



Housing (Financial Provisions) (Scotland) Act 1968

1968 CHAPTER 31

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
 - (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
 - (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;
 - (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.