



# Housing (Financial Provisions) (Scotland) Act 1968

## 1968 CHAPTER 31

### PART II

#### FINANCIAL ASSISTANCE IN RESPECT OF HOUSING ACCOMMODATION PRIVATELY PROVIDED OR IMPROVED

##### *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.

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- (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

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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.