



Local Government and Housing Act 1989

1989 CHAPTER 42

PART VI

HOUSING FINANCE

Housing subsidies

79 Housing Revenue Account subsidy

- (1) Housing Revenue Account subsidy shall be payable for each year to local housing authorities.
- (2) Housing Revenue Account subsidy shall be paid by the Secretary of State at such times, in such manner and subject to such conditions as to records, certificates, audit or otherwise as he may, with the agreement of the Treasury, determine.
- (3) Sections 421 to 427A of the Housing Act 1985 (which are superseded, in their application to local housing authorities, by this section and sections 80 and 86 below) shall cease to apply in relation to such authorities.

80 Calculation of Housing Revenue Account subsidy

- (1) The amount of Housing Revenue Account subsidy (if any) payable to a local housing authority for a year shall be calculated in accordance with such formulae as the Secretary of State may from time to time determine; and for any year the first such determination shall be made before the 25th December immediately preceding that year.
- (2) If the amount so calculated is a negative amount, the authority shall for that year carry the equivalent positive amount from their Housing Revenue Account to the credit of some other revenue account of theirs.
- (3) In determining a formula for the purposes of this section for any year, the Secretary of State may include variables framed (in whatever way he considers appropriate) by reference to—

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- (a) any amounts which fall to be or were credited or debited to the authority's Housing Revenue Account for that year or any previous year;
- (b) any amounts which, on such assumptions as the Secretary of State may determine (whether or not borne out or likely to be borne out by events), would fall to be or would have been so credited or debited; and
- (c) such other matters relating to the authority, or to (or to tenants of) houses and other property which are or have been within the account, as he thinks fit;

and the Secretary of State may make any determination falling to be made for the purposes of a formula on the basis of information received by him on or before such date as he thinks fit.

- (4) Without prejudice to the generality of subsection (3) above, a formula may require it to be assumed that the amount for any year of the rental income or housing expenditure of each authority (or each authority in England or in Wales) is to be determined—
 - (a) by taking the amount which the Secretary of State considers (having regard, amongst other things, to past and expected movements in incomes, costs and prices) should be or should have been the aggregate amount for that year of the rental incomes or, as the case may be, the housing expenditure of all of the authorities (or all of the authorities in England or Wales) taken together; and
 - (b) by apportioning that amount between them in such manner as the Secretary of State considers appropriate (which may involve, if he thinks fit, inferring the aggregate values of the houses and other property within their respective Housing Revenue Accounts from the average values of any of the houses and other property which they have disposed of);

and in this subsection “rental income” means income falling within item 1 of Part I of Schedule 4 to this Act and “housing expenditure” means expenditure falling within item 1 of Part II of that Schedule or falling to be debited to the authorities' Housing Repairs Accounts.

81 Consequential adjustment of rent rebate subsidy

- (1) In subsection (2) of section 30 of the Social Security Act 1986 (housing benefit finance), for the words “total housing benefit” there shall be substituted the words “relevant benefit” and there shall be added at the end the words “and in this subsection “relevant benefit” means total housing benefit excluding, in the case of a local authority in England and Wales, any Housing Revenue Account rebates granted by them”.
- (2) In subsection (5)(a) of that section, for sub-paragraphs (i) and (ii) there shall be substituted the words “for the credit of a revenue account of theirs which is not a Housing Revenue Account or Housing Repairs Account”.
- (3) For subsection (6) of that section there shall be substituted the following subsection—
 - “(6) Every local housing authority shall for each year carry to the credit of their Housing Revenue Account from some other revenue account of theirs which is not a Housing Repairs Account an amount equal to the aggregate of—
 - (a) so much of each Housing Revenue Account rebate granted by them during the year as was granted in the exercise of a discretion conferred by the housing benefit scheme or in pursuance of such modifications of that scheme as are mentioned in paragraph (b) of subsection (6) of section 28 above (general modifications); and

- (b) unless the authority otherwise determine, so much of each such rebate as was granted in pursuance of such modifications of that scheme as are mentioned in paragraph (a) of that subsection (modifications for disregarding war disablement pensions or war widows' pensions)."

- (4) In subsection (10) of that section, the words "rate fund" shall cease to have effect.
- (5) In section 84(1) of that Act (general interpretation), in the definition of "Housing Revenue Account dwelling" for the words from "Part XIII of the Housing Act 1985)" to the end there shall be substituted the words "Part VI of the Local Government and Housing Act 1989)".

82 Residual debt subsidy for year 1989–90

- (1) Where, in the case of any local housing authorities to whom no housing subsidy is payable for the year beginning 1st April 1989, houses or other property within their respective Housing Revenue Accounts—
 - (a) are disposed of in that year, or
 - (b) are in that year the subject of such other transactions as the Secretary of State may determine,residual debt subsidy shall be payable for that year to those authorities in respect of costs relating to the houses or other property.
- (2) Residual debt subsidy shall be paid by the Secretary of State at such times, in such manner and subject to such conditions as to records, certificates, audit or otherwise as he may, with the agreement of the Treasury, determine.
- (3) Payment of residual debt subsidy shall be subject to the making of a claim for it in such form, and containing such particulars, as the Secretary of State may from time to time determine.
- (4) Residual debt subsidy paid to a local housing authority shall be credited to the authority's Housing Revenue Account and, accordingly, for the year beginning 1st April 1989 the reference to housing subsidy in item 3 in Part I of Schedule 14 to the Housing Act 1985 shall be taken to include a reference to residual debt subsidy.

83 Calculation of residual debt subsidy

- (1) The amount of the residual debt subsidy (if any) payable to a local housing authority shall be calculated—
 - (a) in accordance with such formulae as the Secretary of State may from time to time determine; and
 - (b) by reference to such houses or other property as the Secretary of State may for the time being determine.
- (2) A determination of the Secretary of State under this section may relate to disposals or other transactions which occur before the making of the determination.

84 Adjustment of housing subsidy for year 1989-90

- (1) In any case where, apart from this subsection and subsection (2) below, the amount of housing subsidy payable to a local housing authority for the year beginning 1st April 1989 would be reduced or extinguished as a result of the transfer from the authority

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to a housing action trust of housing, land or other property as mentioned in section 74 of the Housing Act 1988, the Secretary of State, in the exercise of his power under section 423(2) of the Housing Act 1985, may adjust the authority's base amount for that year to take account of the effect of that transfer.

- (2) If, in accordance with subsection (1) above, the Secretary of State can make an adjustment of a local housing authority's base amount for the year beginning 1st April 1989 to take account of a transfer of housing, land or other property to a housing action trust, he may, instead of or as well as making such an adjustment, take account of the effect of the transfer in the making or varying of any determination for that year under section 424 (housing costs differential) or in the making of any determination under section 425 (local contribution differential) of the Housing Act 1985.
- (3) Subsections (1) and (2) above shall be deemed to have been in force so as to be applicable for the year beginning 1st April 1989.