

HOUSING ACT 2004

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 6

Section 220: Additional power to give grants for social housing

514. **Section 220** inserts a new section 27A into the Housing Act 1996 thereby extending the powers of the relevant authority (the Housing Corporation in respect of England, and the National Assembly for Wales in respect of Wales) to allow it to give grants to persons that are not registered social landlords (RSL). The Interpretation Act 1978 defines "persons" as including a body of persons corporate or unincorporate.
515. Grants may be given under this new power for the purposes set out in subsection (2), which are essentially the same social housing purposes for which social housing grant is currently provided to RSLs.
516. Subsection (3) provides the Secretary of State with an order-making power to make any provisions in connection with the making of grants considered necessary, in particular such an order may define any equity percentage arrangements, specify or define the bodies from whom prospective purchasers may obtain mortgages, and to establish the priority of such mortgages. An order under subsection (3) will be subject to negative resolution.
517. The grant under the new section 27A may be given subject to conditions and, in relation to any grant given by the Housing Corporation, subsections (3) and (5) allow the Secretary of State to prescribe, by order, conditions which must be imposed or matters about which the Housing Corporation must impose conditions, and any effects such conditions must achieve.
518. Where such conditions are prescribed by the Secretary of State, the Housing Corporation is under a duty impose those conditions on any grant it makes, (see subsection (7)(a)) and is prevented from imposing conditions itself which conflict with such prescribed conditions, (see subsection (7)(b)).
519. Subsection (6) places a duty on the relevant authority to specify the procedure to be followed for applications for grants; the circumstances in which grants will be payable; the method for calculating grant and any limitations on its amount; and, the manner in which grants will be paid.
520. The relevant authority will have the power under subsection (9) to impose conditions requiring a sum it has determined to be paid to it by the grant recipient in specified circumstances, with or without interest.
521. **Section 220** also inserts a new section 27B, which deals with what happens where a property built using grant provided under section 27A is transferred either to another non-RSL, or is transferred to an RSL.

*These notes refer to the Housing Act 2004 (c.34) which
received Royal Assent on Thursday 18 November 2004*

522. This new section provides that, whenever a property for which grant is payable under section 27A is transferred to another non-RSL, the grant is treated as if it were payable to that other non-RSL. In the event of such a transfer the new section ensures that any conditions applied to the grant are transferred to the transferee where either the whole or part of the grant has been paid.
523. This new section also provides that, where a non-RSL transfers grant-funded property to an RSL, the grant is treated as if it had been given to the RSL under section 18 of the Housing Act 1996. This means that it will attract the grant conditions which would usually be imposed if the grant had been given under section 18.
524. For the purpose of new section 27B a property is transferred when it vests in or is leased for a term of years to, or reverts to, the transferee.