



Housing (Financial Provisions) (Scotland) Act 1968

1968 CHAPTER 31

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.

Status: This is the original version (as it was originally enacted).

- (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 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:

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—

Status: This is the original version (as it was originally enacted).

- (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.