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STATUTORY INSTRUMENTS

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**1992 No. 1725**

**The Housing (Northern Ireland) Order 1992**

CHAPTER III

FINANCIAL ASSISTANCE FOR HOUSING ASSOCIATIONS

**Housing association grants**

**33.**—(1) The Department may make grants to registered housing associations in respect of expenditure incurred or to be incurred by them in connection with housing activities.

(2) As respects grants under this Article the following, namely—

- (a) the procedure to be followed in relation to applications for grant;
- (b) the circumstances in which grant is or is not to be payable;
- (c) the method for calculating, and any limitations on, the amount of grant; and
- (d) the manner in which, and time or times at which, grant is to be paid,

shall be such as may be specified by the Department, acting in accordance with such principles as it may determine.

(3) In making a grant under this Article, the Department may provide that the grant is conditional on compliance by the association with such conditions as it may specify.

(4) Where—

- (a) a grant under this Article is payable to an association, and
- (b) at any time property to which the grant relates becomes vested in, or is leased for a term of years to, or reverts to, some other registered housing association,

this Article (including this paragraph) shall have effect after that time as if the grant, or such proportion of it as is specified or determined under paragraph (5), were payable to that other association.

(5) The proportion referred to in paragraph (4) is that which, in the circumstances of the particular case—

- (a) the Department, acting in accordance with such principles as it may determine, may specify as being appropriate; or
- (b) the Department may determine to be appropriate.

**Revenue deficit grants**

**34.**—(1) The Department may make a grant to a registered housing association if—

- (a) in relation to all housing activities of the association,
- (b) in relation to housing activities of the association of a particular description, or
- (c) in relation to particular housing activities of the association,

the association's expenditure as calculated by the Department for any period (including a period which is wholly or partly a future period) exceeds its income as so calculated for that period.

(2) In calculating an association's expenditure or income for the purposes of paragraph (1), the Department—

- (a) shall act in accordance with such principles as it may determine; and
- (b) may act on such assumptions (whether or not borne out or likely to be borne out by events) as it may determine.

(3) Paragraphs (2) and (3) of Article 33 shall apply for the purposes of this Article as they apply for the purposes of that Article.

### **Recovery, etc. of grants**

**35.**—(1) Where a grant to which this Article applies, that is to say—

- (a) a grant under Article 33 or 34, or
- (b) a grant under Article 137 of the Order of 1981 or any provision replaced by that Article,

has been made to a registered housing association, the powers conferred by paragraph (2) are exercisable in such events (including the association not complying with any conditions) as the Department may determine (in this Article referred to as “relevant events”).

(2) The Department, acting in accordance with such principles as it may determine, may—

- (a) reduce the amount of, or of any payment in respect of, the grant;
- (b) suspend or cancel any instalment of the grant; or
- (c) direct the association to pay to it an amount equal to the whole, or such proportion as it may specify, of the amount of any payment made to the association in respect of the grant,

and a direction under sub-paragraph (c) requiring the payment of any amount may also require the payment of interest on that amount in accordance with paragraphs (6) to (8).

(3) Where, after a grant to which this Article applies has been made to an association, a relevant event occurs, the association shall notify the Department and, if so required by written notice of the Department, shall furnish it with such particulars of and information relating to the event as are specified in the notice.

(4) Where—

- (a) a grant to which this Article applies has been made to an association, and
- (b) at any time property to which the grant relates becomes vested in, or is leased for a term of years to, or reverts to, some other registered housing association,

this Article (including this paragraph) shall have effect after that time as if the grant, or such proportion of it as is specified or determined under paragraph (5), had been made to that other association.

(5) The proportion referred to in paragraph (4) is that which, in the circumstances of the particular case—

- (a) the Department, acting in accordance with such principles as it may determine, may specify as being appropriate; or
- (b) the Department may determine to be appropriate.

(6) A direction under paragraph (2)(c) requiring the payment of interest on the amount directed to be paid to the Department shall specify in accordance with paragraph (8)—

- (a) the rate or rates of interest (whether fixed or variable) which is or are applicable;
- (b) the date from which interest is payable, being not earlier than the date of the relevant event; and
- (c) any provision for suspended or reduced interest which is applicable.

(7) In paragraph (6)(c)—

- (a) the reference to a provision for suspended interest is a reference to a provision whereby, if the amount which is directed to be paid to the Department is paid before a date specified in the direction, no interest will be payable for any period after the date of the direction; and
- (b) the reference to a provision for reduced interest is a reference to a provision whereby, if that amount is so paid, any interest payable will be payable at a rate or rates lower than the rate or rates which would otherwise be applicable.

(8) The matters specified in a direction as mentioned in sub-paragraphs (a) to (c) of paragraph (6) shall be either—

- (a) such as the Department, acting in accordance with such principles as it may determine, may specify as being appropriate, or
- (b) such as the Department may determine to be appropriate in the particular case.

### **Determinations under this Part**

**36.**—(1) A general determination may either—

- (a) make the same provision for all cases; or
- (b) make different provision for different cases or descriptions of cases, including different provision for different areas or for different descriptions of housing associations or housing activities;

and for the purposes of this paragraph descriptions may be framed by reference to any matters whatever, including in particular, in the case of housing activities, the manner in which they are financed.

(2) The Department shall not make a general determination under the foregoing provisions of this Part except with the consent of the Department of Finance and Personnel.

(3) Before making a general determination, the Department shall consult such bodies appearing to it to be representative of housing associations as it considers appropriate; and after making such a determination, the Department shall publish the determination in such manner as it considers appropriate for bringing the determination to the notice of the associations concerned.

(4) In this Article “general determination” means a determination under any provision of Articles 33 to 35, other than a determination relating solely to a particular case.

### **Surplus rental income**

**37.**—(1) An association to which this Article applies, that is to say, a registered housing association which has at any time received a payment in respect of—

- (a) a grant under Article 33, or
- (b) a grant under Article 137 of the Order of 1981 or any provision replaced by that Article,

(in this Article referred to as a “relevant grant”) shall show separately in its accounts for any period ending on or after the day of the coming into operation of this Part the surpluses arising from increased rental income during that period from such housing activities to which the grant relates as the Department may determine.

(2) The surpluses shall be shown by each association in a fund to be known as its rent surplus fund; and the method of constituting that fund and of showing it in the association’s accounts shall be as required by order of the Department under Article 19(1) (requirements as to accounts) and such an order may make provision applying to any period to which this Article applies.

(3) The surpluses in respect of a period shall be calculated in such manner as the Department may determine; and a determination under this paragraph may provide that, in calculating surpluses,

an association shall act on such assumptions (whether or not borne out or likely to be borne out by events) as may be specified in the determination.

- (4) A determination under paragraph (1) or (3) may—
- (a) make the same provision for all cases; or
  - (b) make different provision for different cases or descriptions of cases, including different provision for different areas or for different descriptions of housing associations or housing activities;

and for the purposes of this paragraph descriptions may be framed by reference to any matters whatever, including in particular, in the case of housing activities, the manner in which they are financed.

(5) Before making a determination under paragraph (1) or (3), the Department shall consult such bodies appearing to it to be representative of housing associations as it considers appropriate; and after making such a determination, the Department shall publish it in such manner as the Department considers appropriate for bringing it to the notice of the associations concerned.

(6) The Department may give notice to an association to which this Article applies requiring it to pay to the Department, with interest if demanded, or to apply or appropriate for purposes the Department specifies, any sums standing in its rent surplus fund at the end of a period of account.

- (7) Any interest demanded by such a notice is payable—
- (a) at the rate or rates (whether fixed or variable) previously determined by the Department, with the consent of the Department of Finance and Personnel, for housing associations generally and published by the Department or, if no such determination has been made, at the rate or rates (whether fixed or variable) specified with the consent of the Department of Finance and Personnel in the notice; and
  - (b) either from the date of the notice or from such other date, not earlier than the end of the period of account, as may be specified in the notice.

(8) A notice under paragraph (6) demanding interest may with the consent of the Department of Finance and Personnel provide that, if the sums required by the notice to be paid to the Department are paid before a date specified in the notice—

- (a) no interest shall be payable for any period after the date of the notice; and
- (b) any interest payable shall be payable at a rate or rates lower than the rate or rates given by paragraph (7).

- (9) The Department may give notice—
- (a) to all associations to which this Article applies,
  - (b) to associations to which this Article applies of a particular description, or
  - (c) to particular associations to which this Article applies,

requiring them to furnish the Department with such information as the Department may reasonably require in connection with the exercise of its functions under this Article; and a notice under subparagraph (a) or (b) may be given by publication in such manner as the Department considers appropriate for bringing it to the attention of the associations concerned.

- (10) Where—
- (a) an association has received a payment in respect of a relevant grant, and
  - (b) at any time property to which the grant relates becomes vested in, or is leased for a term of years to, or reverts to, some other registered housing association,

this Article (including this paragraph) shall have effect in relation to periods after that time as if the payment, or such proportion of it as may be determined by the Department to be appropriate, had been made to that other association.