

# Housing (Financial Provisions) (Scotland) Act 1968

## **1968 CHAPTER 31**

#### **PART II**

FINANCIAL ASSISTANCE IN RESPECT OF HOUSING ACCOMMODATION PRIVATELY PROVIDED OR IMPROVED

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

## 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.

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- (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.

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#### 46 Enforcement of conditions

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(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.

### 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.

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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.