

HOUSING AND REGENERATION ACT 2008

EXPLANATORY NOTES

STRUCTURE OF THE ACT

Part 3 – Other Provisions

Chapter 3 - Housing finance and other provisions

Housing Revenue Account subsidy

888. These provisions provide a power for the appropriate person (the Secretary of State in England and the Welsh Ministers in Wales) and those local housing authorities who keep a Housing Revenue Account to enter into agreements concerning Housing Revenue Account Subsidy. This enables the parties to agree that no Housing Revenue Account Subsidy is payable by or to the appropriate person. Agreements can be for either an authority's whole stock or for specified properties.

Section 313 - Exclusions from subsidy arrangements

889. *Subsection (1)* inserts a new section 80B into the Local Government and Housing Act 1989 (the 1989 Act) which by virtue of subsection (2) of section 80B disapplies sections 79 to 80A of the 1989 Act where an agreement exists between the appropriate person (the Secretary of State in England and the Welsh Ministers in Wales) and a local housing authority. An agreement disapplying sections 79 to 80A would have the effect that no Housing Revenue Account subsidy was payable by or to the appropriate person in respect of the properties covered by the agreement.

890. *Subsection (3)* of section 80B gives examples of the kinds of terms and conditions that such agreements may contain. These include conditions specifying whether the agreement is to be for a fixed or indeterminate period, setting out the payments to or from the appropriate person for making the agreement, rent levels, the giving of information and the variation or termination of the agreement.

891. *Subsections (4), (5) and (6)* of section 80B enable the appropriate person to make directions concerning the variation or termination of an agreement to deal with issues such as necessary transitional, consequential, incidental or supplementary changes. Directions cannot, however, override the terms of the original agreement without the consent of the relevant local housing authority. Directions may in particular deal with the return to the subsidy regime of an authority's housing stock.

892. *Subsection (8)* of section 80B defines key terms used in that section. In particular the definition of property ensures that the agreement can cover both current and future properties.

893. *Subsection (3)* amends paragraph 2 of Part 3 of Schedule 4 to the 1989 Act which currently provides authorities a very limited power to move credits from their Housing Revenue Account to the general fund, so that it does not apply in respect of those properties subject to an agreement under the new section 80B(1)(b).