairs account or the housing equalisation account of a local authority, and not for the time being required for the purposes for which they will ultimately be applicable, may be used by the authority for the purpose of any statutory borrowing power possessed by them subject to the conditions specified in subsection (2) of this section, and so far as not so used shall be invested temporarily in any security in which trustees are for the time being authorised by law to invest, and an amount equal to the income from such investment shall be credited to the account.
- (2) The conditions subject to which moneys may be used as mentioned in subsection (1) of this section shall be the following, that is to say—
- (a) the moneys so used shall be repaid to the account out of the county or burgh fund within the period, and by methods, within and by which a loan raised under the statutory borrowing power would be repayable:

Provided that the local authority shall repay to the account the moneys so used or the balance thereof for the time being outstanding, as the case may be, as and when required for the purposes of the account, and may make such repayment at any time within the period aforesaid, and in either case the repayment shall be made out of the said fund or out of moneys which would have been applicable to the repayment of a loan if raised under the statutory borrowing power;

- (b) in the accounts of the county or burgh fund an amount equal to interest (calculated at such rate as may be determined by the local authority to be equal as nearly as may be to the rate of interest which would be payable on a loan raised under the statutory borrowing power) on any moneys so used shall be credited to the account and debited to the branch of expenditure for the purpose for which the moneys are so used ;
- (c) the statutory borrowing power shall be deemed to be exercised by such use as fully in all respects as if a loan of the same amount had been raised in exercise of the power, and the provisions of any enactment as to the re-borrowing of sums raised under the statutory borrowing power shall apply accordingly.

#### *Borrowing by local authorities*

### **64 Power of local authorities to borrow for purposes of certain enactments**

Without prejudice to any power of borrowing conferred on them by any other enactment, a local authority may borrow money for the purposes of—

- (a) the following provisions of the Housing (Scotland) Act 1950, namely, sections 100 and 104 and Part VII;

- (b) the following provisions of this Act, namely, sections 13, 15, 17, 18, 24, 27 to 32, 34 to 38, 48, 49 and 52.

*Government payments and receipts*

**65 Government payments and receipts**

- (1) Except in so far as otherwise expressly provided in this Act, there shall be paid out of money provided by Parliament—
  - (a) all sums payable and all expenses incurred by the Secretary of State under this Act; and
  - (b) any increase attributable to the provisions of this Act in the sums payable out of money so provided under any other enactment.
- (2) Except in so far as otherwise expressly provided in this Act, there shall be paid into the Consolidated Fund—
  - (a) any receipts of the Secretary of State under this Act;and
  - (b) any other sums falling to be so paid in consequence of any of the provisions of this Act.

**PART IV**

SUPPLEMENTAL

**66 Application of provisions of Housing (Scotland) Act 1966**

The following provisions of the principal Act shall apply as if references therein to that Act included references to this Act, that is to say—  
section 1 (definition of local authority for purposes of Act),  
section 2 (power of local authority to appoint committee),  
section 5 (determination of unfitness of house for human habitation),  
section 165 (power of local authority to issue local bonds),  
section 183 (except paragraphs (b) to (g) of subsection (1) thereof) (power of entry for survey, etc.),  
section 184 (penalty for obstructing execution of Act),  
section 191 (authentication of orders, etc., by local authority),  
section 193(1) (default of local authority),  
sections 196 to 198 (provisions regarding orders, forms and regulations),  
sections 200 to 202 (provisions regarding exercise of functions by Secretary of State).

**67 Interpretation**

- (1) Subject to subsection (2) of this section, and except in so far as the context otherwise requires, expressions used in this Act and in the principal Act have the same meaning in this Act as in that Act.

- (2) In this Act, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say—

" development corporation " means a development corporation within the meaning of the New Towns (Scotland) Act 1968 ;

" Exchequer contribution " means a payment (other than a payment by way of advance or loan) which the Secretary of State is required or authorised by or under this Act, or any Act relating to housing passed before the commencement of this Act, to make for housing purposes;

" financial year ", in relation to a local authority, has the same meaning as in section 174 of the Local Government (Scotland) Act 1947;

" Highlands and Islands " means the area comprising the counties of Argyll, Caithness, Inverness, Ross and Cromarty, Sutherland, Orkney and Zetland, but excluding any large burgh;

" loan charges " means, in relation to any borrowed moneys, the sums required for the payment of interest on those moneys and for the repayment thereof either by instalments or by means of a sinking fund ;

" the principal Act " means the Housing (Scotland) Act 1966.

- (3) Any reference in this Act to any enactment shall be construed as including a reference to that enactment as amended, extended or applied by or under any other enactment including, unless the context otherwise requires, this Act.

## **68 Construction of references to this Act, etc.**

- (1) Without prejudice to section 70 of this Act, any reference in any provision of this Act to, or to things done or falling to be done under, this Act or the principal Act or the Housing (Scotland) Act 1950 or the Housing (Scotland) Act 1925 or any provision of any of those Acts shall, in so far as the context permits, be construed as including, in relation to times, circumstances and purposes in relation to which the enactments repealed by this Act or by the principal Act or by the Housing (Scotland) Act 1950 or by the Housing (Scotland) Act 1925, or the corresponding provision of any of those enactments, had effect, a reference to, or to things done or falling to be done under, those enactments or, as the case may be, that corresponding provision:

Provided that this subsection shall not have effect in relation to section 60 of, or Schedule 7 to, this Act.

- (2) Nothing in this section or section 69 or section 70 of this Act shall be taken as affecting the general application of section 38 of the Interpretation Act 1889 with regard to the effect of repeals.

## **69 Consequential amendment of Housing (Scotland) Act 1966**

The principal Act shall have effect subject to the amendments specified in Schedule 9 to this Act, being amendments consequential on the provisions of this Act.

## **70 Repeals and savings**

- (1) Subject to the provisions of this section, the enactments mentioned in Schedule 10 to this Act are hereby repealed to the extent specified in relation thereto in column 3 of that Schedule.

- (2) The repeal by this Act of any enactment shall not affect—
  - (a) any order, regulation, rule or other instrument made or having effect as if made under that enactment, or
  - (b) any agreement, application, approval, condition, determination, undertaking or other thing made, given, imposed or done, or having effect as if made, given, imposed or done, under that enactment,and any such instrument or other thing shall, if in force at the commencement of this Act, continue in force and so far as it could have been made, given, imposed or done under this Act, have effect, and be treated, as if made, given, imposed or done under the corresponding provision of this Act.
- (3) The repeal by this Act of any enactment re-enacted in this Act shall not affect any existing undertaking or other liability to make a periodical or other payment after the commencement of this Act, and the provisions of this Act shall apply so as to require that payment to be made under the corresponding provision of this Act.
- (4) The repeal by this Act of any enactment shall not affect the saving contained in section 11(1) of the Housing (Financial Provisions, &c.) (Scotland) Act 1967 in relation to the enactments repealed by the said section 11(1) and mentioned in Schedule 3 to the said Act.
- (5) So much of any enactment or other document as refers expressly or by implication to any enactment repealed by this Act or by the Housing (Scotland) Act 1950 or by the Housing (Scotland) Act 1925 shall, in so far as the context permits and as may be necessary to preserve the effect of the first-mentioned enactment or other document, be construed as referring, or (as the case may require) as including a reference, to this Act or the corresponding enactment therein.
- (6) The repeal by this Act of any provision of any Act shall not affect the application of that provision to any other provision of that Act which is not repealed by this Act.

## **71 Short title, commencement and extent**

- (1) This Act may be cited as the Housing (Financial Provisions) (Scotland) Act 1968.
- (2) This Act shall come into force on the expiration of a period of three months beginning with the date on which it is passed.
- (3) This Act shall extend to Scotland only.

## SCHEDULE 1

## DETERMINATION OF COST OF SITE

- 1 For the purposes of this Act the cost of a site shall be taken to be—
- (a) if the site was acquired by a local authority under any enactment relating to housing, the expenses incurred by the authority in connection with the acquisition ;
  - (b) if the site was acquired by a local authority otherwise than under any such enactment, such amount as the Secretary of State may determine, having regard to the purposes for which the site was acquired, the expenses incurred in connection with the acquisition, the time elapsed since the acquisition and the use made of the site before its appropriation for housing purposes;
  - (c) if the site was acquired by a recipient authority other than a local authority, either of the following, as the Secretary of State may determine, having regard to the matters mentioned in sub-paragraph (b) of this paragraph, that is to say—
    - (i) the expenses incurred by the recipient authority in connection with the acquisition ; or
    - (ii) the value of the site as certified by the Secretary of State.
- 2 For the purposes of this Act, any question as to—
- (a) what constitutes a separate site, or
  - (b) on what part of such a site any building has been erected, or
  - (c) how much of any expenses incurred by a local authority in connection with the acquisition of any land is to be attributed to any site forming part only of the land, shall be determined by the Secretary of State.
- 3 For the purposes of any determination under sub-paragraph (a) or sub-paragraph (b) of paragraph 2 of this Schedule—
- (a) where two buildings are contiguous to each other, or are separated from each other by a street only, the two buildings shall, if the Secretary of State thinks proper, be deemed to be on the same site ; and
  - (b) where any land has been acquired in connection with the provision of a building and has been or is to be used for the purpose of a new street to which the building is or will be contiguous, that land shall be deemed to form part of the site of the building.
- 4 In this Schedule—
- "building" includes any land appertaining to a building and any land appropriated for the purposes of a building which has not been erected ; and
  - "street" includes a public highway and any court, alley, passage or square, whether a thoroughfare or not.

## SCHEDULE 2

### ASCERTAINMENT OF ADDITIONAL EXCHEQUER CONTRIBUTIONS FOR HOUSES PROVIDED BY LOCAL AUTHORITIES WITH SPECIAL FINANCIAL DIFFICULTIES

#### PART I

##### *Interpretation*

- 1 In this Schedule—
- (a) "relevant financial year," in relation to any house, means the financial year preceding that in which the house was completed ;
  - (b) references in relation to a local authority to the product of a rate of a specified sum are references to the product of a rate of that sum in the pound for the district of the local authority for the relevant financial year, and section 9(1) of the Local Government (Financial Provisions) (Scotland) Act 1963 shall apply for the purpose of calculating that product.

#### PART II

##### *Calculation of Exchequer contribution*

- 2 (1) A comparison shall be made between—
- (a) the total of the amounts carried to the credit of the local authority's housing revenue account, as adjusted in accordance with this paragraph, for the relevant financial year (in this paragraph referred to as the "credits"), and
  - (b) the total of the amounts carried to the debit of that account, as adjusted as aforesaid, for that year (in this paragraph referred to as the "debits").
- (2) For the purposes of the comparison required by sub-paragraph (1) of this paragraph—
- (a) it shall be assumed that in the credits, for the income for the relevant financial year from rents in respect of the houses to which the said account relates and any amounts carried to the credit of the account for that year under sub-paragraphs (4) and (5) of paragraph 1 of Schedule 7 to this Act, there has been substituted an amount equal to the local authority's total housing valuation for the relevant financial year multiplied by the fraction determined in respect of the relevant financial year by the Secretary of State in accordance with Part IV of this Schedule ;
  - (b) there shall be excluded from the debits any expenditure by way of rebates from rents ;
  - (c) there shall be excluded from the debits any surplus shown in the account at the end of the relevant financial year and from the credits any surplus brought forward from the account for the immediately preceding financial year.
- (3) If it appears to the Secretary of State that any amount, or part of any amount, carried to the credit or to the debit of the local authority's housing revenue account for the relevant financial year ought to be left out of account for the purposes of the comparison required as aforesaid, he may, after consulting the authority, direct that

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for the purposes of that comparison the said amount or part of that amount shall be excluded from the credits or from the debits, as the case may be.

3 If on the comparison required as aforesaid being made there is a deficit, the amount of that deficit shall be reduced by the amount which bears to that deficit—

(a) in the case of any house completed before the first day of the financial year commencing in 1968, the same proportion as the amount of the exchequer equalisation grant payable to the local authority for the relevant financial year under the Local Government (Financial Provisions) (Scotland) Act 1954 bears to the authority's relevant local expenditure as certified by the Secretary of State to have been estimated under the said Act of 1954 according to the latest estimate made before the end of the relevant financial year ; and

(b) in the case of any house completed on or after the first day of the financial year commencing in 1968, the same proportion as the amount of the resources element of the rate support grant payable to the local authority for the relevant financial year under the Local Government (Scotland) Act 1966 bears to the authority's relevant local expenditure as certified by the Secretary of State to have been estimated according to the latest estimate made before the end of the relevant financial year, as calculated for the purposes of Part II of Schedule 1 to that Act in accordance with the provisions of paragraphs 4 and 5 of the said Part II,

and where the amount of the deficit as so reduced exceeds the product of a rate of two shillings and sixpence, the Secretary of State shall pay to the authority an additional Exchequer contribution, the amount of which shall be determined according to the following Table—

Table

<i>Where the amount of the local authority's reduced deficit—</i>	<i>Amount of additional Exchequer contribution—</i>
exceeds the product of a rate of two shillings and sixpence but not of a rate of three shillings and sixpence	fifteen pounds
exceeds the product of a rate of three shillings and sixpence but not of a rate of four shillings and sixpence	thirty pounds
exceeds the product of a rate of four shillings and sixpence but not of a rate of five shillings and sixpence	forty-five pounds
exceeds the product of a rate of five shillings and sixpence but not of a rate of six shillings and sixpence	sixty pounds
exceeds the product of a rate of six shillings and sixpence	seventy-five pounds

4 (1) This paragraph applies to any house completed on or after the first day of the financial year commencing in 1967.

(2) Paragraph 3 of this Schedule shall apply to any house to which this paragraph applies, but as if for the references to the sum of two shillings and sixpence and to each of the

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sums listed in column 1 of the Table there were substituted respectively references to each of those sums adjusted by—

- (a) dividing by the estimated aggregate product of a penny rate for the areas of all local authorities for the relevant financial year or, where that year was not a year of revaluation, for the last preceding year of revaluation, and
- (b) multiplying by the said estimated aggregate for the financial year commencing in 1965,

and rounded off to the nearest penny.

- (3) In sub-paragraph (2) of this paragraph, " year of revaluation " has the same meaning as in section 9 of the Valuation and Rating (Scotland) Act 1956.

- 5 For the purposes of the calculations required by this Part of this Schedule to be made in relation to any local authority for any financial year there shall be used such accounts, whether provisional or final, of the authority (being accounts for that financial year) as the Secretary of State may direct; and if provisional accounts are used nothing in this Part of this Schedule shall be taken to require the making of any recalculation on the final accounts becoming available.

### PART III

#### *Ascertainment of total housing valuation for the relevant financial year*

- 6 For the purposes of this Schedule a local authority's total housing valuation for any relevant financial year shall be ascertained in accordance with this Part of this Schedule.

- 7 There shall be ascertained—
  - (a) the aggregate of the gross annual values of all the houses to which the local authority's housing revenue account related at the end of the relevant financial year, and
  - (b) the aggregate of the gross annual values of all the houses to which the local authority's housing revenue account related at the end of the financial year immediately preceding the relevant financial year:

Provided that in ascertaining the said aggregates there shall be excluded such part of the gross annual value of any house as may be certified by the assessor to be attributable to any garage provided otherwise than by the local authority.

- 8 The amounts ascertained under paragraph 7 of this Schedule shall be added together and their sum shall be divided by two; and the result shall be the local authority's total housing valuation for the relevant financial year.

- 9 Where, by reason of a change in the areas of local authorities, houses are transferred from one local authority to another local authority, the Secretary of State may, having regard to the gross annual values of the houses and the date and circumstances of their transfer, direct that such other method of calculation as he may consider appropriate shall be used for the purposes of this Part of this Schedule in lieu of the method of calculation specified in the two last foregoing paragraphs.

- 10 Any reference in this Part of this Schedule to the gross annual value of a house to which a local authority's housing revenue account related at the end of any financial year shall be construed as a reference to the gross annual value of that house, determined under section 6 of the Valuation and Rating (Scotland) Act 1956,

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as shown in the valuation roll in operation on the first day of the financial year immediately following the financial year in question ; so however that if no gross annual value determined as aforesaid is shown for that house in that valuation roll the reference shall be construed as a reference to such value as may be estimated by the assessor to be the gross annual value, determined as aforesaid, of the house.

- 11 References in this Part of this Schedule to the assessor, in relation to any house, are references to the assessor appointed under section 1 of the Valuation and Rating (Scotland) Act 1956, for the area in which the house is situated.

#### PART IV

##### *Determination of fraction referred to in paragraph 2(2)(a) of this Schedule*

- 12 (1) The Secretary of State shall estimate—
- (a) the aggregate of the total amounts carried to the credit of the housing revenue accounts of all local authorities for the relevant financial year,
  - (b) the aggregate of the total amounts carried to the debit of those accounts for that year, and
  - (c) the aggregate of the total housing valuations of all local authorities for that year.
- (2) For the purposes of sub-paragraph (1) of this paragraph—
- (a) it shall be assumed that in the credits, for the income for the relevant financial year from rents in respect of the houses to which the said accounts relate and any amounts carried to the credit of the accounts for that year under sub-paragraphs (4) and (5) of paragraph 1 of Schedule 7 to this Act, there has been substituted an amount equal to one-third of the aggregate of the Exchequer contributions payable to the said authorities for that year under any of the enactments mentioned in Schedule 8 to this Act;
  - (b) sub-paragraphs (2)(b) and (c) and (3) of paragraph 2 of this Schedule shall apply in like manner as they apply for the purposes of the comparison required by sub-paragraph (1) of the said paragraph.
- 13 The amount by which the estimated aggregate of the debits referred to in head (b) of paragraph 12(1) of this Schedule exceeds the estimated aggregate of the credits referred to in head (a) of the said paragraph 12(1) shall be expressed as a fraction of the estimated aggregate of the total housing valuations referred to in head (c) of the said paragraph 12(1).

#### SCHEDULE 3

##### CONDITIONS TO BE OBSERVED WITH RESPECT TO DWELLINGS PROVIDED OR IMPROVED WITH THE HELP OF IMPROVEMENT GRANTS OR STANDARD GRANTS

- 1 The dwelling shall not be used for purposes other than those of a private dwelling-house. For the purposes of this paragraph, a dwelling shall not be deemed to be used for purposes other than those of a private dwelling-house by reason only that part thereof is used as a shop or office, or for business, trade or professional purposes.

2 AH reasonable steps shall be taken to secure the maintenance of the dwelling so as to be in all respects fit for human habitation.

3 The dwelling shall at all times at which it is not occupied—

(a) by the applicant for the grant or a member of his family;

or

(b) where the applicant is a trustee within the meaning of the Trusts (Scotland) Act 1921, by a person who under the trust is interested in the dwelling or the proceeds of sale thereof, or by a member of the family of such a person ; or

(c) by a person who on the death of the applicant has (whether or not in consequence of a disposition by will) become beneficially entitled to, or to an interest in, the interest of the applicant in the dwelling or in the proceeds of sale thereof, or by a member of the family of such a person ; or

(d) by a member of the agricultural population in pursuance of a contract of service and otherwise than as a tenant;

be let or kept available for letting:

Provided that this paragraph shall not apply to a dwelling held upon trust for any charitable purpose within the meaning of the Income Tax Act 1952 so long as it is occupied or kept available for occupation for that purpose.

4 Subject to the provisions of subsections (4) and (5) of section 32 of this Act, the rent payable by a tenant of the dwelling shall not exceed—

(a) in a case where a maximum rent with respect to the dwelling has been fixed under subsection (1) of the said section 32, the amount thereof;

(b) in any other case, and subject to the provisions of section 32(3) of this Act, an amount equal to the aggregate of—

(i) the rent at which the dwelling was last let before the improvement works were begun, and

(ii) a sum calculated at a rate per annum not exceeding the appropriate percentage of the fraction of the approved expense of executing the improvement works or of the approved proportion of that expense (according as the works were for the improvement of a single dwelling or of two or more dwellings) that fell to be borne by the applicant for the grant; and

(iii) any sum recoverable in respect of the dwelling by way of repairs increase or by way of 1957 Act increase (other than any such sum included in the rent referred to in head (i) above),

and no fine, premium or other like sum shall be taken in addition to the rent. In this paragraph—

" appropriate percentage " means, in a case where the application for the grant was made before 3rd July 1962, eight per cent, and, in a case where the application was made on or after that date, twelve and one half per cent.;

" repairs increase " has the same meaning as in the Housing (Repairs and Rents) (Scotland) Act 1954 ; and

" 1957 Act increase " has the same meaning as in the Rent Act 1957.

5 The owner of the dwelling shall, on being required so to do by the local authority, certify that the conditions specified in paragraphs 1, 3 and 4 of this Schedule are being observed with respect to the dwelling, and any tenant of the dwelling shall, on

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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 this condition.

6 In the event of a tenant assigning his interest in, or otherwise parting with the possession of, the dwelling, it shall not be lawful for any person in consideration thereof to make any payment other than rent or for the tenant to receive, directly or indirectly, any such payment.

7 Where the dwelling is occupied for the time being by a member of the agricultural population in pursuance of a contract of service, then if that contract is determined

- (a) by less than four weeks' notice given by the employer, or
- (b) by dismissal of the employee without notice, or
- (c) by the death of either party,

the employer or his personal representative shall permit the employee (or, in the case of his death, any person residing with him at his death) to continue to occupy the dwelling free of charge from the determination of the contract until the expiration of a period of four weeks beginning with the date on which the notice is given or, if the contract is determined otherwise than by notice, with the date on which it is determined. In this paragraph "occupied" means occupied otherwise than by a tenant, and "occupy" shall be construed accordingly.

#### SCHEDULE 4

##### CONDITIONS TO BE OBSERVED WITH RESPECT TO HOUSES PROVIDED WITH ASSISTANCE UNDER SECTION 44

1 The house shall be so maintained as to be in all respects fit for human habitation.

2 Subject to the provisions of section 45(2) of this Act, the house shall not be occupied otherwise than by a member of the agricultural population.

3 The house shall not be let at a rent exceeding—

- (a) except in such a case as is mentioned in head (b) of this paragraph, the rent fixed by the local authority at the time when they approved the application for assistance;
- (b) in a case to which paragraph 9 of Schedule 3 to the Valuation and Rating (Scotland) Act 1956 applies, the rent so fixed reduced by virtue of the said paragraph 9.

4 Where the house is occupied for the time being by a member of the agricultural population in pursuance of a contract of service, then if that contract is determined

- (a) by less than four weeks' notice given by the employer,
- (b) by dismissal of the employee without notice, or
- (c) by the death of either party,

the employer or his personal representative shall permit the employee (or, in the case of his death, any person residing with him at his death) to continue to occupy the house free of charge from the determination of the contract until the expiration of a period of four weeks beginning with the date on which the notice is given or, if the contract is determined otherwise than by notice, with the date on which it

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is determined. In this paragraph "occupied" means occupied otherwise than by a tenant, and "occupy" shall be construed accordingly.

- 5 The owner of the house shall from time to time, on being so required by the local authority, furnish to the authority a certificate to the effect that the conditions specified in this Schedule 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 this condition.

## SCHEDULE 5

### ENACTMENTS REFERRED TO IN SECTION 57(1)

The Housing, Town Planning, &c. (Scotland) Act 1919.  
(9 & 10 Geo. 5 c. 60)

The Housing, &c. Act 1923.  
(13 & 14 Geo. 5 c. 24)

The Housing (Financial Provisions) Act 1924.  
(14 & 15 Geo. 5 c. 35)

The Housing (Scotland) Act 1925.  
(15 & 16 Geo. 5 c. 15)

The Housing (Rural Workers) Acts 1926 to 1942

The Housing (Scotland) Act 1930.  
(20 & 21 Geo. 5 c. 40)

The Housing (Rural Authorities) Act 1931.  
(21 & 22 Geo. 5 c. 39)

The Housing (Financial Provisions) (Scotland) Act 1933.  
(23 & 24 Geo. 5 c. 16)

The Housing (Scotland) Act 1935.  
(25 & 26 Geo. 5 c. 41)

The Housing (Agricultural Population) (Scotland) Act 1938.  
(1 & 2 Geo. 6 c. 38)

The Housing (Financial Provisions) (Scotland) Act 1938.  
(2 & 3 Geo. 6 c. 3)

The Housing (Scotland) Act 1950.  
(14 Geo. 6 c. 34)

The Housing and Town Development (Scotland) Act 1957.  
(5 & 6 Eliz. 2. c. 38) Sections 2 and 3.

The Housing (Scotland) Act 1962.  
(10 & 11 Eliz. 2. c. 28)

Part I.

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## SCHEDULE 6

### ENACTMENTS REFERRED TO IN SECTION 58(1)

The Housing, Town Planning, &c. (Scotland) Act 1919.

(9 & 10 Geo. 5. c. 60)

Sections 5 and 16

The Housing, &c. Act 1923.

(13 & 14 Geo. 5 c. 24)

Sections 1 and 3.

The Housing (Rural Workers) Act 1926.

(16 & 17 Geo. 5 c. 56)

Section 4.

The Housing (Scotland) Act 1930.

(20 & 21 Geo. 5 c. 40)

Section 23.

The Housing (Rural Authorities) Act 1931.

(21 & 22 Geo. 5 c. 39)

Section 1.

The Housing (Scotland) Act 1935.

(25 & 26 Geo. 5 c. 41)

Sections 26, 30 and 35.

The Housing (Agricultural Population) (Scotland) Act 1938.

(1 & 2 Geo. 6 c. 38)

Section 1.

The Housing (Financial Provisions) (Scotland) Act 1938.

(2 & 3 Geo. 6 c. 3)

Sections 1 and 2.

The Housing (Scotland) Act 1950.

(14 Geo. 6 c. 34)

Sections 84 to 88, 89(3) and (4), 91, 93, 104, 105, 110 and 121.

The Housing and Town Development (Scotland) Act 1957.

(5 & 6 Eliz. 2 c. 38)

Sections 2, 3 and 23.

The Housing (Scotland) Act 1962.

(10 & 11 Eliz. 2 c. 28)

Sections 1 to 7, 9, 12(3) and 14.

The Housing Act 1964. (1964 c. 56)

Section 92.

This Act.

Part I, Part II (except sections 26 and 50) and section 58(4).

## SCHEDULE 7

### THE HOUSING REVENUE ACCOUNT

- 1 (1) In each financial year a local authority shall carry to the credit of the housing revenue account amounts equal to—
  - (a) the income receivable by the local authority for that year from rents and feu duties in respect of houses and other property to which the account relates ;
  - (b) any Exchequer contributions payable to the local authority for that year under any of the enactments mentioned in Schedule 8 to this Act, together with any Exchequer contributions payable to them under section 87(2) or 87(4) of the Housing (Scotland) Act 1950 or under section 9(2) or 9(4) of the Housing (Scotland) Act 1962 or under section 92(2), as read with section 92(10), of the Housing Act 1964 ;
  - (c) any payments received by the local authority from another local authority in pursuance of any overspill agreement within the meaning of Part II of the Housing and Town Development (Scotland) Act 1957, being payments such as are mentioned in paragraph 2(g) of this Schedule ;
  - (d) any contributions received by the local authority under section 101(1) of the Housing Act 1964, in so far as amounts equal to the expenditure towards which those contributions are made fall to be debited to the account.
- (2) Where any house or other property to which the account relates has been sold or otherwise disposed of, whether before or after the commencement of this Act, an amount equal to any income of the local authority arising from the investment or other use of capital money received by the authority in respect of the transaction shall, unless the Secretary of State otherwise directs as respects the whole or any part of such income, be carried to the credit of the account in like manner as if it had been income from rents.
- (3) An amount equal to the income (if any) of the local authority arising from an investment or other use of borrowed moneys in respect of which the authority are required under the following provisions of this Schedule to debit loan charges to the account shall be carried to the credit of the account in like manner as if it had been income from rents.
- (4) Where in any financial year a deficit is shown in the account, the local authority shall carry to the credit of the account, in respect of that financial year, an amount equal to the amount of the deficit.
- (5) In any financial year the local authority may carry to the credit of the account, in addition to the amounts required by the foregoing provisions of this Schedule, such further amounts, if any, as they may think fit.
- 2 In each financial year a local authority shall debit to the housing revenue account amounts equal to—
  - (a) the loan charges which the local authority are liable to pay for that year in respect of moneys borrowed by a local authority for the purpose of—
    - (i) the provision by them after 12th February 1919 of housing accommodation under Part III of the Housing (Scotland) Act 1925, or under any enactment relating to the provision of housing accommodation for the working classes repealed by that Act, or

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- under Part V of the Housing (Scotland) Act 1950, or under Part VII of the principal Act; or
- (ii) the execution of works in respect of which the Secretary of State has undertaken to make an Exchequer contribution under section 35 of the Housing (Scotland) Act 1935 ; or
  - (iii) the provision or improvement by them of dwellings in accordance with improvement proposals approved by the Secretary of State under section 2 of the Housing (Scotland) Act 1949 or under section 105 of the said Act of 1950 or under section 13 of this Act; or
  - (iv) the purchase of any houses approved by the Secretary of State for the purposes of section 4 of the Housing (Repairs and Rents) (Scotland) Act 1954 or section 19 of this Act, or the carrying out of works on such houses ;
- (b) the taxes, feuduties, rents and other charges which the local authority are liable to pay for that year in respect of houses and other property to which the account relates ;
  - (c) the expenditure incurred by the local authority for that year in respect of the supervision and management of houses and other property to which the account relates ;
  - (d) the arrears of rent which have been written off in that year as irrecoverable;
  - (e) any amounts required to be credited by the local authority for that year to a housing repairs account kept in accordance with section 61 of this Act;
  - (f) if the local authority keep a housing equalisation account in accordance with section 62 of this Act, any amounts required to be credited by the authority for that year to that account;
  - (g) any payments made by the local authority to another local authority or a development corporation in pursuance of any overspill agreement within the meaning of Part II of the Housing and Town Development (Scotland) Act 1957, being payments towards expenditure which, if it had been incurred by the first-mentioned authority, would have been debited by them to their housing revenue account in pursuance of this paragraph.
- 3       Where it appears to the Secretary of State that amounts in respect of any incomings or outgoings other than those mentioned in the foregoing provisions of this Schedule ought properly to be credited or debited to a housing revenue account, or that amounts in respect of any of the incomings and outgoings mentioned in the foregoing provisions of this Schedule which ought properly to have been credited or debited to the account have not been so credited or debited, or that any amounts have been improperly credited or debited to the account, he may, after consultation with the local authority, give directions for the appropriate credits or debits to be made or for the rectification of the account, as the case may require:
- Provided that, in the case of incomings and outgoings other than those mentioned in the foregoing provisions of this Schedule, directions under this paragraph may (instead of directing particular amounts to be credited or debited) direct generally that credits or debits shall be made in respect of incomings and outgoings of a kind specified in the direction.
- 4       Any surplus shown in a housing revenue account at the end of a financial year may be applied by the local authority, in whole or in part, in making good to the general rate fund any amounts credited to the account under paragraph 1(4) or 1(5) of this

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Schedule in any of the nine last preceding financial years, and, so far as not so applied, shall be carried forward in the account to the next financial year.

- 5 References in this Schedule to houses and other property to which the housing revenue account of a local authority relates shall be construed as references to houses, buildings, land and dwellings in respect of which the authority is required by section 60 of this Act to keep the account.

## SCHEDULE 8

### ENACTMENTS REFERRED TO IN SECTIONS 55, 57 AND 62, AND IN SCHEDULES 2 AND 7

The Housing, Town Planning, &c. (Scotland) Act 1919.  
(9 & 10 Geo. 5. c. 60)  
Section 5.

The Housing, &c. Act 1923.  
(13 & 14 Geo. 5. c. 24)  
Section 1(1)(b) and (3).

The Housing (Scotland) Act 1930.  
(20 & 21 Geo. 5. c. 40)  
Section 23.

The Housing (Rural Authorities) Act 1931.  
(21 & 22 Geo. 5. c. 39)  
Section 1.

The Housing (Scotland) Act 1935.  
(25 & 26 Geo. 5. c. 41)  
Part III.

The Housing (Agricultural Population) (Scotland) Act 1938.  
(1 & 2 Geo. 6. c. 38)  
Section 1.

The Housing (Financial Provisions) (Scotland) Act 1938.  
(2 & 3 Geo. 6. c. 3)  
Section 1.

The Housing (Scotland) Act 1950  
(14 Geo. 6. c. 34)  
Sections 84 to 86, 88, 91 and 105.

The Housing and Town Development (Scotland) Act 1957.  
(5 & 6 Eliz. 2. c. 38)  
Sections 2 and 3.

The Housing (Scotland) Act 1962.  
(10 & 11 Eliz. 2. c. 28)  
Part I.

This Act  
Sections 2, 4 to 10, 13, 19 and 58(4).

## SCHEDULE 9

### CONSEQUENTIAL AMENDMENT OF HOUSING (SCOTLAND) ACT 1966

- 1 In section 74(4), for the words " section 19 of the House Purchase and Housing Act 1959 or section 111 of the Housing (Scotland) Act 1950" there shall be substituted the words
- “section 40 or section 27 of the Housing (Financial Provisions) (Scotland) Act 1968”.
- 2 In section 74(8), for the words " section 75(3)(c) of the Housing (Scotland) Act 1950 " there shall be substituted the words
- “section 49(3)(c) of the Housing (Financial Provisions) (Scotland) Act 1968”.
- 3 In section 79(2), for the words "section 19 of the House Purchase and Housing Act 1959 " there shall be substituted the words
- “section 40 of the Housing (Financial Provisions) (Scotland) Act 1968”.
- 4 In section 86(7), for the words " section 19 of the House Purchase and Housing Act 1959 " there shall be substituted the words
- “section 39 of the Housing (Financial Provisions) (Scotland) Act 1968”, and the words " transitional and other supplemental provisions, including " shall be omitted.
- 5 In section 145(6), for the words " Part I of Schedule 6 to the Housing (Scotland) Act 1950 " there shall be substituted the words
- “Schedule 8 to the Housing (Financial Provisions) (Scotland) Act 1968”.
- 6 In section 146, for the words "section 137 of the Housing (Scotland) Act 1950 " there shall be substituted the words
- “section 60 of the Housing (Financial Provisions) (Scotland) Act 1968”.
- 7 In section 151(1), for the words " section 137 of the Housing (Scotland) Act 1950" there shall be substituted the words
- “section 60 of the Housing (Financial Provisions) (Scotland) Act 1968”.
- 8 In section 175(1) for the words " section 23(1) of the Housing and Town Development (Scotland) Act 1957 " there shall be substituted the words
- “section 1(3) of the Housing (Financial Provisions) (Scotland) Act 1968”, and for the words " section 18(1)(b) of the Housing (Scotland) Act 1962" there shall be substituted the words
- “section 25(1)(b) of the Housing (Financial Provisions) (Scotland) Act 1968”.
- 9 In section 208(1), the definition of " Exchequer contribution " shall be omitted.
- 10 In section 210(2), for the words " the references in sections 2, 177(1), 178(b), 183(1) (a), 193(1), 196(1) and 197(1) of this Act" there shall be substituted the following words—
- “the references in sections 1, 2, 177(1), 178(b), 183(1)(a), 191. 192(4) and (6), 193(1), 196(1), 197(1), 200(1), 201, 202, 205 and 206 of this Act

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and for the words " section 165(1) of this Act" there shall be substituted the words  
 “sections 165(1) and 200(2) of this Act”;

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- 11 In Schedule 9, the amendment of sections 137 and 138 of the Housing (Scotland) Act 1950 and the amendment of section 29(2) of the House Purchase and Housing Act 1959 shall be omitted.

## SCHEDULE 10

### ENACTMENTS REPEALED

<i>Session and Chapter</i>	<i>Short Title</i>	<i>Extent of Repeal</i>
14 Geo. 6. c. 34.	The Housing (Scotland) Act 1950.	Section 1. Section 75. Sections 77 and 78. Sections 89 and 90. Section 92. Section 109. Sections 111 to 119. Section 122. In section 123, the words from " or arrangements " to " Part of this Act". In section 126, subsections (1), (3) and (4). In section 127, subsections (3) and (4). In section 128, subsections (2) and (3). Section 130. Section 132. Sections 137 to 142. Sections 167 and 168. Sections 174 to 176. Sections 182 and 183. Schedule 6. Schedule 8. Schedule 10.
15 & 16 Geo. 6. and 1 Eliz. 2. c. 63.	The Housing (Scotland) Act 1952.	In section 1, subsection (4). Sections 3 and 4. Sections 6 and 7. In section 9, subsections (1) and (2), in subsection (3) the words " and subsection (6) of section one hundred and eleven of the principal Act " and the words " and, in the case of the said subsection (6), section three of this Act", subsections (4) and (6).

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<i>Session and Chapter</i>	<i>Short Title</i>	<i>Extent of Repeal</i>
2 & 3 Eliz. 2. c. 50.	The Housing (Repairs and Rents) (Scotland) Act 1954.	Section 4. Sections 9 to 11. In section 43, the words " or section one hundred and sixteen or section one hundred and seventy of the Housing (Scotland) Act 1950".
3 & 4 Eliz. 2. c. 21.	The Crofters (Scotland) Act 1955.	In section 22(8), the words " and subsection (6) of section one hundred and eleven" and the words " and subsection (5) of section three of the Housing (Scotland) Act 1952 ".
5 & 6 Eliz. 2. c. 25.	The Rent Act 1957.	In section 10(2), paragraph (d).
5 & 6 Eliz. 2. c. 38.	The Housing and Town Development (Scotland) Act 1957.	Section 4. In section 5, subsection (1). Section 21. In section 27(1), the words " or in Part I of the Housing (Repairs and Rents) (Scotland) Act 1954 ". In Schedule 1, paragraphs 5, 6, 8 and 10 to 12.
7 & 8 Eliz. 2. c. 33.	The House Purchase and Housing Act 1959.	In section 3, in subsection (1) the words "and paragraph (b) of subsection (3) of section seventy-five of the Act of 1950 ", and in subsection (2) the words " and of the said section seventy-five " and the words " which or of ". Sections 19 and 20. Sections 22 to 24. In section 25, the words " and section one hundred and ten of the Act of 1950 (which makes similar provision as respects Scotland)". In section 29, in subsection (1) in the definition of " improvement grant" the words " or under section one hundred and eleven of the Act of 1950 ", and in subsection (2) the words " and, in Scotland,

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<i>Session and Chapter</i>	<i>Short Title</i>	<i>Extent of Repeal</i>
10 & 11 Eliz. 2. c. 28.	The Housing (Scotland) Act 1962.	<p>section 5 of the Housing (Scotland) Act 1966 ".                      In section 31(1), the words from " and the Act of 1950 " to the end.                      In section 32(4), the words "and Part II of the First Schedule thereto ".                      In Schedule 1, Part II.</p> <p>Section 8. Sections 11 to 13. Section 15.                      In section 16, the words " and section one hundred and eighteen of the Act of 1950 (which relates to the increase of rent under Part VII of that Act in certain cases) ".                      Sections 17 and 18.                      In section 19, subsection (1).                      In section 32(1), paragraph (b) and the words " or, as the case may be, by whom it may be occupied ".                      In Schedule 4, paragraph 4, in paragraph 6 the words from "and Part I of the Sixth Schedule " to the end, paragraphs 32 to 34 and paragraph 36.</p>
1964 c. 56.	The Housing Act 1964.	<p>In section 11, subsection (2).                      Sections 45 to 49.                      Section 55.                      Sections 61 and 62.                      In section 63, subsection (2).                      In section 92, subsection (7), and, in subsection (10), paragraph (h).                      Section 96.                      In section 97, subsection (2).                      Section 99. Section 101(2).                      Section 103.</p>
1965 c. 40.	The Housing (Amendment) (Scotland) Act 1965.	The whole Act.
1966 c. 49.	The Housing (Scotland) Act 1966.	In section 86(7), the words " transitional and other supplementary provisions, including ".

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<i>Session and Chapter</i>	<i>Short Title</i>	<i>Extent of Repeal</i>
1967 c. 20.	The Housing (Financial Provisions. &c.) (Scotland) Act 1967.	<p>In section 208(1), the definition of " Exchequer contribution".</p> <p>In Schedule 9, the amendment of sections 137 and 138 of the Housing (Scotland) Act 1950 and the amendment of section 29(2) of the House Purchase and Housing Act 1959.</p> <p>In section 1, subsections (1) to (3).</p> <p>Sections 2 to 10.</p> <p>In section 11, in subsection (1) the words " The provisions of this section shall have effect with respect to annual contributions, and ", and subsections (2) to (6).</p> <p>Sections 12 to 15.</p> <p>In section 16, subsection (2).</p> <p>In section 17, in subsection (1) the definitions of " approved house ", " authorised arrangements made with a local authority" and " relevant financial year", and subsection (2).</p> <p>In section 21(1), the words from " so however " to the end.</p> <p>Schedules 1 and 2.</p> <p>Schedule 4.</p> <p>In Schedule 5, paragraphs 5, 7 to 9, 12 and 13.</p>