



Housing Associations Act 1985

1985 CHAPTER 69

PART II

HOUSING ASSOCIATION FINANCE

Deficit grants

54 Revenue deficit grants

- (1) The Secretary of State may pay a grant (a "revenue deficit grant") to a registered housing association which incurs a deficit on its revenue account for any period.
- (2) An association incurs such a deficit if its relevant expenditure exceeds its relevant income.
- (3) For this purpose—
 - (a) its relevant expenditure is its expenditure for the 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, and
 - (b) its relevant income is the income which, in the opinion of the Secretary of State, it might reasonably be expected to receive for the period in respect of its housing activities, including sums by way of grant or subsidy,and income and expenditure shall be calculated in such manner as the Secretary of State may, with the consent of the Treasury, determine.
- (4) The revenue deficit grant payable to an association in respect of a period shall be of such amount as the Secretary of State may determine in relation to that association, but shall not be greater than the amount of the excess determined under subsection (3).
- (5) For the purposes of this section the housing activities of an association do not include activities relating to hostels.

Status: This is the original version (as it was originally enacted).

55 Hostel deficit grants

- (1) The Secretary of State may pay a grant (a "hostel deficit grant") to a registered housing association which, in relation to a hostel managed by it, incurs a revenue deficit in respect of any period.
- (2) An association incurs such a deficit if its relevant expenditure exceeds its relevant income.
- (3) For this purpose—
 - (a) its relevant expenditure is its expenditure for the period which, in the opinion of the Secretary of State, is attributable to the hostel and is reasonable and appropriate having regard to all the circumstances, and
 - (b) its relevant income is the income which, in the opinion of the Secretary of State, it might reasonably be expected to receive in respect of the hostel for that period, including sums received or to be received in respect of that period by way of grant or subsidy,and income and expenditure shall be calculated in such manner as the Secretary of State may, with the consent of the Treasury, determine.
- (4) The reference in subsection (3) (b) to the income which an association might reasonably be expected to receive in respect of a hostel in a period includes so much as is reasonably attributable to the hostel of sums received or to be received by the association in respect of that period otherwise than by reference to a specific hostel or purpose.
- (5) Where an association which applies for a hostel deficit grant manages more than one hostel, the Secretary of State may, if he considers it appropriate to do so, treat all the hostels managed by the association, or any two or more of them, as a single hostel for the purpose of determining whether the association has incurred a revenue deficit.
- (6) The hostel deficit grant payable to an association in respect of a period shall be such amount as the Secretary of State may determine in relation to that association, but shall not be greater than the amount of the excess determined under subsection (3).

56 Applications for deficit grants

- (1) A revenue deficit grant or hostel deficit grant is payable to an association in respect of a period only if an application complying with this section is made by the association to the Secretary of State and is approved by him.
- (2) An application for either description of grant—
 - (a) shall be made within 15 months after the end of the period to which it relates, and
 - (b) shall be in such form and contain such information as the Secretary of State may determine.
- (3) An application for a revenue deficit grant shall be accompanied by the audited accounts of the association for the period to which the application relates.

57 Payment of deficit grants

- (1) A revenue deficit grant shall be paid in a single sum in respect of the period to which it relates.

Status: This is the original version (as it was originally enacted).

- (2) A hostel deficit grant shall be paid either in a single sum or in instalments, as the Secretary of State may determine; and if payable by instalments shall be paid at such times and in such manner as the Treasury may direct.
- (3) The Secretary of State may, if he considers it appropriate to do so, make payments on account of a revenue deficit grant or hostel deficit grant which he considers is likely to become payable to an association for any period.
- (4) No sum shall be paid in respect of a revenue deficit grant or hostel deficit grant to a body which has been removed under section 6 from the register of housing associations.