



Housing (Scotland) Act 1987

1987 CHAPTER 26

PART XII

HOUSE LOANS AND OTHER FINANCIAL ASSISTANCE

Other assistance

229 Local authority indemnities for building societies, etc.

- (1) A local authority may, with the approval of the Secretary of State, enter into an agreement with a building society or recognised body under which the authority binds itself to indemnify the building society or recognised body in respect of—
 - (a) the whole or any part of any outstanding indebtedness of a borrower; and
 - (b) loss or expense to the building society or recognised body resulting from the failure of the borrower duly to perform any obligation imposed on him by a heritable security.
- (2) The agreement may also, where the borrower is made party to it, enable or require the authority in specified circumstances to take an assignation of the rights and liabilities of the building society or recognised body under the heritable security.
- (3) Approval of the Secretary of State under subsection (1) may be given generally in relation to agreements which satisfy specified requirements, or in relation to individual agreements, and with or without conditions, as he thinks fit, and such approval may be withdrawn at any time on one month's notice.
- (4) Before issuing any general approval under subsection (1) the Secretary of State shall consult with such bodies as appear to him to be representative of local authorities, and of building societies, and also with the [^{F1}Financial Conduct Authority and the Prudential Regulation Authority] .

^{F2}(5)

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- (6) In this section “recognised body” means a body designated, or of a class or description designated, in an order under this subsection made by statutory instrument by the Secretary of State with the consent of the Treasury.
- (7) Before making an order under subsection (6) varying or revoking an order previously so made, the Secretary of State shall give an opportunity for representations to be made on behalf of a recognised body which, if the order were made, would cease to be such a body.

Textual Amendments

- F1** Words in s. 229(4) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 11 para. 4](#) (with [Sch. 12](#))
- F2** S. 229(5) repealed (1.3.2000) by [S.I. 2000/311](#), [arts. 1, 44\(3\)](#)

230 Assistance by local authority for acquiring houses in need of repair and improvement.

- (1) Notwithstanding any other provision of sections 219, 220 and 221, a local authority may, where the conditions set out in subsection (2) are satisfied, give assistance to a person acquiring a house in need of repair or improvement by making provision for waiving or reducing, for a period ending not later than 5 years after the date of an advance of money of the kind mentioned in section 219(1)(a) or of the granting of a security under an arrangement of the kind mentioned in section 219(1)(b), the interest payable on the sum advanced or remaining outstanding under the security, as the case may be.
- (2) The conditions mentioned in subsection (1) are that—
- (a) the assistance is given in accordance with a scheme which has been approved by the Secretary of State or which conforms with such requirements as may be specified by the Secretary of State by order made by statutory instrument with the consent of the Treasury; and
 - (b) the person acquiring the house has entered into an agreement with the local authority to carry out, within a period specified in the agreement, works of repair or improvement therein specified.

231 ^[F3]Local loans made by the Treasury for provision or improvement of housing accommodation.

- (1) The ^[F4]Treasury may, subject to the provisions of this section, lend money to any person entitled to any land either as owner or as lessee under a lease of which a period of not less than 50 years remains unexpired at the date of the loan for the purpose of constructing or improving, or facilitating or encouraging the construction or improvement of, houses, and any such person may borrow from the ^[F4]Treasury such money as may be required for the purposes aforesaid.

^[F5](1A) Any loan made under subsection (1) is a local loan for the purposes of section 3 of the National Loans Act 1968 (see Schedule 4 to that Act.)

- (2) A loan for any of the purposes specified in subsection (1) shall be secured with interest by a heritable security over the land and houses in respect of which that purpose is

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to be carried out and over such other land and houses, if any, as may be offered as security for the loan.

- (3) Any such loan may be made whether the person receiving the loan has or has not power to borrow on bond and disposition in security or otherwise, independently of this Act, but nothing in this Act shall affect any regulation, statutory or otherwise, whereby any company may be restricted from borrowing until a definite portion of capital is subscribed for, taken or paid up.
- (4) The following conditions shall apply in the case of any such loan—
 - (a) the period for repayment shall not exceed 40 years;
 - (b) no money shall be lent on the security of any land or houses unless the estate or interest therein proposed to be burdened is either ownership or a lease of which a period of not less than 50 years remains unexpired at the date of the loan;
 - (c) the money lent shall not exceed such proportion as is hereinafter authorised of the value, to be ascertained to the satisfaction of the [^{F6}Treasury], of the estate or interest in the land or houses proposed to be burdened in pursuance of subsection (2); but loans may be made by instalment from time to time as the building of houses or other work on the land so burdened progresses, so, however, that the total loans do not at any time exceed the amount aforesaid; and the heritable security may be granted accordingly to secure such loans so to be made from time to time.
- (5) The proportion of such value as aforesaid authorised for the purpose of the loan shall be three-fourths but if the loan exceeds two-thirds of such value, the [^{F7}Treasury] shall require, in addition to such heritable security as is mentioned in subsection (2), such further security as they may think fit.

Textual Amendments

- F3** Words in s. 231 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 74(2)** (with art. 9)
- F4** Word in s. 231(1) substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 74(3)** (with art. 9)
- F5** S. 231(1A) inserted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 74(4)** (with art. 9)
- F6** Word in s. 231(4)(c) substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 74(5)** (with art. 9)
- F7** Word in s. 231(5) substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 74(6)** (with art. 9)

233 Power of local authority to assist in provision of separate service water pipes for houses.

- (1) A local authority may if they think fit give assistance in respect of the provision of a separate service pipe for a house in their district which has a piped supply of water from a water main, but no separate service pipe.
- (2) Subject to this section, the assistance shall be by way of making a grant in respect of all or any part of the expenses incurred in the provision of the separate service pipe.

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- (3) The reference to expenses in subsection (2) includes, in a case where all or any part of the works required for the provision of the separate service pipe are carried out by [^{F8}Scottish Water] (whether in exercise of default powers or in any other case), a reference to sums payable by the owner of the house, or any other person, to [^{F8}Scottish Water] for carrying out the works.

Textual Amendments

- F8** Words in s. 233(3) substituted (1.4.2002) by 2002 asp 3, s. 71, **Sch. 7 para 18(4)** (with s. 67); S.S.I. 2002/118, **art. 2(3)** (with savings in art. 3)

234 Financial assistance towards tenants' removal expenses.

- (1) A local authority shall, in the performance of the functions of management of houses conferred on them by section 17, have power, subject to subsections (2) and (3), in every case where a tenant of a house held by it for housing purposes moves to another house, whether or not that other house is also owned by the local authority—
- (a) to pay any expenses of the removal;
 - (b) where the tenant is purchasing the house, to pay any expenses incurred by him in connection with the purchase other than the purchase price.
- (2) Paragraph (b) of subsection (1) shall only apply in a case where a tenant of a house moves to another house of the local authority if that house has never been let.
- (3) A local authority may make their payment of expenses in connection with the purchase of a house subject to such conditions as they think fit.
- (4) Nothing in this section shall affect the operation of section 34 of the ^{M1}Land Compensation (Scotland) Act 1973 (disturbance payments for persons without compensatable interests).
- (5) The power conferred on a local authority by subsection (1) to make allowances towards the expenses incurred in removing by persons displaced in consequence of the exercise by the authority of their powers shall include power to make allowances to persons so displaced temporarily in respect of expenses incurred by them in storage of furniture.
- (6) Where, as a result of action taken by a local authority under Part IV, the population of the locality is materially decreased, the authority may pay to any person carrying on a retail shop in the locality such reasonable allowance as they may think fit towards any loss which, in their opinion, he will thereby sustain, so, however, that in estimating any such loss they shall have regard to the probable future development of the locality.

Marginal Citations

- M1** 1973 c. 26.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 21(3)(i)s. 21(3)(ai)(ii) by [2001 asp 10 Sch. 10 para. 13\(3\)\(c\)para. 13\(I\)-\(iii\)](#)
- s. 24(3)(f) and word(s) inserted by [2003 asp 10 s. 5\(1\)](#) (This amendment not applied to legislation.gov.uk. S. 5 omitted (31.12.2012) without ever being in force by virtue of S.S.I. 2012/330, arts. 1, 13)
- s. 31(2C)(c) words substituted by [2004 asp 8 Sch. 4 para. 2](#)
- s. 61(2)(a)(ia) by [2001 asp 10 Sch. 10 para. 13\(6\)\(a\)\(ii\)](#)
- s. 63(1A)-(61C) by [2001 asp 10 s. 46\(2\)](#)
- s. 66(1)(vi)(vii) by [2001 asp 10 Sch. 10 para. 13\(9\)\(b\)](#)
- s. 286(a)(c) by [2001 asp 10 Sch. 10 para. 13\(40\)\(a\)\(b\)](#)