



Housing Act 1961

1961 CHAPTER 65

PART I

FINANCIAL ASSISTANCE FOR HOUSING ACCOMMODATION PROVIDED BY LOCAL AUTHORITIES AND OTHER PUBLIC BODIES

Exchequer subsidies for new housing accommodation

1 Dwellings qualifying for subsidies

- (1) Exchequer subsidies shall be payable out of money provided by Parliament in accordance with the provisions of this Part of this Act in respect of, and in certain circumstances in respect of the site of, any new dwelling which is—
- (a) provided by a local authority in the exercise of their powers to provide housing accommodation, or
 - (b) provided by a development corporation otherwise than in pursuance of authorised arrangements made with a local authority, or
 - (c) provided by a development corporation in pursuance of authorised arrangements made with a local authority, or
 - (d) provided by a housing association in pursuance of authorised arrangements made with a local authority or special arrangements made with the Minister,
- and which is approved for the purposes of those provisions by the Minister.

Such a dwelling which is so approved is hereafter in this Part of this Act referred to as an " approved dwelling ".

- (2) Any exchequer subsidy payable under this Part of this Act shall be paid to the authority or other person by whom the dwelling was provided, except that an exchequer subsidy payable in respect of, or of the site of, a dwelling provided by pursuance of authorised arrangements made with a local authority shall be paid to the local authority, who shall pay to the development corporation or housing association, as the case may be, by way of annual grant an amount not less than the exchequer subsidy.

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- (3) An exchequer subsidy shall not be payable under this Part of this Act in respect of a dwelling or the site of a dwelling except where—
- (a) in the case where the dwelling falls under paragraph (a) or (b) of subsection (1) of this section, the tender or estimate for its erection was accepted by a formal resolution of the authority or corporation passed on or after the sixteenth day of February, nineteen hundred and sixty-one;
 - (b) in a case where the dwelling falls under paragraph (c) or paragraph (d) of subsection (1) of this section, the arrangements were made on or after the said sixteenth day of February:
- Provided that—
- (i) a formal resolution passed as aforesaid accepting a tender or estimate which was submitted to the Minister for approval before the said sixteenth day of February shall be deemed for the purposes of this subsection to have been passed before that day; and
 - (ii) where, on approving any authorised arrangements made with a local authority on or after the said sixteenth day of February the Minister is satisfied that the substantial effect of those arrangements had been agreed between the parties before that day, those arrangements shall be deemed for the purposes of this subsection to have been made before that day.
- (4) In section four of the New Towns Act, 1959 (under which exchequer subsidies under section one of the Housing (Financial Provisions) Act, 1958, are payable in respect of dwellings provided by the Commission for the New Towns), for references to such exchequer subsidies there shall be substituted references to exchequer subsidies under this section, and exchequer subsidies payable by virtue of this subsection shall, subject to the provisions of the said section four, be payable in accordance with the provisions of this Act and the said Act of 1958 applying in relation to approved dwellings provided by a development corporation otherwise than in pursuance of authorised arrangements.
- (5) No subsidy shall be payable under section one of the Housing (Financial Provisions) Act, 1958, in respect of any dwelling qualified to be considered for approval by the Minister under subsection (1) of this section.

2 Power to abolish or reduce subsidies

- (1) The Minister may from time to time by order direct that in respect of, or of the site of, dwellings of any description specified in the order, or such dwellings in any area so specified, exchequer subsidies under this Act—
- (a) shall cease to be payable, or
 - (b) shall be reduced to such amount as may be specified in the order, or
 - (c) shall be payable for such reduced number of years as may be so specified.
- (2) Subject to subsection (4) of this section, an order under this section,—
- (a) so far as it relates to any dwelling, or the site of any dwelling, provided otherwise than in pursuance of authorised arrangements made with a local authority or special arrangements made with the Minister, shall be expressed to apply to a dwelling, or the site of a dwelling, the tender or estimate for the erection of which is accepted by a formal resolution passed on or after a date specified in the order, and

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- (b) so far as it relates to any dwelling, or the site of any dwelling, provided in pursuance of any such arrangements, shall be expressed to apply to a dwelling, or the site of a dwelling, provided in pursuance of arrangements made on or after that date.
- (3) An order under this section shall be made by statutory instrument and—
- (a) shall not be made unless a draft thereof has been approved by a resolution of the Commons House of Parliament; and
 - (b) shall not specify a date under the last foregoing subsection earlier than the laying of the draft;
- and before laying such a draft the Minister 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.
- (4) Subsection (2) of this section and paragraph (b) of the last foregoing subsection shall not apply to an order made more than ten years after the passing of this Act and accordingly such an order may affect exchequer subsidies payable under this Part of this Act in respect of dwellings, or the site of dwellings, completed before as well as after the making of the order.

3 Dwellings provided by local authorities for town development and other special purposes, and dwellings provided by other bodies

- (1) In respect of each approved dwelling—
- (a) provided by a local authority in the course of a scheme of town development as defined by the Town Development Act, 1952, carried out with the approval of the Minister wholly or partly in the area of that authority, or
 - (b) provided by the local authority of a congested or over-populated area in some other area as part of a scheme of comprehensive development the general character of which is, in the opinion of the Minister, similar to development for the purposes of a new town under the New Towns Act, 1946, or
 - (c) provided by a development corporation otherwise than in pursuance of authorised arrangements made with a local authority,
- the Minister shall pay for each of the sixty years following the completion of the dwelling an annual exchequer subsidy of twenty-eight pounds.
- (2) In respect of each approved dwelling—
- (a) provided by a local authority for the accommodation of persons coming from outside the area of that authority in order to meet the urgent needs of industry, where the dwelling has been so provided in accordance with arrangements approved by the Minister as being desirable by reason of special circumstances and so long as any conditions laid down by the Minister on the giving of his approval are complied with, or
 - (b) provided by a development corporation in pursuance of authorised arrangements made with a local authority, or
 - (c) provided by a housing association in pursuance of authorised arrangements made with a local authority or special arrangements made with the Minister,
- the Minister shall pay for each of the sixty years following the completion of the dwelling an annual exchequer subsidy of twenty-four pounds.

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4 Other dwellings provided by local authorities

- (1) In respect of each approved dwelling provided by a local authority, not being a dwelling to which the last foregoing section applies, the Minister shall pay for each of the sixty years following the completion of the dwelling an annual exchequer subsidy of an amount determined as follows.
- (2) The amount shall depend on whether for the relevant financial year—
 - (a) the amounts carried to the credit of the local authority's Housing Revenue Account,
 would be less than—
 - (b) the amounts debited to that Account,
 assuming that there is substituted for the income in that year from rents in respect of houses within the Account and any amount carried to the credit of the Account under sub-paragraph (5) or sub-paragraph (6) of paragraph 1 of the Fifth Schedule to the Housing (Financial Provisions) Act, 1958, a sum equal to twice the gross value of the local authority's houses.

In making the comparison required by this subsection any surplus brought forward from the previous financial year shall be excluded from the amounts carried to the credit of the Account, and any surplus shown in the Account at the end of the financial year shall be excluded from the amounts debited to the Account.
- (3) If it appears to the Minister that the amount carried to the credit of the Housing Repairs Account from the Housing Revenue Account in accordance with subsection (1) of section fifty-one of the said Act of 1958 (which requires a local authority to make a contribution to the Housing Repairs Account of a minimum amount equal to eight pounds for every dwelling within the Housing Revenue Account) is, to the extent that it exceeds that minimum amount, excessive having regard to the previous practice of the local authority and to any other circumstances, he may, after consulting the local authority, direct that for the purposes of subsection (2) of this section some part of the contribution, so far as it exceeds that minimum amount, shall be left out of account.
- (4) The amount, if any, by which the sum under paragraph (a) of subsection (2) of this section is, on the assumption there made, less than the sum under paragraph (b) of that subsection is hereafter in this section referred to as the amount of the deficit as ascertained under this section and, subject to the next following subsection, the amount of the annual exchequer subsidy in respect of the dwelling—
 - (a) if for the relevant financial year there is a deficit as ascertained under this section, shall be twenty-four pounds together with the sum, if any, to be added under Part I of the First Schedule to this Act, and
 - (b) if there is no such deficit, shall be eight pounds.
- (5) If for the relevant financial year there is no such deficit, but the sum under paragraph (a) of subsection (2) of this section does not, on the assumption there made, exceed the sum under paragraph (b) of that subsection by more than the difference between—
 - (a) the annual amount of the exchequer subsidies which, if there had been such a deficit for the relevant financial year, would have been payable to the local authority under this section in respect of the dwelling and all other dwellings to which this section applies completed by the local authority in the same financial year (that is to say twenty-four pounds for each dwelling in question), and

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- (b) the annual amount which would be so payable but for this subsection (that is to say eight pounds for each dwelling in question),
the amount of the annual exchequer subsidy in respect of the dwelling shall be twenty-four pounds, and not eight pounds.
- (6) Part II of the First Schedule to this Act (which defines the relevant financial year and gross value) shall apply for the purposes of this section.
- (7) For the purposes of subsection (2) of this section any rent payable partly for houses within the Account and partly for premises not used for the purposes of a private dwelling shall be apportioned, and the part attributable to the houses shall be taken into account under that subsection.
- (8) In this section and the First Schedule to this Act " house " includes a dwelling; and expressions defined by this section shall have the same meanings when used in the said Schedule.

5 Subsidies for flats, expensive sites and agricultural dwellings

- (1) If an approved dwelling is a flat in a block of flats of four or more storeys, the amount of the annual exchequer subsidy payable under this Part of this Act shall be the amount payable under the foregoing sections of this Act plus—
- (a) in the case of a flat in a block of flats of four storeys, eight pounds,
 - (b) in the case of a flat in a block of flats of five storeys, fourteen pounds,
 - (c) in the case of a flat in a block of flats of six or more storeys, twenty-six pounds, increased by one pound fifteen shillings for each storey by which the block exceeds six storeys.
- (2) Section seven of the Housing (Financial Provisions) Act, 1958 (which authorises the payment of subsidies for expensive sites), shall apply in relation to an approved dwelling as defined in this Part of this Act as it applies in relation to an approved dwelling as defined in Part I of that Act.
- (3) If the Minister thinks fit so to determine in the case of any dwelling provided by the council of a county district, or in pursuance of authorised arrangements to which the council of a county district are parties, by way of housing accommodation required for the agricultural population of that district, the amount of the annual exchequer subsidy payable under this Part of this Act shall be the amount payable under the foregoing provisions of this Act plus nine pounds.

This subsection shall not apply to a flat in a block of flats of four or more storeys.

6 Increases in respect of rights of support and houses constructed to preserve the character of surroundings

Subsections (1) and (2) of section eight of the Housing (Financial Provisions) Act, 1958 (under which subsidies under that Act may be increased to meet expenses to secure protection against the consequences of a subsidence of the site or expenses attributable to special materials and methods of construction), shall apply in relation to annual exchequer subsidies payable under this Part of this Act as they apply to annual exchequer subsidies payable under the said Act of 1958, but as if—

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- (a) references in that section to authorised arrangements made by a housing association included references to special arrangements made by a housing association with the Minister, and
- (b) references in that section to section six of the said Act were omitted.

Advances to housing associations providing housing accommodation for letting

7 **Advances to housing associations providing housing accommodation for letting**

- (1) If a housing association registered under the Industrial and Provident Societies Act, 1893, submit to the Minister a scheme under which they will provide housing accommodation and satisfy the Minister that under the scheme the housing accommodation so provided will be kept available for letting, except at such times and in such cases as the Minister may approve, the Minister may in accordance with this section make advances to the housing association.
- (2) The Minister may, in accordance with an agreement made by him with the housing association, make, on such terms and conditions as he may approve, advances to the housing association to meet the whole or any part of the expenditure incurred by the housing association in connection with the scheme, and the advances—
 - (a) shall carry interest at the rate fixed by the Treasury under section one of the Public Works Loans Act, 1897, in respect of loans to local authorities made on the same date and for the same period, and
 - (b) shall be repayable over such a period, not exceeding sixty years, and on such terms as may be approved by the Treasury and provided in the agreement.
- (3) Advances under this section shall not together exceed the sum of twenty-five million pounds.
- (4) It shall be the duty of a housing association who have entered into an agreement under this section to comply with any directions which the Minister may give to them with respect to the administration of the scheme and the disposal of assets provided under the scheme.
- (5) The Treasury may issue to the Minister, out of the Consolidated Fund, such sums as are necessary to enable him to make advances under this section, and for the purpose of providing sums to be so issued or of providing for the replacement of sums so issued, the Treasury may at any time, if they think fit, raise money in any manner in which they are authorised to raise money under the National Loans Act, 1939, and any securities created and issued to raise money under this subsection shall be deemed for all purposes to have been created and issued under that Act.
- (6) Any sums received by the Minister under subsection (2) of this section shall be paid into the Exchequer and shall be issued out of the Consolidated Fund at such times as the Treasury may direct, and shall be applied by the Treasury as follows, that is to say—
 - (a) so much thereof as represents principal shall be applied in redeeming or paying off debt of such description as the Treasury think fit, and
 - (b) so much thereof as represents interest shall be applied towards meeting such part of the annual charges for the national debt as represents interest.
- (7) The Minister shall, in respect of each financial year, prepare in such form and manner as the Treasury may direct an account of sums issued to him for advances under this

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section, and of sums received by him under this section, and of the disposal by him of those sums respectively, and send it to the Comptroller and Auditor General not later than the end of November in the following year; and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it, together with his report, before each House of Parliament.

- (8) In this section references to the provision of housing accommodation are references to the provision of housing accommodation whether by building new houses, or by the conversion or improvement of existing houses or other buildings.

Miscellaneous

8 Reduction or withholding of subsidies in respect of housing provided in pursuance of special arrangements with Minister

- (1) If the Minister is satisfied that a housing association have made default in giving effect to the terms of special arrangements made with the Minister for the provision of dwellings he may reduce the amount of any exchequer subsidy in respect of the dwellings or suspend or discontinue the payment thereof as he thinks just.
- (2) Where any dwelling provided by a housing association under special arrangements made with the Minister becomes vested in a local authority—
- (a) no further exchequer subsidy shall, after the time of the vesting, become payable by the Minister in respect of the dwelling, and
 - (b) the Minister may, if he thinks fit, pay out of money provided by Parliament to the local authority a sum equivalent to any exchequer subsidy which would, after the said time, have become payable to the housing association in respect of the dwelling if all conditions precedent to the payment of the subsidy had been at all material times observed,

and any payment which the Minister is authorised to make under paragraph (b) of this subsection shall be included in the expression " exchequer payment" as defined in subsection (2) of section fifty-eight of the Housing (Financial Provisions) Act, 1958.

- (3) No exchequer subsidy shall be paid to a housing association in respect of a dwelling provided in pursuance of special arrangements made with the Minister if, before the payment is made, the Minister is satisfied that, during the whole or the greater part of the period to which the payment is referable, the dwelling in respect of which the payment would be made has not been available as a dwelling fit for habitation (according to the standards of fitness for habitation imposed by section four of the Housing Act, 1957):

Provided that this subsection shall not apply if the Minister is satisfied that the dwelling could not with reasonable diligence have been made available, during the whole or the greater part of the period to which the exchequer subsidy is referable, as a dwelling fit for habitation.

Any question under this subsection as to the period to which an exchequer subsidy is referable shall be determined by the Minister.

9 Grants for hostels

- (1) Section fifteen of the Housing (Financial Provisions) Act, 1958 (under which grants may be made by the Minister to a local authority, development corporation or housing

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association providing a hostel), shall apply to any building provided or converted after the commencement of this Act for use as part of a hostel as it applies to a building provided or converted for use as a hostel, and at the end of subsection (4) of the said section fifteen (which defines the expression " hostel ") for the words " and board " there shall be substituted the words " and either board or facilities for the preparation of food adequate to the needs of those persons, or both ".

- (2) Subsection (1) of the said section fifteen shall apply to a building provided or converted by a housing association for use as a hostel under arrangements which the Minister may have made with them with a view to the approval of the hostel for the purposes of that subsection, as it applies to a building so provided or converted by a local authority:

Provided that if the Minister is satisfied that the housing association have made default in giving effect to the terms of the arrangements, he may reduce the amount of the contributions payable to the housing association under the said subsection (1), or suspend or discontinue the payment thereof, as he thinks just.

- (3) Where a building which has been provided or converted by a housing association for use as a hostel becomes vested in a local authority, and at the time of the vesting the building is one in respect of which a contribution is payable under the said subsection (1)—
- (a) no further contributions shall, after the time of the vesting, become payable under that subsection, but
 - (b) the Minister may, if he thinks fit, pay out of money provided by Parliament to the local authority sums not exceeding any sums which would after that time have become payable by him under that subsection in respect of the building if all conditions precedent to the payment of the sums had been fulfilled.
- (4) In section twenty-two and subsection (3) of section fifty of the Housing (Financial Provisions) Act, 1958, and in this section, the expression " hostel " has the same meaning as in section fifteen of that Act, and references to a hostel include references to part of a hostel.

10 Payments for town development

- (1) As respects any approved dwelling as defined by this Part of this Act, paragraph (a) of subsection (2) of section two of the Town Development Act, 1952, as amended by paragraph 14 of the First Schedule to the Housing Subsidies Act, 1956 (under which the Minister may contribute to the expenses of providing houses in the course of town development, subject to a limit of eight pounds per house), shall apply with the substitution for the reference to eight pounds of a reference to twelve pounds.
- (2) As respects any approved dwelling as defined by this Part of this Act, subsection (4) of section four of the New Towns Act, 1959 (under which the Minister may make additional contributions to the Commission for the New Towns, subject to a limit of eight pounds per house), shall apply with the substitution for the reference to eight pounds of a reference to twelve pounds.
- (3) As respects any approved dwelling as defined by this Part of this Act, subsection (2) of section nine of the Housing Subsidies Act, 1956 (under which the Minister may recover part of certain payments or contributions in the ten years following the completion of a dwelling, subject to a limit of four pounds in any year), shall apply

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with the substitution for the reference to ten years of a reference to fifteen years, and with the substitution for the reference to four pounds of a reference to six pounds.

- (4) Any contribution made to a local authority under paragraph (a) of subsection (2) of section two of the Town Development Act, 1952, shall be included in the definition of "exchequer payment" in subsection (2) of section fifty-eight of the Housing (Financial Provisions) Act, 1958:

Provided that any amount carried to the credit of the Housing Revenue Account of a local authority in respect of such a contribution shall be left out of account for the purposes of subsection (2) of section four of this Act.

- (5) "References in this section to an approved dwelling as defined by this Part of this Act include references to a dwelling in respect of which exchequer subsidies are payable under section one of this Act by virtue of subsection (4) of that section.

11 Interpretation of Part I and consequential and other amendments

- (1) In this Part of this Act—

"authorised arrangements" has the meaning assigned to that expression by subsection (2) of section twenty-nine of the Housing (Financial Provisions) Act, 1958 ;

"special arrangements made with the Minister" means, in relation to exchequer subsidies under this Part of this Act payable to a housing association, arrangements which the Minister may have made with the housing association for the provision of dwellings with a view to the approval of the dwellings by the Minister under section one of this Act,

and subsection (1) of section twenty-nine and subsection (1) of section fifty-eight of the said Act of 1958 shall apply for the interpretation of this Part of this Act.

- (2) The enactments mentioned in the Second Schedule to this Act (which relate to the giving of financial assistance for the provision of housing accommodation) shall have effect subject to the amendments there specified, being, in the case of those in Part I of the Schedule, amendments which apply those enactments in relation to exchequer subsidies under this Part of this Act and, in the case of those in Part II, amendments relating to other matters.