



Housing Associations Act 1985

1985 CHAPTER 69

PART III

THE HOUSING CORPORATION

The Corporation's finances

92 Borrowing powers.

- (1) The Corporation may borrow from the Secretary of State, and the Secretary of State may lend to the Corporation, by way of temporary loan or otherwise, such sums in sterling as the Corporation may require.
- (2) The Corporation may, with the consent of the Secretary of State or in accordance with a general authorisation given by him, borrow temporarily by overdraft or otherwise such sums in sterling as the Corporation may require.
- (3) The Corporation may, with the consent of the Secretary of State, borrow—
 - (a) from the European Investment Bank or the Commission of the European Communities, sums in any currency, and
 - (b) from any other person, sums in a currency other than sterling.
- (4) A loan made to the Corporation by the Secretary of State shall be repaid to him at such times and by such methods, and interest on the loan shall be paid to him at such rates and at such times, as he may from time to time determine.
- (5) The Treasury may issue to the Secretary of State out of the National Loans Fund such sums as are necessary to enable him to make loans to the Corporation in pursuance of this section; and sums received by the Secretary of State in pursuance of subsection (4) shall be paid into that Fund.
- (6) The Secretary of State may act under this section only with the approval of the Treasury.

Status: Point in time view as at 01/10/1991.

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Cross Heading: The Corporation's finances. (See end of Document for details)

93 Limit on borrowing.

- (1) The Corporation has only the borrowing powers conferred by section 92 and those powers are exercisable subject to the following limit.
- (2) The aggregate amount outstanding by way of principal of—
 - (a) advances made to the Corporation under section 9 of the ^{M1}Housing Act 1964 before 18th September 1974 (when that section was repealed),
 - (b) advances made to housing associations before 1st April 1975 in respect of which the rights and obligations of the Secretary of State were then transferred to the Corporation by section 34 of the ^{M2}Housing Act 1974,
 - (c) money borrowed by the Corporation under section 92, and
 - (d) money borrowed by a subsidiary of the Corporation otherwise than from the Corporation,

[^{F1}shall not exceed the limit appropriate to the Corporation under subsection (2A)].

[^{F2}(2A) The limit referred to in subsection (2) is,—

- (a) in the case of the Housing Corporation, £2,000 million or such greater sum not exceeding £3,000 million as the Secretary of State may specify by order made with the consent of the Treasury; and
- (b) in the case of Housing for Wales, £250 million or such greater sum not exceeding £300 million as the Secretary of State may specify by order made with the consent of the Treasury.]
- (3) An order under subsection [^{F3}(2A)] shall be made by statutory instrument and no such order shall be made unless a draft of it has been laid before and approved by the House of Commons.
- (4) In ascertaining the limit imposed by subsection [^{F3}(2A)], interest payable on a loan made by the Secretary of State to the Corporation which, with the approval of the Treasury, is deferred and treated as part of the loan, shall, so far as outstanding, be treated as outstanding by way of principal.
- (5) The power of the Corporation to borrow from a subsidiary of the Corporation is not affected by subsection (1) and borrowing from such a subsidiary shall be left out of account for the purposes of subsection [^{F3}(2A)].

Textual Amendments

- F1** Words substituted by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 59(2)(3)(4), **Sch. 6 Pt. III para. 35(1)**
- F2** [S. 93\(2A\)](#) inserted by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 59(2)(3)(4), **Sch. 6 Pt. III para. 35(2)**
- F3** “2A” substituted by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 59(2)(3)(4), **Sch. 6 Pt. III para. 35(3)**

Marginal Citations

- M1** [1964 c. 56.](#)
- M2** [1974 c. 44.](#)

94 Treasury guarantees of borrowing.

- (1) The Treasury may guarantee, in such manner and on such conditions as they think fit, the repayment of the principal of and the payment of interest on and the discharge of

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any other financial obligation in connection with sums which the Corporation borrows from a person other than the Secretary of State.

- (2) Immediately after a guarantee is given the Treasury shall lay a statement of the guarantee before each House of Parliament.
- (3) Any sums required by the Treasury for fulfilling the guarantee shall be charged on and issued out of the Consolidated Fund.
- (4) If any sums are so issued, the Corporation shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct—
 - (a) payments of such amounts as the Treasury so direct in or towards repayment of the sums so issued, and
 - (b) payments of interest, at such rate as the Treasury so direct, on what is outstanding for the time being in respect of sums so issued.
- (5) Sums received by the Treasury in pursuance of subsection (4) shall be paid into the Consolidated Fund.
- (6) Where a sum is issued for fulfilling a guarantee given under this section, the Treasury shall, as soon as possible after the end of each financial year, beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest on it is finally discharged, lay before each House of Parliament a statement relating to the sum.

95 Grants to the Corporation.

- (1) The Secretary of State may make such grants to the Corporation as appear to him to be required to enable the Corporation to meet the expenses incurred by it in the exercise of its functions.
- (2) A grant may be made subject to such conditions as the Secretary of State may determine.
- (3) The Secretary of State may act under this section only with the consent of the Treasury.

96 General financial provisions.

- (1) The Corporation may turn its resources to account so far as they are not required for the exercise of its functions.
- (2) If for an accounting year the revenues of the Corporation exceed the total sums properly chargeable to revenue account, the Corporation shall apply the excess in such manner as the Secretary of State may, after consultation with the Corporation, direct; and the Secretary of State may direct that the whole or part of the excess be paid to him.
- (3) The Secretary of State may give directions to the Corporation as to matters relating to—
 - (a) the establishment or management of reserves,
 - (b) the carrying of sums to the credit of reserves, or
 - (c) the application of reserves for the purposes of the Corporation's functions.
- (4) The Secretary of State may, after consultation with the Corporation, direct the Corporation to pay to him the whole or part of any sums for the time being standing to

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the credit of reserves of the Corporation or being of a capital nature and not required for the exercise of the Corporation's functions.

- (5) The Secretary of State may act under this section only with the approval of the Treasury.

97 Accounts and audit.

- (1) The Corporation shall keep proper accounts and proper records in relation to the accounts and shall prepare in respect of each financial year annual accounts in such form as the Secretary of State may, with the approval of the Treasury, direct.
- (2) The accounts of the Corporation for each financial year shall be audited by a qualified accountant appointed for the purpose by the Secretary of State.
- (3) As soon as the annual accounts of the Corporation for a financial year have been audited, the Corporation shall send to the Secretary of State a copy of the accounts prepared by it for the year in accordance with this section, together with a copy of any report made on them by the auditor.
- (4) The Secretary of State shall prepare in respect of each financial year, in such form and manner as the Treasury may direct, an account of—
- (a) the sums issued to him and lent to the Corporation, and
 - (b) sums received by him from the Corporation and paid into the National Loans Fund in respect of the principal and interest on sums so lent, or on sums advanced to the Corporation under section 9 of the ^{M3}Housing Act 1964,
- and shall transmit the accounts so prepared by him to the Comptroller and Auditor General on or before 30th November in the following financial year.
- (5) The Comptroller and Auditor General shall examine and certify the accounts prepared by the Secretary of State and lay before each House of Parliament copies of the accounts together with his report on them.

[^{F4}(6) In this section “qualified accountant” means a person who is eligible for appointment as a company auditor under section 25 of the Companies Act 1989.]

Textual Amendments

F4 S. 97(6) substituted (1.10.1991) by S.I. 1991/1997, reg. 2, **Sch. para. 59(2)** (with reg. 4).

Modifications etc. (not altering text)

C1 S. 97(1)-(3) modified (1.11.1998) by 1998 c. 38, s. **142(2)** (with ss. 139(2), 143(2)); S.I. 1998/2244, **art. 5**

C2 S. 97(4) applied (with modifications) (1.11.1998) by 1998 c. 38, s. **142(5)** (with ss. 139(2), 143(2)); S.I. 1998/2244, **art. 5**

Marginal Citations

M3 1964 c. 56.

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