

1974 No. 1099

HOUSING, ENGLAND AND WALES

**The Housing Finance (Transferred Property of London
Authorities) Order 1974**

<i>Made - - - -</i>	<i>25th June 1974</i>
<i>Laid before Parliament</i>	<i>5th July 1974</i>
<i>Coming into Operation</i>	<i>26th July 1974</i>

The Secretary of State for the Environment, with the concurrence of the Treasury and after consultation with the London Boroughs Association (being the association of local authorities appearing to him to be concerned) and with the Greater London Council (being a local authority with whom consultation appears to him to be desirable), in exercise of his powers under paragraph 22 of Schedule 1 to the Housing Finance Act 1972(a) and section 16 of that Act, and of all other powers enabling him in that behalf, hereby makes the following order:—

Title, commencement and interpretation

1. This order may be cited as the Housing Finance (Transferred Property of London Authorities) Order 1974, and shall come into operation on 26th July 1974.

2.—(1) The Interpretation Act 1889(b) shall apply for the interpretation of this order as it applies for the interpretation of an Act of Parliament.

(2) In this order, unless the context otherwise requires—

“the Act” means the Housing Finance Act 1972;

“the 1971 order” means the London Authorities (Transfer of Housing Estates etc.) Order 1971(c);

“the 1972 (No. 1) order” means the London Authorities (Transfer of Housing Estates etc.) (No. 1) Order 1972(d);

“the 1972 (No. 2) order” means the London Authorities (Transfer of Housing Estates etc.) (No. 2) Order 1972(e);

“the 1972 (No. 3) order” means the London Authorities (Transfer of Housing Estates etc.) (No. 3) Order 1972(f);

(a) 1972 c. 47.

(c) S.I. 1971/231 (1971 I, p. 688).

(e) S.I. 1972/172 (1972 I, p. 623).

(b) 1889 c. 63.

(d) S.I. 1972/171 (1972 I, p. 612).

(f) S.I. 1972/173 (1972 I, p. 635).

“the 1973 order” means the London Authorities (Transfer of Housing Estates etc.) Order 1973^(a);

“rebated rental income” means income from rents exclusive of any amounts included in the rents in respect of rates or water rates or charges and exclusive of any rent remitted by way of rebate.

(3) In this order, unless the context otherwise requires, references to any enactment or order shall be construed as references to that enactment or order as amended, extended or applied by or under any other enactment or by this order.

(4) In any paragraph of Schedule 1 to this order, unless the context otherwise requires—

“transferee authority” means the council of a London borough to whom there has been transferred property in relation to which that paragraph has effect, and

“transferred property” means, in relation to the Greater London Council and to a transferee authority, property in relation to which that paragraph has effect which has been transferred to that authority.

Housing Revenue Accounts of London authorities

3.—(1) Paragraph 10 of Schedule 1 to this order shall have effect in relation to houses and other property transferred from the Greater London Council to the council of a London borough by the 1971 order.

(2) Paragraphs 1, 2, 3 and 6 of Schedule 1 to this order shall have effect in relation to houses and other property transferred from the Greater London Council to the council of a London borough by the 1972 (No. 1) order.

(3) Paragraphs 4 and 7 of Schedule 1 to this order shall have effect in relation to houses and other property transferred after 1st April 1972 from the Greater London Council to the council of a London borough by the 1972 (No. 1) order.

(4) Paragraphs 1, 3, 6, and 10 of Schedule 1 to this order shall have effect in relation to houses and other property transferred from the Greater London Council to the council of a London borough by the 1972 (No. 2) order or by the 1972 (No. 3) order.

(5) Paragraphs 1, 4, 7, and 9 of Schedule 1 to this order shall have effect in relation to houses and other property transferred from the Greater London Council to the council of a London borough by the 1973 order in relation to which Part III of that order applies.

(6) Paragraphs 1, 2, 4, and 7 of Schedule 1 to this order shall have effect in relation to houses and other property transferred from the Greater London Council to the council of a London borough by the 1973 order in relation to which Part IV of that order applies.

(a) S.I. 1973/417 (1973 I, p. 1367).

(7) Paragraphs 5 and 8 of Schedule 1 to this order shall have effect in relation to houses and other property transferred after 1st April 1973 from the Greater London Council to the council of a London borough by the 1973 order.

Amendment of orders

4. Schedule 2 to this order, which contains amendments of orders made under section 23(3) of the London Government Act 1963(a), shall have effect.

Article 3

SCHEDULE 1

HOUSING REVENUE ACCOUNTS OF LONDON AUTHORITIES

Residual subsidy: property transferred by 1972 (No. 1) order, 1972 (No. 2) order, 1972 (No. 3) order, or 1973 order

1. For the purpose of calculating the amounts of residual subsidy payable to a transferee authority and to the Greater London Council—

(a) for the year 1972-73, property transferred by the 1972 (No. 1) order, the 1972 (No. 2) order, and the 1972 (No. 3) order, and

(b) for the year 1973-74 and any subsequent year, property transferred by the 1972 (No. 1) order, the 1972 (No. 2) order, the 1972 (No. 3) order, and the 1973 order, shall be treated for the purposes of section 2(3) of the Act (“withdrawal factor”) as falling within the Housing Revenue Account of the transferee authority at the end of the year 1971-72.

Residual subsidy: property transferred by 1972 (No. 1) order, and property transferred by 1973 order to which Part IV of that order applies

2.—(1) For the purpose of calculating the amounts of residual subsidy payable to a transferee authority and to the Greater London Council—

(a) in relation to the transferee authority the authority’s subsidies for the year 1971-72 shall be treated as having been increased, and

(b) in relation to the Greater London Council the authority’s subsidies for the year 1971-72 shall be treated as having been reduced,

by an amount equal to the total of any payments made or to be made to the Greater London Council for the year 1971-72 under any of the enactments described in Part I or Part II of Schedule 7 to the Act in respect of the transferred property.

(2) In sub-paragraph (1) “the transferred property”—

(a) in relation to residual subsidy payable for the year 1972-73, means property transferred by the 1972 (No. 1) order, and

(b) in relation to residual subsidy payable for the year 1973-74 and any subsequent year, means property transferred by the 1972 (No. 1) order and property transferred by the 1973 order to which Part IV of that order applies.

Transition subsidy for the year 1972-73: property transferred by 1972 (No. 1) order, 1972 (No. 2) order, or 1972 (No. 3) order

3. For the purpose of calculating the amounts of transition subsidy payable for the year 1972-73 to a transferee authority and to the Greater London Council, the rebated rental income of the transferee authority in respect of Housing Revenue Account

dwellings for the year 1972-73 and the rebated rental income of the Greater London Council in respect of Housing Revenue Account dwellings for the year 1971-72 shall each be treated as having been reduced by an amount equal to the rebated rental income of the Greater London Council for the year 1971-72 in respect of the transferred property.

Transition subsidy for the year 1973-74: property transferred by 1972 (No. 1) order after 1st April 1972 or by 1973 order

4. For the purpose of calculating the amounts of transition subsidy payable for the year 1973-74 to a transferee authority and to the Greater London Council, the rebated rental income of the transferee authority in respect of Housing Revenue Account dwellings for the year 1973-74 and the rebated rental income of the Greater London Council in respect of Housing Revenue Account dwellings for the year 1972-73 shall each be treated as having been reduced by an amount equal to the rebated rental income of the Greater London Council for the year 1972-73 in respect of the transferred property.

Transition subsidy for the year 1974-75: property transferred by 1973 order after 1st April 1973

5. For the purpose of calculating the amounts of transition subsidy payable for the year 1974-75 to a transferee authority and to the Greater London Council, the rebated rental income of the transferee authority in respect of Housing Revenue Account dwellings for the year 1974-75 and the rebated rental income of the Greater London Council in respect of Housing Revenue Account dwellings for the year 1973-74 shall each be treated as having been reduced by an amount equal to the rebated rental income of the Greater London Council for the year 1973-74 in respect of the transferred property.

Rising costs subsidy for the year 1972-73: property transferred by 1972 (No. 1) order, 1972 (No. 2) order, or 1972 (No. 3) order

6. For the purpose of calculating the amounts of rising costs subsidy payable for the year 1972-73 to a transferee authority and to the Greater London Council the expenditure debited to the Housing Revenue Account of the transferee authority for the year 1972-73 and the expenditure debited to the Housing Revenue Account of the Greater London Council for the year 1971-72 shall each be treated as having been reduced by an amount equal to so much of the expenditure debited to the Housing Revenue Account of the Greater London Council—

(a) in the case of property transferred on 1st April 1972, for the year 1971-72, and

(b) in the case of property transferred on a date later than 1st April 1972, for the period from the date in the year 1971-72 corresponding to the date of transfer to the end of the year 1971-72,

as in the opinion of the Secretary of State (arrived at after consultation with the Greater London Council and with the transferee authority) relates to the transferred property.

Rising costs subsidy for the year 1973-74: property transferred by 1972 (No. 1) order after 1st April 1972 or by 1973 order

7. For the purpose of calculating the amounts of rising costs subsidy payable for the year 1973-74 to a transferee authority and to the Greater London Council, the reckonable expenditure of the transferee authority for the year 1973-74 and the reckonable expenditure of the Greater London Council for the year 1972-73 shall each be treated as having been reduced by an amount equal to so much of the reckonable expenditure of the Greater London Council—

(a) in the case of property transferred by the 1972 (No. 1) order, for the period

from 1st April 1972 up to but not including the date of transfer, and

(b) in the case of property transferred by the 1973 order, for the period from the date in the year 1972-73 corresponding to the date of transfer to the end of the year 1972-73,

as in the opinion of the Secretary of State (arrived at after consultation with the Greater London Council and with the transferee authority) relates to the transferred property.

Rising costs subsidy for the year 1974-75: property transferred by 1973 order after 1st April 1973

8. For the purpose of calculating the amounts of rising costs subsidy payable for the year 1974-75 to a transferee authority and to the Greater London Council, the reckonable expenditure of the transferee authority for the year 1974-75 and the reckonable expenditure of the Greater London Council for the year 1973-74 shall each be treated as having been reduced by an amount equal to so much of the reckonable expenditure of the Greater London Council for the period from 1st April 1973 up to but not including the date of transfer as in the opinion of the Secretary of State (arrived at after consultation with the Greater London Council and with the transferee authority) relates to the transferred property.

Rising costs subsidy: property transferred by 1973 order to which Part III of that order applies

9. For the purpose of calculating the amount of rising costs subsidy payable for any year to a transferee authority, amounts payable for the year in question by the transferee authority to the Greater London Council under Part I of Schedule 1 to the 1973 order shall be treated as forming part of the reckonable expenditure of the transferee authority for that year.

Rising costs subsidy: property transferred by 1971 order, 1972 (No. 2) order, or 1972 (No. 3) order

10. For the purpose of calculating the amount of rising costs subsidy payable for the year 1972-73 or any subsequent year to a transferee authority, amounts payable for the year in question by the transferee authority to the Greater London Council under Part I of Schedule 1 to the 1971 order or to the 1972 (No. 2) order, or under Part I of the Schedule to the 1972 (No. 3) order, shall be treated as forming part of the reckonable expenditure of the transferee authority for that year.

SCHEDULE 2

Article 4

AMENDMENT OF ORDERS

Amendment of 1971 order

1. For paragraph 2 of Part I of Schedule 1 to the 1971 order there shall be substituted the following paragraphs:

“2. For each of the years ending on 31st March 1973, 31st March 1974, and 31st March 1975, a transferee authority shall pay to the Greater London Council a sum being the amount of the rents which would have been receivable by the latter authority on 31st March 1972, 31st March 1973, or 31st March 1974, as the case may be, if the housing accommodation had not been transferred, less the amount of the estimated value of rent rebates (after deducting the estimated amount of rent rebate subsidy which would have been payable to the Greater London Council if the housing accommodation had not been transferred) in the said year on the basis of the said rents, and less—

- (a) in each of the years ending on 31st March 1973 and 31st March 1974, the costs of management and costs of maintenance that would have been met by the Greater London Council in the year ending on 31st March 1973 if the housing accommodation had not been transferred, and
- (b) in the year ending on 31st March 1975, the costs of management and costs of maintenance that would have been met by the Greater London Council in the year ending on 31st March 1974 if the housing accommodation had not been transferred.

2A. Payments under paragraph 2 above for the years ending on 31st March 1973 and 31st March 1974 shall be made as soon as may be after the end of the latter year, and payments for the year ending on 31st March 1975 shall be made during the course of the year by quarterly instalments in arrears.”.

Amendment of 1972 (No. 2) order

2. For paragraphs 1 and 2 of Part I of Schedule 1 to the 1972 (No. 2) order there shall be substituted the following paragraphs:

“1. For each of the years ending on 31st March 1973, 31st March 1974, 31st March 1975, and 31st March 1976, the transferee authority shall pay to the Greater London Council a sum being the amount of the rents which were receivable by the latter authority on 31st March 1972 or which would, if the housing accommodation had not been transferred, have been so receivable on 31st March 1973, 31st March 1974, or 31st March 1975, as the case may be, less the amount of the estimated value of rent rebates (after deducting the estimated amount of rent rebate subsidy which would have been payable to the Greater London Council if the housing accommodation had not been transferred) in the said year on the basis of the said rents, and less—

- (a) in each of the years ending on 31st March 1973 and 31st March 1974, the costs of management and costs of maintenance that would have been met by the Greater London Council in the year ending on 31st March 1973 if the housing accommodation had not been transferred, and
- (b) in each of the years ending on 31st March 1975 and 31st March 1976, the costs of management and costs of maintenance that would have been met by the Greater London Council in the year ending on 31st March 1974 or the year ending on 31st March 1975, as the case may be, if the housing accommodation had not been transferred.

2. Payments under paragraph 1 above for the years ending on 31st March 1973 and 31st March 1974 shall be made as soon as may be after the end of the latter year, and the payment for any subsequent year shall be made during the course of the year by quarterly instalments in arrears.”.

Amendment of 1972 (No. 3) order

3. For paragraphs 1 and 2 of Part I of the Schedule to the 1972 (No. 3) order there shall be substituted the following paragraphs:

“1. For each of the years ending on 31st March 1973, 31st March 1974, and 31st March 1975, a transferee authority shall pay to the Greater London Council a sum being the amount of the rents which were receivable by the latter authority on 31st March 1972 or which would, if the housing accommodation had not been transferred, have been so receivable on 31st March 1973 or 31st March 1974, as the case may be, less the amount of the estimated value of rent rebates (after deducting the estimated amount of rent rebate subsidy which would have been payable to the Greater London Council if the housing accommodation had not been transferred) in the said year on the basis of the said rents, and less—

- (a) in each of the years ending on 31st March 1973 and 31st March 1974, the costs of management and costs of maintenance that would have been met by the Greater London Council in the year ending on 31st March 1973 if the housing accommodation had not been transferred, and
- (b) in the year ending on 31st March 1975, the costs of management and costs of maintenance that would have been met by the Greater London Council in the year ending on 31st March 1974 if the housing accommodation had not been transferred.

2. Payments under paragraph 1 above for the years ending on 31st March 1973 and 31st March 1974 shall be made as soon as may be after the end of the latter year, and payments for the year ending on 31st March 1975 shall be made during the course of the year by quarterly instalments in arrears."

Amendment of 1971 order, 1972 (No. 2) order, and 1972 (No. 3) order

4. In Part I of Schedule 1 to the 1971 order, of Schedule 1 to the 1972 (No. 2) order, and of the Schedule to the 1972 (No. 3) order—

(a) in paragraph 5—

- (i) after "rebates", wherever occurring, there shall be inserted the words ", rent rebate subsidy";
- (ii) after "authority" there shall be inserted the words ", and "rent rebate subsidy" means the rent rebate subsidy payable under section 6 of the Housing Finance Act 1972";

(b) after paragraph 7 there shall be inserted the following paragraph:

"7A. In estimating for the purposes of this Schedule an amount of rent rebate subsidy which would have been payable to the Greater London Council for the year 1972-73 it shall be assumed, notwithstanding any directions under section 20(9) of the Housing Finance Act 1972, that the Greater London Council were operating the model scheme, as defined in section 20(7) of that Act, for the whole of the year 1972-73."; and

(c) in paragraph 8—

- (i) in sub-paragraph (2) after "shall" where it occurs for the second time there shall be inserted the words ", subject to sub-paragraph (3),", and
- (ii) after sub-paragraph (2) there shall be inserted the following sub-paragraph:

"(3) Where any determination by the Secretary of State under section 4(11) and (12) of the Housing Finance Act 1972 applies so as to restrict to less than the amount debited to the Housing Revenue Account the expenditure of the Greater London Council for the year in question on the management and maintenance of housing accommodation that is reckonable expenditure for the purposes of the said section 4, the average costs certified under sub-paragraph (2)(a) above shall be multiplied by the fraction $\frac{X}{Y}$, where—

X is the reckonable expenditure, and

Y is the expenditure debited to the Housing Revenue Account of the Greater London Council for that year in respect of the management and maintenance of housing accommodation."

19th June 1974.

Anthony Crosland,
Secretary of State for the Environment.

We concur.

25th June 1974.

Donald R. Coleman,
James A. Dunn,
Two of the Lords Commissioners of
Her Majesty's Treasury.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order gives directions as to the treatment, for the purposes of certain subsidies payable under the Housing Finance Act 1972, of houses and other property transferred from the Greater London Council to the councils of London boroughs by five orders made under section 23(3) of the London Government Act 1963 and of expenditure and income relating to them, and amends the provisions of three of those orders as to the sums payable to the Greater London Council by the London boroughs concerned as part of the terms of transfer.

SI 1974/1099
ISBN 0-11-041099-8

