



Local Government and Housing Act 1989

1989 CHAPTER 42

PART VIII

GRANTS TOWARDS COST OF IMPROVEMENTS AND REPAIRS ETC.

Conditions of grants and repayments

118 Conditions as to completion of works

- (1) In approving an application for a grant, a local housing authority may require as a condition of the grant that the eligible works are carried out in accordance with such specification as they determine.
- (2) Subject to subsection (3) below, it is a condition of the grant that the eligible works are carried out within twelve months from the date of approval of the application concerned.
- (3) The authority may, if they think fit, extend the period of twelve months referred to in subsection (2) above and may, in particular, do so where they are satisfied that the eligible works cannot be, or could not have been, carried out without carrying out other works which could not have been reasonably foreseen at the time the application was made.

119 Condition as to availability for letting

- (1) This section applies where an application for a renovation grant or a disabled facilities grant, other than an application for a disabled facilities grant in respect of works to the common parts of a building containing flats, has been approved by a local housing authority and the application for the grant was accompanied by a certificate of intended letting.
- (2) It is a condition of the grant that throughout the initial period—

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- (a) the dwelling will be let or available for letting as a residence, and not for a holiday, on a tenancy which is not a long tenancy by the owner for the time being of the dwelling to a person who is not connected with him, or
- (b) the dwelling will be occupied or available for occupation by a member of the agricultural population in pursuance of a contract of service and otherwise than as a tenant,

disregarding any part of that period in which neither of the above paragraphs applies but the dwelling is occupied by a person who is a protected occupier under the Rent (Agriculture) Act 1976 or is occupied under an assured agricultural occupancy, within the meaning of Part I of the Housing Act 1988.

- (3) For the purposes of subsection (2) above, a person is connected with the owner for the time being of a dwelling if,—
 - (a) in a case where personal representatives or trustees are the owner, he is a person who under the will or intestacy or, as the case may be, under the terms of the trust concerned is beneficially entitled to an interest in the dwelling or to the proceeds of sale of the dwelling; and
 - (b) in any other case, he is a member of the family of the owner.
- (4) It is also a condition of the grant—
 - (a) that if, at any time within the initial period, the local housing authority by whom the grant was paid serve notice on the owner of the dwelling requiring him to do so, he will, within the period of twenty-one days beginning on the date on which the notice was served, furnish to the authority a statement showing how the condition in subsection (2) above is being fulfilled; and
 - (b) that, if required to do so by the owner of the dwelling, any tenant of the dwelling will furnish the owner with such information as he may reasonably require to enable him to comply with a notice served under paragraph (a) above.
- (5) A condition under subsection (2) or subsection (4) above is a local land charge and shall, subject to subsection (9) and section 125 below, remain in force with respect to the dwelling for a period of five years from the certified date.
- (6) So long as a condition under subsection (2) or subsection (4) above remains in force with respect to a dwelling—
 - (a) it is binding on any person, other than a local housing authority or registered housing association, who is for the time being the owner of the dwelling; and
 - (b) it is enforceable against all other persons having an interest in the dwelling as if it were a condition of the terms of every tenancy of, or of property including, the dwelling.
- (7) In the event of a breach of a condition under subsection (2) or subsection (4) above, the local housing authority may demand that the owner for the time being of the dwelling pay a sum equal to the amount of the grant less so much (if any) of it as has already been repaid under section 120 below, together with compound interest on that sum as from the certified date, calculated at such reasonable rate as the local housing authority may determine and with yearly rests.
- (8) The local housing authority may determine not to make such a demand or may demand a lesser amount.

- (9) On satisfaction of the liability arising from a demand under this section, the conditions under subsections (2) and (4) above and subsection (2) of section 120 below shall cease to be in force with respect to the dwelling in question.

120 Condition requiring repayment of grant in case of certain disposals where certificate of intended letting given

- (1) This section applies where an application for a renovation grant (other than a tenant's application) has been approved by a local housing authority and the application for the grant was accompanied by a certificate of intended letting.
- (2) It is a condition of the grant that—
- (a) where an owner makes a relevant disposal (other than an exempt disposal) of the dwelling with vacant possession within the initial period, he shall pay to the local housing authority on demand the amount of the grant; and
 - (b) where an owner makes such a disposal otherwise than with vacant possession within the initial period, he shall pay to the authority on demand the amount of the grant, reduced by one-fifth for each complete year which has elapsed after the certified date and before the disposal.
- (3) A condition under subsection (2) above is a local land charge and shall, subject to subsection (5) and section 125 below, remain in force with respect to the dwelling for a period of five years from the certified date.
- (4) So long as a condition under subsection (2) above remains in force with respect to a dwelling it is binding on any person who is for the time being an owner of the dwelling.
- (5) On satisfaction of the liability arising from a demand under this section, any condition under subsection (2) above shall cease to be in force with respect to the dwelling in question.
- (6) The expressions "relevant disposal" and "exempt disposal" have the meanings assigned by section 124 below.

121 Condition requiring repayment of grant in case of certain disposals where owner-occupation certificate given

- (1) This section applies where an application for a renovation grant has been approved by a local housing authority and the application for the grant was accompanied by an owner-occupation certificate.
- (2) It is a condition of the grant that, where an owner makes a relevant disposal (other than an exempt disposal) of the dwelling within the period of three years beginning on the certified date, he shall pay to the authority on demand the amount of the grant, reduced by one-third for each complete year which has elapsed after the certified date and before the disposal.
- (3) A condition under subsection (2) above is a local land charge and shall, subject to subsections (5) to (7) and section 125 below, remain in force with respect to the dwelling for a period of three years from the certified date.
- (4) So long as a condition under subsection (2) above remains in force with respect to a dwelling it is binding on any person who is for the time being an owner of the dwelling.

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- (5) In any case where—
- (a) there is a relevant disposal of the dwelling concerned which is an exempt disposal; or
 - (b) there is a relevant disposal of the dwelling concerned (not being an exempt disposal) for no consideration or for consideration of an amount less than that either prescribed, or calculated in accordance with a formula prescribed, by regulations made by the Secretary of State;
- any condition under subsection (2) above shall cease to be in force with respect to the dwelling.
- (6) On satisfaction of the liability arising from a demand under this section, any condition under subsection (2) above shall cease to be in force with respect to the dwelling in question.
- (7) In any case where—
- (a) within the period referred to in subsection (2) above an owner makes a relevant disposal of the dwelling concerned (not being an exempt disposal), and
 - (b) the authority having the right to demand payment from the owner as mentioned in that subsection are satisfied that he is elderly or infirm and is making the disposal with the intention of going to live in sheltered housing or a residential care home as his only or main residence,
- the authority may determine not to make any demand under subsection (2) above and, on the making of such a determination, any condition under that subsection shall cease to be in force with respect to the dwelling.
- (8) The expressions “relevant disposal” and “exempt disposal” have the meanings assigned by section 124 below.

122 Conditions relating to HMO grant

- (1) This section applies where an application for an HMO grant has been approved by a local housing authority; and in the following provisions of this section “the house” means the house to which the eligible works relate.
- (2) It is a condition of the grant that, throughout the initial period, the house will be residentially occupied or available for residential occupation, under tenancies or licences, by persons who are not connected with the owner for the time being of the house.
- (3) The references in subsection (2) above to residential occupation do not include occupation for a holiday; and subsection (3) of section 119 above applies for the purposes of subsection (2) above, substituting a reference to a house for any reference to a dwelling.
- (4) It is also a condition of the grant—
- (a) that if, at any time within the initial period, the local housing authority by whom the grant was paid serve notice on the owner of the house requiring him to do so, he will, within the period of twenty-one days beginning on the date on which the notice was served, furnish to the authority a statement showing how the condition in subsection (2) above is being fulfilled; and
 - (b) that, if required to do so by the owner of the house, any tenant or licensee in residential occupation of the house will furnish the owner with such

information as he may reasonably require to enable him to comply with a notice served under paragraph (a) above.

(5) In any case where—

- (a) there is, with respect to the house, a breach of a condition under subsection (2) or subsection (4) above, or
- (b) at any time within the initial period the local housing authority have given a direction under section 354 of the Housing Act 1985 (power to limit number of occupants of house) with respect to the house and that direction has not been revoked or varied under section 357 of that Act,

the authority may demand that the owner for the time being of the house pay a sum equal to the amount of the grant, together with compound interest on that sum as from the certified date, calculated at such reasonable rate as the authority may determine and with yearly rests: but the authority may determine not to make such a demand or may demand a lesser amount.

(6) It is also a condition of the grant that, if an owner makes a relevant disposal of the house (other than an exempt disposal) within the initial period, he shall pay to the local housing authority on demand the amount of the grant.

(7) A condition under any of subsections (2), (4) and (6) above (in the following provisions of this section referred to as “an HMO condition”) is a local land charge and, subject to subsection (9) and section 125 below, shall remain in force with respect to the house for a period of five years from the certified date.

(8) So long as an HMO condition remains in force with respect to a house it is binding on any person, other than a local housing authority or registered housing association, who is for the time being an owner of the house.

(9) On satisfaction of the liability arising from a demand under subsection (5) or subsection (6) above, any HMO condition shall cease to be in force with respect to the house.

(10) The expressions “relevant disposal” and “exempt disposal” have the meanings assigned by section 124 below.

123 Condition requiring repayment of grant on certain disposals in case of landlord’s common parts application

(1) This section applies where a landlord’s common parts application has been approved by a local housing authority.

(2) It is a condition of the grant that where the applicant makes a relevant disposal (other than an exempt disposal) of the building within the initial period, he shall pay to the local housing authority on demand the amount of the grant.

(3) A condition under subsection (2) above is a local land charge and shall, subject to subsection (5) and section 125 below, remain in force with respect to the building for a period of five years from the certified date.

(4) So long as a condition under subsection (2) above remains in force with respect to a building it is binding on any person who is for the time being a successor in title to that interest in the building by virtue of which, under section 105(2)(b) above, the applicant made his application.

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- (5) On satisfaction of the liability arising from a demand under this section, any condition under subsection (2) above shall cease to be in force with respect to the building in question.
- (6) The expressions “relevant disposal” and “exempt disposal” have the meanings assigned by section 124 below.

124 Meaning of relevant disposal and exempt disposal for the purposes of sections 120 to 123

- (1) A disposal, whether of the whole or part of the dwelling, is a relevant disposal for the purposes of sections 120 to 123 above if it is—
 - (a) a conveyance of the freehold or an assignment of the lease, or
 - (b) the grant of a lease (other than a mortgage term) for a term of more than 21 years otherwise than at a rack rent.
- (2) For the purposes of subsection (1)(b) above it shall be assumed—
 - (a) that any option to renew or extend a lease or sub-lease, whether or not forming part of a series of options, is exercised, and
 - (b) that any option to terminate a lease or sub-lease is not exercised.
- (3) A disposal is an exempt disposal for the purposes of sections 120 to 123 above if it is—
 - (a) a disposal of the whole of the dwelling and a conveyance of the freehold or an assignment of the lease and the person or each of the persons to whom it is made is a qualifying person as defined in subsection (4) below;
 - (b) a vesting of the whole of the dwelling in a person taking under a will or on an intestacy;
 - (c) a disposal of the whole of the dwelling in pursuance of an order made under section 24 of the Matrimonial Causes Act 1973 (property adjustment orders in connection with matrimonial proceedings) or section 2 of the Inheritance (Provision for Family and Dependants) Act 1975 (orders as to financial provision to be made from estate);
 - (d) a compulsory disposal as defined in section 161 of the Housing Act 1985 (meaning of compulsory disposal);
 - (e) a disposal of property consisting of land included in the dwelling by virtue of section 184 of that Act (land let with or used for the purposes of the dwelling-house); or
 - (f) a disposal under which the interest of a person entitled to assistance by way of repurchase under Part XVI of that Act (assistance for owners of defective housing) is acquired in accordance with Schedule 20 to that Act.
- (4) A person is a qualifying person for the purposes of subsection (3)(a) above if—
 - (a) in the case of an individual, he is—
 - (i) the person, or one of the persons, by whom the disposal is made;
 - (ii) the spouse, or former spouse, of that person or one of those persons; or
 - (iii) a member of the family of that person or one of those persons; or
 - (b) in the case of a company, it is an associated company of the company by whom the disposal is made;

and, for the purposes of paragraph (b) above, section 416 of the Income and Corporation Taxes Act 1988 (meaning of associated company) shall apply in determining whether a company is an associated company of another.

- (5) For the purposes of sections 120 to 123 above, the grant of an option enabling a person to call for a relevant disposal which is not an exempt disposal shall be treated as such a disposal made to him.

125 Repayment of grant

- (1) Any reference in this section to a “grant condition” is a reference to a condition for the time being in force under subsection (2) or subsection (4) of section 119 above, subsection (2) of section 120 above, subsection (2) of section 121 above, any of subsections (2), (4) and (6) of section 122 above or subsection (2) of section 123 above.
- (2) If at any time while a grant condition remains in force with respect to a dwelling, house or building.—
- (a) the owner of the dwelling, house or building to which the condition relates pays the amount of the grant to the local housing authority by whom the grant was made, or
 - (b) a mortgagee of the interest of the owner in that dwelling, house or building being a mortgagee entitled to exercise a power of sale, makes such a payment,
- the grant condition and any other grant conditions shall cease to be in force with respect to that dwelling, house or building.
- (3) In the case of a grant condition imposed on a landlord’s common parts application any reference in subsection (2) above to the owner of the building is a reference to the applicant or any such successor in title as is referred to in section 123(4) above.
- (4) An amount paid by a mortgagee under subsection (2)(b) above shall be treated as part of the sums secured by the mortgage and may be discharged accordingly.
- (5) The purposes authorised for the application of capital money by—
- (a) section 73 of the Settled Land Act 1925,
 - (b) that section as applied by section 28 of the Law of Property Act 1925 in relation to trusts for sale, and
 - (c) section 26 of the Universities and College Estates Act 1925,
- include the making of payments under subsection (2) above.

126 Renovation grants relating to two or more dwellings

- (1) Subject to subsection (2) below, no application for a renovation grant may be made in respect of more than one dwelling.
- (2) A single application may be made for a renovation grant towards the cost of works required for the provision of two or more dwellings by the conversion of a house or other building.
- (3) In the case of such a single application as is referred to in subsection (2) above—
- (a) for the purposes of section 106 above, a separate certificate may be given in respect of each dwelling or in respect of any one or more of them;
 - (b) if the application is accompanied by more than one certificate and at least one of them is an owner-occupation certificate or a special certificate the application shall be treated as falling within section 109 above and not within section 110 above;

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- (c) each dwelling shall be treated separately for the purposes of sections 119 to 125 above; and
- (d) the grant shall, for those purposes, be treated as apportioned equally between each of the dwellings, and any reference in those sections to the amount of the grant shall be construed accordingly.