



# Housing (Scotland) Act 1988

## 1988 CHAPTER 43

### PART I

#### SCOTTISH HOMES

##### *Finance and administration*

#### **5 Determination of financial duties of Scottish Homes.**

- (1) The Secretary of State may, with the approval of the Treasury, determine the financial duties of Scottish Homes, and different determinations may be made in relation to different general functions, powers and activities of Scottish Homes.
- (2) The Secretary of State shall give Scottish Homes notice of every determination, and a determination may—
  - (a) relate to a period beginning before the date on which it is made;
  - (b) contain incidental or supplemental provisions; and
  - (c) be varied by a subsequent determination.

#### **6 Government grants to Scottish Homes.**

- (1) The Secretary of State may, with the consent of the Treasury, make such grants to Scottish Homes as appear to him to be required to enable Scottish Homes to meet the expenses it incurs in the exercise of its general functions and powers.
- (2) A grant under subsection (1) above may be subject to such conditions as the Secretary of State may determine.

#### **7 Borrowing by and government loans to Scottish Homes.**

- (1) For the purpose of the exercise of any of its general functions or powers Scottish Homes may borrow money from the Secretary of State and may, with the consent of the Secretary of State given with the approval of the Treasury, borrow money, whether in

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sterling or otherwise, from any other person or body, whether in the United Kingdom or elsewhere.

- (2) Scottish Homes may borrow money from any of its wholly owned subsidiaries without obtaining the consent of the Secretary of State.
- (3) It shall be the duty of Scottish Homes to secure that none of its wholly owned subsidiaries borrows money otherwise than from Scottish Homes or from another wholly owned subsidiary of Scottish Homes, except with the consent of the Secretary of State and the approval of the Treasury.
- (4) The Secretary of State may lend to Scottish Homes any sums which Scottish Homes has power to borrow from him under subsection (1) above, for such purposes as the Secretary of State may specify and the Treasury may issue to the Secretary of State out of the National Loans Fund any sums necessary to enable the Secretary of State to make loans in pursuance of this subsection.
- (5) Any loans made in pursuance of subsection (4) above shall be repaid to the Secretary of State at such times and by such methods, and interest on the loans shall be paid to him at such times and at such rates, as he may from time to time direct; and all sums received by the Secretary of State in pursuance of this subsection shall be paid into the National Loans Fund.
- (6) The Secretary of State shall prepare in respect of each financial year an account of the sums issued to him in pursuance of subsection (4) above and the sums received by him in pursuance of subsection (5) above and of the disposal by him of those sums, and shall send the account to the Comptroller and Auditor General before the end of the month of November next following the end of that year; and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it and of his report before each House of Parliament.
- (7) The Secretary of State shall not make a loan or give a direction in pursuance of this section except with the approval of the Treasury; and the form of the account prepared in pursuance of subsection (6) above and the manner of preparing it shall be such as the Treasury may direct.
- (8) In this section and in sections 8, 10 and 11 below, “financial year” means the period beginning with the commencement of this section and ending with 31st March of the calendar year next following such commencement and each subsequent period of 12 months ending with 31st March.

## **8 Guarantees.**

- (1) The Treasury may guarantee, in such manner and on such conditions as they think fit, the repayment of the principal of and the payment of interest on any sums which Scottish Homes borrows from a person other than the Secretary of State.
- (2) Immediately after a guarantee is given under this section, the Treasury shall lay a statement of the guarantee before each House of Parliament; and where any sum is issued for fulfilling a guarantee so given, the Treasury shall lay before each House of Parliament a statement relating to that sum, as soon as possible after the end of each financial year, beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest on it is finally discharged.

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- (3) Any sums required by the Treasury for fulfilling a guarantee under this section shall be charged on and issued out of the Consolidated Fund.
- (4) If any sums are issued in fulfilment of a guarantee given under this section, Scottish Homes shall make to the Treasury, at such time and in such manner as the Treasury from time to time direct, payments of such amounts as the Treasury so direct in or towards repayment of the sums so issued and payments of interest, at such rate as the Treasury so direct, on what is outstanding for the time being in respect of sums so issued.
- (5) Any sums received by the Treasury in pursuance of subsection (4) above shall be paid into the Consolidated Fund.

## **9 Limit on borrowing etc.**

- (1) The aggregate amount outstanding by way of principal of—
  - (a) money borrowed by Scottish Homes under section 7(1) above;
  - (b) money borrowed by wholly owned subsidiaries of Scottish Homes with the consent of the Secretary of State and approval of the Treasury under section 7(3) above;
  - (c) money borrowed by the Scottish Special Housing Association or the Housing Corporation the repayment of which is a liability or obligation transferred to Scottish Homes under section 3(1) or 4(5) above;
  - (d) sums issued by the Treasury in fulfilment of guarantees under section 8 above, shall not exceed £1,000 million or such greater sum not exceeding £1,500 million as the Secretary of State may specify by order made with the consent of the Treasury.
- (2) An order under subsection (1) above shall be made by statutory instrument and no such order shall be made unless a draft of it has been laid before and approved by the House of Commons.
- (3) In ascertaining the limit imposed by subsection (1) above, interest payable on a loan made by the Secretary of State to Scottish Homes which, with the approval of the Treasury, is deferred and treated as part of the loan shall, so far as outstanding, be treated as outstanding by way of principal.

## **10 Miscellaneous financial directions.**

- (1) If for a financial year the revenues of Scottish Homes exceed the total sums properly chargeable to revenue account, it shall apply the excess in such manner as the Secretary of State may, after consultation with Scottish Homes direct; and the Secretary of State may direct that the whole or part of the excess be paid to him.
- (2) The Secretary of State may give directions to Scottish Homes as to matters relating to—
  - (a) the establishment or management of reserves;
  - (b) the carrying of sums to the credit of reserves; or
  - (c) the application of reserves for the purposes of the functions of Scottish Homes.
- (3) The Secretary of State may direct Scottish Homes to pay to him the whole or part of any sums for the time being standing to the credit of its reserves or being of a capital nature and not required for the exercise of its functions.

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- (4) The Secretary of State may act under this section only with the approval of the Treasury.
- (5) It shall be the duty of Scottish Homes to comply with directions under this section.

## **11 Accounts, annual report of Scottish Homes, etc.**

- (1) Scottish Homes shall keep proper accounts and other records in relation to the accounts and shall prepare in respect of each of its financial years a statement of account in such form as the Secretary of State may, with the approval of the Treasury, determine.
- (2) The statement of account prepared by Scottish Homes for each financial year shall be submitted to the Secretary of State at such time as he may direct.
- (3) The Secretary of State shall, on or before the end of the month of August in any year, transmit to the Comptroller and Auditor General the statement of account prepared by Scottish Homes under this section for the financial year last ended.
- (4) The Comptroller and Auditor General shall examine and certify the statement of account transmitted to him under this section and lay before Parliament copies of the statement of account together with his report thereon.
- (5) Scottish Homes shall provide the Secretary of State with such information relating to its general functions, powers, activities and proposed activities as he may from time to time require, and for that purpose shall permit any person authorised in that behalf by the Secretary of State or the Comptroller and Auditor General to inspect and make copies of its accounts, books, documents or papers, and shall afford to that person such explanation thereof as he may reasonably require.
- (6) It shall be the duty of Scottish Homes to make to the Secretary of State, as soon as possible after the end of each financial year, a report dealing with the activities of Scottish Homes during that year.
- (7) It shall be the duty of the Secretary of State to lay before each House of Parliament a copy of each report received by him under subsection (6) above.

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