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## SCHEDULES

### SCHEDULE 18

Section 130.

#### AMENDMENTS OF HOUSING ACT 1974 (C. 44) PART III

##### *Shared ownership schemes*

- 1 (1) In section 29 of the 1974 Act (housing association grant) after subsection (2) there is inserted the following subsection: —
- “(2A) For the purposes of this section, " letting " includes the grant of a lease or licence to occupy—
- (a) on payment of a premium calculated by reference to a percentage of the value of the dwelling or of the cost of providing it; or
  - (b) under which the tenant (or his personal representatives) will or may be entitled to a sum calculated by reference directly or indirectly to the value of the dwelling.”
- (2) This paragraph shall be deemed always to have had effect.

##### *Cost of housing projects*

- 2 In section 29, after subsection (6) there is inserted the following subsection—
- “(6A) In determining the net cost of a housing project under subsection (6) above the Secretary of State may adopt the assessment of the body forwarding the application under subsection (3) above.”

##### *Approved development programmes*

- 3 After section 29 there is inserted the following section—

#### **“29A Approved development programmes.**

- (1) In this section " approved development programme " means any programme for the development of housing by registered housing associations prepared by the Housing Corporation or—
- (a) in England and Wales, by a council which has power under section 119 of the Housing Act 1957 to make loans to registered housing associations ; or
  - (b) in Scotland, by a local authority ;
- and approved for the time being by the Secretary of State for the purposes of this section.
- (2) Where a registered housing association undertake a housing project which falls within an approved development programme, housing association grant

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may be paid under section 29 in respect of that project, notwithstanding that it has not been approved by the Secretary of State under section 29(1).”.

*Payment of housing association grant*

- 4 In subsection (1) of section 30—
- (a) after the words " the project is completed " where they occur in paragraphs (a) and (b) there are inserted the words " or its completion has become impossible "; and
  - (b) for the words " before the project is completed " there are substituted the words " at an earlier time ".

- 5 After subsection (2) of section 30 there is inserted the following subsection—
- “(2A) In any case where, by virtue of section 29A above, a housing project has not required the approval of the Secretary of State under section 29(1), the Secretary of State may impose such conditions as are mentioned in subsection (2) above before first making payment of housing association grant in respect of that project.”.

- 6 For subsection (3) of section 30 there are substituted the following subsections—
- “(3) If, after the making of a housing association grant to a registered housing association—
- (a) any land to which the grant relates has been disposed of by the association in any manner ;
  - (b) any condition imposed under subsection (2) above has not been complied with ; or
  - (c) the Secretary of State is satisfied that any land to which the grant relates has ceased to be used, or to be available for use, for the purpose for which, at the time the project concerned was approved, it was intended that it should be used ;

the Secretary of State may reduce the amount of, or of any payment in respect of, the grant or suspend or discontinue any instalment of it or, where any payment has been made to the association in respect of the grant, direct the association to pay to him an amount equal to the whole, or such proportion as he may determine, of the amount so paid to the association.

- (3A) Any amount which a registered housing association is directed to repay to the Secretary of State under subsection (3) above shall be recoverable as a simple contract debt, or in Scotland as a debt due under a contract, in any court of competent jurisdiction.”.

- 7 Subsection (5) of section 30 is hereby repealed.

*Management grant*

- 8 No grant shall be made under section 31 (management grants) except in pursuance of an application made before the passing of this Act; and accordingly that section shall cease to have effect except in relation to grants payable in pursuance of such applications.

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*Revenue deficit grant*

- 9 In section 32 (deficit grants)—
- (a) in subsection (1), the word " annual" is omitted and for the words " an accounting year of the association " there are substituted the words " any period ";
  - (b) in subsection (2)—
    - (i) in the words preceding the paragraphs for the words from "in respect of" to "association" there are substituted the words " to a registered housing association in respect of any period ";
    - (ii) in paragraph (a) for the words from "in respect of that year" to "end of that year" there are substituted the words " in respect of that period is made by the association to the Secretary of State not later than 15 months after the end of that period " ; and
    - (iii) in paragraph (c) for the words " accounting year " there is substituted the word " period " ;
  - (c) for subsection (3) there is substituted the following subsection : —

“(3) For the purposes of this section, a registered housing association shall be treated as incurring a deficit on its revenue account for any period, if—

    - (a) its expenditure for that period which, in the opinion of the Secretary of State, is attributable to its housing activities and is reasonable and appropriate, having regard to all the circumstances; exceeds
    - (b) the income which, in the opinion of the Secretary of State, it might reasonably be expected to receive for that period in respect of its housing activities, including sums by way of grant or subsidy under any enactment other than this section;

and for this purpose—

    - (i) an association's housing activities are any of its activities not relating to hostels or, if the association is a registered charity and not an exempt charity, those of its activities not relating to hostels which fall within section 133(2) of the Housing Act 1980 ; and
    - (ii) an association's expenditure and income shall be calculated in such manner as the Secretary of State may, with the consent of the Treasury, from time to time determine.”;
  - (d) subsection (4) shall cease to have effect except in relation to grants made in pursuance of applications made before the passing of this Act;
  - (e) in subsection (5) for the words "accounting year" there is substituted the word " period " and for the words "that year" the words " that period " ;
  - (f) in subsection (6) for the words "accounting year", in both places, there is substituted the word " period " ; and
  - (g) subsection (8) is hereby repealed.

*Hostel deficit grant*

- 10 In section 33—

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- (a) in subsection (1) for the words " an accounting year of the association " there are substituted the words " any period ";
- (b) in subsection (2) for the words from "any accounting year" to "end of that year" there are substituted the words " any period unless an application in respect of that period is made by the association to the Secretary of State not later than 15 months after the end of that period ";
- (c) in subsection (3)—
  - (i) in the words preceding the paragraphs, for the words "an accounting year of the association" there are substituted the words " any period "; and
  - (ii) in paragraphs (a) and (b) for the word "year", wherever it occurs, there is substituted the word " period ";
- (d) in subsection (4) for the words "accounting year of the association" there is substituted the word " period " and for the words "that year" the words "that period";
- (e) in subsection (5) for the words "accounting year" there is substituted the word " period " and for the words "that year" the words "that period"; and
- (f) in subsection (6) for the words "accounting year", in both places, there is substituted the word " period " and the words " before the expiry of that year " are omitted.