



# Housing Associations Act 1985

## 1985 CHAPTER 69

### PART II

#### HOUSING ASSOCIATION FINANCE

**Modifications etc. (not altering text)**

- C1 Pt. II (ss. 41–73) excluded (S.) by [Housing \(Scotland\) Act 1987](#) (c. 26, SIF 61), ss. 199, 335, **Sch. 12 para. 1(7)**
- C2 Pt. II (ss. 41–73): power to apply certain functions conferred (E.W.) by [Housing Act 1988](#) (c. 50, SIF 61), s. **65(2)(b)(4)**

41— ..... F1  
51.

**Textual Amendments**

- F1 Ss. 41–51, 75(1)(d) repealed by [Housing Act 1988](#) (c. 50, SIF 61), s. 140(2), **Sch. 18**

52 ..... F2

**Textual Amendments**

- F2 S. 52 repealed (with a saving in [S.I. 1989/404](#), **art. 3(a)**) by [Housing Act 1988](#) (c. 50, SIF 61), s. 140(2), **Sch. 18**, and as to s. 52(3) repealed (S.) by [Housing \(Scotland\) Act 1986](#) (c. 65, SIF 61), s. 25(2), **Sch. 3**, and s. 52(4) repealed by [Land Registration Act 1988](#) (c. 3, SIF 98:2), ss. 1(e), 2, **Sch.**

53 ..... F3

*Status: Point in time view as at 01/10/1996.*

*Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)*

**Textual Amendments**

**F3** S. 53 repealed (with a saving in S.I. 1989/404, **art. 3(b)** ) by Housing Act 1988 (c. 50, SIF 61), s. 140(2), **Sch. 18**

*Deficit grants*

**54** ..... <sup>F4</sup>

**Textual Amendments**

**F4** S. 54 repealed (with a saving in S.I. 1989/404, **art. 3(c)** ) by Housing Act 1988 (c.50, SIF 61), s. 140(2), **Sch. 18**

<sup>F5</sup>**55** .....

**Textual Amendments**

**F5** Ss. 55-57 repealed (1.4.1991) by Housing Act 1988 (c. 50, SIF 61), s. 140(2), **Sch. 18**; S.I. 1989/404, **art. 2** and S.I. 1991/954, arts,2, 3 (by art. 3 it is provided that the repeal shall not apply in relation to hostel deficit grants payable to an association for a period which expires before 1.4.1991)

**56** <sup>F6</sup> .....

**Textual Amendments**

**F6** Ss. 55-57 repealed (1.4.1991) by Housing Act 1988 (c. 50, SIF 61), s. 140(2), **Sch. 18**; S.I. 1989/404, **art. 2** and S.I. 1991/954, **arts.2, 3** (by art. 3 it is provided that the repeal shall not apply in relation to hostel deficit grants payable to an association for a period which expires before 1.4.1991)

**57** <sup>F7</sup> .....

**Textual Amendments**

**F7** Ss. 55-57 repealed (1.4.1991) by Housing Act 1988 (c. 50, SIF 61), s. 140(2), **Sch. 18**; S.I. 1989/404, **art. 2** and S.I. 1991/954, **arts.2, 3** (by art. 3 it is provided that the repeal shall not apply in relation to hostel deficit grants payable to an association for a period which expires before 1.4.1991)

*Status: Point in time view as at 01/10/1996.*

*Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)*

### *Arrangements with local authorities*

#### **[<sup>F8</sup>58 Powers of local authorities to promote and assist housing associations: England and Wales.**

- (1) A local authority may promote the formation or extension of a housing association.
- (2) A local authority may for the assistance of a housing association subscribe for share or loan capital of the association.
- (3) A local authority may make a loan to an unregistered self-build society for the purpose of enabling it to meet the whole or part of the expenditure incurred, or to be incurred by it, in carrying out its objects.
- (4) This section does not apply where the housing association is a registered social landlord (for which corresponding provision is made by section 22 of the Housing Act 1996)..]

#### **Textual Amendments**

**F8** S. 58 substituted (1.10.1996) by [S.I. 1996/2325, art. 5\(1\), Sch. 2 para. 15\(22\)](#)

#### **Modifications etc. (not altering text)**

**C3** S. 58 excluded (1.10.1996) by [1985 c. 69, s. 58\(4\)](#) (as substituted by [S.I. 1996/2325, art. 5\(1\), Sch. 2 para. 15\(22\)](#))

#### **59 Powers of local authorities to promote and assist housing associations: Scotland.**

- (1) A local authority <sup>F9</sup> . . . may promote the formation or extension of or, subject to section 60 (assistance restricted to registered housing associations), assist a housing association whose objects include the erection, improvement or management of housing accommodation.
- (2) A local authority <sup>F9</sup> . . . may, with the consent of and subject to any regulations or conditions made or imposed by the Secretary of State, for the assistance of such an association—
  - (a) make grants or loans to the association,
  - (b) subscribe for share or loan capital of the association, or
  - (c) guarantee or join in guaranteeing the payment of the principal of, and interest on, money borrowed by the association (including money borrowed by the issue of loan capital) or of interest on share capital issued by the association, on such terms and conditions as to rate of interest and repayment or otherwise and on such security as the local authority <sup>F9</sup> . . . think fit.
- (3) A term of an agreement for such a grant or loan is void if it purports to relate to the rent payable in respect of a house to which the agreement relates or the contributions payable towards the cost of maintaining such a house.
- (4) Regulations under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

*Status: Point in time view as at 01/10/1996.*

*Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)*

[<sup>F10</sup>(5) Sections 6, 15, 320 and 329 of the Housing (Scotland) Act 1987 (general provisions with respect to housing functions of local authorities etc.) apply in relation to this section and section 61, as they apply in relation to the provisions of that Act.]

#### Textual Amendments

- F9** Words in s. 59(1)(2) repealed (1.4.1996) by 1994 c. 39, s. 180(1)(2), Sch. 13 para. 143(2), **Sch. 14**; S.I. 1996/323, art. 4(1)(c)(d), **Sch. 2**
- F10** S. 59(5) added by Housing (Scotland) Act 1987 (c. 26, SIF 61), ss. 335, 339(2), **Sch. 23 para. 31(7)**

#### [<sup>F11</sup>60 Certain assistance restricted to registered housing associations.

- (1) Subject to the following provisions of this section, grants, loans and guarantees may be made or given under sections 58(2)(a) and (c) and 59(2)(a) and (c) only if the association is at the time the grant or loan is made, or the guarantee is given, a registered housing association.
- (2) Subsection (1) does not apply in relation to the making of a loan to an unregistered self-build society for the purpose of enabling it to meet the whole or part of the expenditure incurred, or to be incurred, by it in carrying out its objects.
- (3) Nothing in subsection (1) prevents the making of a loan to an unregistered association for the assistance of the association—
  - (a) in connection with works required to be carried out in pursuance of, or the acquisition of an estate or interest in a dwelling or other building for the purposes of, arrangements under section 121 of the <sup>M1</sup>Housing Act 1957 or section 155 of the <sup>M2</sup>Housing (Scotland) Act 1966 (arrangements with local authorities for the improvement of housing) which were approved by the Secretary of State before 1st April 1975;
  - (b) in connection with dwellings which were relevant dwellings for the purposes of section 73 of the <sup>M3</sup>Housing Finance Act 1972 (certain dwellings approved for purposes of subsidy before 10th August 1972);
  - (c) in connection with the provision of works which are relevant works, approved for subsidy, within the meaning of section 53 of the <sup>M4</sup>Housing (Financial Provisions) (Scotland) Act 1972;
  - (d) in connection with a building scheme within the meaning of section 75 of the Housing Finance Act 1972 (new building subsidy) which was approved by the Secretary of State for the purposes of that section before 1st April 1975;
  - (e) in connection with a building scheme or improvement scheme, within the meaning of sections 55 and 57 of the Housing (Financial Provisions) (Scotland) Act 1972 which was approved by the Secretary of State for the purposes of those sections before 1st April 1975.]

#### Textual Amendments

- F11** S. 60 repealed (E.W.) (1.10.1996) by S.I. 1996/2325, art. 4(1), **Sch. 1 Pt. I** (with art. 4(2)(3))

#### Marginal Citations

- M1** 1957 c. 56.  
**M2** 1966 c. 49.  
**M3** 1972 c. 47.

*Status: Point in time view as at 01/10/1996.*

*Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)*

M4 1972 c. 46.

**61 Power of local housing authority to supply furniture to housing association tenants.**

(1) A local housing authority may sell, or supply under a hire-purchase agreement, furniture to the occupants of houses provided by a housing association under arrangements made with the authority, and may buy furniture for this purpose.

(2) In this section “hire-purchase agreement” means a hire-purchase agreement or conditional sale agreement within the meaning of the <sup>M5</sup>Consumer Credit Act 1974.

[<sup>F12</sup>(3) This section does not apply where the housing association is a registered social landlord (for which corresponding provision is made by section 22 of the Housing Act 1996).]

**Textual Amendments**

F12 S. 61(3) inserted (E.W.) (1.10.1996) by S.I. 1996/2325, art. 5(1), Sch. 2 para. 15(23)

**Marginal Citations**

M5 1974 c. 39.

62 ..... F13

**Textual Amendments**

F13 S. 62 repealed (with saving) by Housing Act 1988 (c. 50, SIF 61), s. 140(2), Sch. 18: S.I. 1989/404, art. 3(d)

63— ..... F14

66.

**Textual Amendments**

F14 Ss. 63–66 repealed by Building Societies Act 1986 (c. 53, SIF 16), ss. 54(3)(a)(5), 119(5), 120(1)(2), Sch. 18 Pt. I para. 19(2), Sch. 19 Pt. I (and s. 64(4) is also expressed to be repealed (5.11.1993) by 1993 c. 50, s. 1(1), Sch. 1 Pt.XIV Gp. 2).

*Loans by Public Works Loan Commissioners*

<sup>F15</sup>67 .....

*Status: Point in time view as at 01/10/1996.*

*Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)*

#### Textual Amendments

**F15** S. 67 repealed (1.10.1996) by 1996 c. 52, s. 227, **Sch. 19 Pt. I**; S.I. 1996/2402, **art. 3** (subject to transitional provisions and savings in **Sch.**)

### 68 Loans by Public Works Loan Commissioners: Scotland.

- (1) The Public Works Loan Commissioners may lend money to a [<sup>F16</sup>registered housing association]—
  - (a) for the purpose of constructing or improving, or facilitating or encouraging the construction or improvement of, houses,
  - (b) for the purchase of houses, and
  - (c) for the purchase and development of land.
- (2) A loan for any of those purposes shall be secured with interest by a heritable security over—
  - (a) the land in respect of which that purpose is to be carried out, and
  - (b) such other land, if any, as may be offered as security for the loan;
 and the money lent shall not exceed three-quarters (or, if the payment of the principal of and interest on the loan is guaranteed by a local authority, nine-tenths) of the value, to be ascertained to the satisfaction of the Public Works Loan Commissioners, of the estate or interest in the land proposed to be burdened.
- (3) Loans may be made by instalments as the building of houses or other work on the land burdened under subsection (2) progresses (so, however, that the total loans do not at any time exceed the amount specified in that subsection); and the heritable security may be granted accordingly to secure such loans so to be made.
- (4) If the loan exceeds two-thirds of the value referred to in subsection (2), and is not guaranteed as to principal and interest by a local authority, the Public Works Loan Commissioners shall require, in addition to such a heritable security as is mentioned in that subsection, such further security as they may think fit.
- (5) Subject to subsection (6), the period for repayment of a loan under this section shall not exceed 40 years, and no money shall be lent on the security of any land unless the estate or interest 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.
- (6) Where a loan under this section is made for the purposes of carrying out a scheme for the provision of houses approved by the Secretary of State, the maximum period for the repayment of the loan is 50 instead of 40 years, and money may be lent on heritable security over a lease recorded under the <sup>M6</sup>Registration of Leases (Scotland) Act 1857 of which a period of not less than ten years in excess of the period fixed for the repayment of the loan remains unexpired at the date of the loan.

#### Textual Amendments

**F16** Words substituted by **Housing and Planning Act 1986 (c. 63, SIF 61)**, s. 24(1), **Sch. 5 Pt. I para. 13(b)**

#### Marginal Citations

**M6** 1857 c. 26.

*Status: Point in time view as at 01/10/1996.*

*Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)*

### Miscellaneous

## 69 Power to vary or terminate certain agreements with housing associations.

- (1) This section applies to agreements of the following descriptions—
- (a) an agreement for a loan to a housing association by the Housing Corporation under section 2 of the <sup>M7</sup>Housing Act 1964 [<sup>F17</sup>(including such an agreement under which rights and obligations have been transferred to Housing for Wales)];
  - (b) an agreement which continues in force under Part I of Schedule 4 (arrangements with local authority for the provision or improvement of housing);
  - (c) an agreement to which Part II of Schedule 4 applies (subsidy agreements with local authorities);
  - (d) an agreement which continues in force under Part III of Schedule 4 (special arrangements with the Secretary of State);
  - [<sup>F18</sup>(e) an agreement for a loan or grant to a housing association under section 58(2) or 59(2) (financial assistance by local authorities);]
  - (f) a scheme which continues in force under Part V of Schedule 5 (schemes for unification of grant conditions).
  - [<sup>F19</sup>(g) an agreement for a loan or grant to a registered housing association under section 24 of the Local Government Act 1988 (power to provide financial assistance for privately let housing accommodation).]
- (2) On the application of a party to an agreement to which this section applies, the Secretary of State may, if he thinks fit, direct—
- (a) that the agreement shall have effect with such variations, determined by him or agreed by the parties, as may be specified in the direction, or
  - (b) that the agreement shall be terminated.
- [<sup>F20</sup>(2A) In the case of an agreement under which rights and obligations have been transferred to Housing for Wales, the reference to a party to the agreement includes a reference to Housing for Wales.]
- (3) No variation shall be directed under subsection (2) which would have the effect of including in an agreement a term—
- (a) limiting the aggregate amount of rents payable in respect of dwellings to which the agreement relates or contributions towards the cost of maintaining such dwellings, or
  - (b) specifying a limit which the rent of a dwelling is not to exceed.

This subsection does not extend to Scotland.

- (4) No variation shall be directed under subsection (2) which would have the effect of including in an agreement a term relating to the rent payable in respect of a house to which the agreement relates or contributions towards the cost of maintaining such a house.

This subsection extends to Scotland only.

#### Textual Amendments

**F17** Words added by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 59(2)(3)(b), [Sch. 6 Pt. II para. 28\(1\)](#)

*Status: Point in time view as at 01/10/1996.*

*Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)*

- F18** S. 69(1)(e) repealed (E.W.) (1.10.1996) by 1996 c. 52, ss. 55(1), 227, Sch. 3 para. 4, **Sch. 19 Pt. I**; S.I. 1996/2402, **art. 3** (subject to transitional provisions and savings in Sch.)
- F19** S. 69(1)(g) repealed (E.W.) (1.10.1996) by 1996 c. 52, ss. 55(1), 227, Sch. 3 para. 4, **Sch. 19 Pt. I**; S.I. 1996/2402, **art. 3** (subject to transitional provisions and savings in Sch.)
- F20** S. 69(2A) inserted by Housing Act 1988 (c. 50, SIF 61), s. 59(2)(3)(b), **Sch. 6 Pt. II para. 28(2)**

#### Marginal Citations

- M7** 1964 c. 56.

### [<sup>F21</sup>69A Land subject to housing management agreement.

A housing association is not entitled to a [<sup>F22</sup>grant under section 50 (housing association grant) or section 51 (revenue deficit grant) of the Housing Act 1988] in respect of land comprised in—

- (a) a management agreement within the meaning of the Housing Act 1985 (see sections 27(2) and 27B(4) of that Act: delegation of housing management functions by certain authorities), or
- (b) an agreement to which section [<sup>F23</sup>22 of the Housing (Scotland) Act 1987] applies (agreements for exercise by housing co-operatives of certain local authority housing functions).]

#### Textual Amendments

- F21** S. 69A inserted by Housing and Planning Act 1986 (c. 63, SIF 61), s. 24(2), **Sch. 5 Pt. II para. 42**
- F22** Words substituted by Housing Act 1988 (c. 50, SIF 61), s. 59(2)(3)(4), **Sch. 6 Pt. II para. 29** (which substitution has a saving in S.I. 1989/404, **arts. 3(c)(ii), 4**)
- F23** Words “22 of the Housing (Scotland) Act 1987” substituted (S.) for “5 of the Housing Rents and Subsidies (Scotland) Act 1975” by Housing (Scotland) Act 1987 (c.26, SIF 61), ss. 335, 339(2), **Sch. 23 para. 31(8)**

### 70 Continuation of arrangements under repealed enactments.

The provisions of Schedule 4 have effect in relation to certain arrangements affecting housing associations which continue in force despite the repeal of the enactments under or by reference to which they were made, as follows—

- Part I —Arrangements with local authorities for the provision or improvement of housing.
- Part II —Subsidy agreements with local authorities.
- Part III —Special arrangements with the Secretary of State in Scotland.

### 71 Superseded contributions, subsidies and grants.

The provisions of Schedule 5 have effect with respect to superseded subsidies, contributions and grants, as follows—

- Part I —Residual subsidies: England and Wales.
- Part II —Residual subsidies: Scotland.
- Part III—Contributions and grants under arrangements with local authorities.
- Part IV—Contributions under arrangements with the Secretary of State in Scotland.



*Status: Point in time view as at 01/10/1996.*

*Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Part II. (See end of Document for details)*

- Part V —Schemes for the unification of grant conditions.
- Part VI—New building subsidy and improvement subsidy.
- Part VII—Payments in respect of hostels under pre-1974 enactments.

### *Supplementary provisions*

#### [<sup>F24</sup>72 **Minor definitions.**

In this Part—

- ..... <sup>F25</sup>
- ..... <sup>F25</sup>
- ..... <sup>F25</sup>

“registered charity” has the same meaning as in Part I.]

#### **Textual Amendments**

- F24** S. 72 repealed (E.W.) (1.10.1996) by S.I. 1996/2325, art. 4(1), Sch. 1 Pt. I (with art. 4(2)(3))
- F25** Definitions repealed by Building Societies Act 1986 (c. 53, SIF 16), ss. 54(3)(a)(5), 120(1)(2), Sch. 18 Pt. I para. 19(2), Sch. 19 Pt. I

#### 73 **Index of defined expressions: Part II.**

The following Table shows provisions defining or explaining expressions used in this Part (other than provisions defining or explaining an expression in the same section);

<sup>F26</sup>	<sup>F26</sup>
<sup>F27</sup>	<sup>F27</sup>
<sup>F27</sup>	<sup>F27</sup>
co-operative housing association	section 1(2)
dwelling	section 106
[ <sup>F28</sup> fully mutual (in relation to a housing association)]	[ <sup>F28</sup> section 1(2)]
[ <sup>F28</sup> heritable security]	[ <sup>F28</sup> section 106]
hostel	section 106
<sup>F29</sup>	<sup>F29</sup>
house	section 106
[ <sup>F28</sup> housing activities]	[ <sup>F28</sup> section 106]
housing association	section 1(1)
...	...

*Status: Point in time view as at 01/10/1996.*

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F29	F29
· · ·	· · ·
F29	F29
local authority	section 106
local housing authority	section 104
· · ·	· · ·
F30	F30
F31	· · ·
· · ·	· · ·
[ <sup>F28</sup> registered charity]	[ <sup>F28</sup> section 72]
[ <sup>F32</sup> registered housing association]	section 2B]
[ <sup>F33</sup> registered social landlord]	section 2B]
· · ·	· · ·
F26	F26
self-build society	section 1(3)
· · ·	· · ·
F34	F34
· · ·	· · ·
F26	F26
[ <sup>F35</sup> unregistered (in relation to a housing association)]	section 2B]

### Textual Amendments

- F26** Entry repealed by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 140(2), **Sch. 18**
- F27** Entries repealed by [Building Societies Act 1986 \(c. 53, SIF 16\)](#), **ss. 54(3)(a)(5)**, 120(1)(2), Sch. 18 Pt. I para. 19(2), Sch. 19 Pt. I
- F28** [S. 73](#): definitions repealed (E.W.) (1.10.1996) by S.I. 1996/2325, art. 4(1), **Sch. 1 Pt. I** (with art. 4(2)(3))
- F29** Entries repealed by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 140(2), **Sch. 18**
- F30** Entry repealed by [Building Societies Act 1986 \(c. 53, SIF 16\)](#), **ss. 54(3)(a)**, 120(1)(2), Sch. 18 Pt. I para. 19(2), Sch. 19 Pt. I
- F31** [S. 73](#): definition repealed (1.10.1996) by S.I. 1996/2325, art. 4(1), Sch. 1 Pts. **I, II** (with savings in art. 4(2)(3))
- F32** [S. 73](#): definition inserted (S.) (1.10.1996) by S.I. 1996/2325, art. 5(1), **Sch. 2 para. 24(a)**
- F33** [S. 73](#): definition inserted (1.10.1996) by S.I. 1996/2325, art. 5(1), **Sch. 2 para. 24(b)**
- F34** By [Housing and Planning Act 1986 \(c. 63, SIF 61\)](#), s. 24(1), **Sch. 5 Pt. I para. 8(2)** an entry relating to shared ownership agreement was inserted in s. 73 at the appropriate place and by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 140(2), **Sch. 18** that entry was repealed
- F35** [S. 73](#): definition inserted (1.10.1996) by S.I. 1996/2325, art. 5(1), **Sch. 2 para. 24(c)**

**Status:**

Point in time view as at 01/10/1996.

**Changes to legislation:**

There are currently no known outstanding effects for the Housing Associations Act 1985, Part II.